The 15th International Research Conference on Management and Finance (IRCMF – 2020)

CONFERENCE PROCEEDINGS

27th November 2020

THRIVING IN TURBULENT TIMES

Faculty of Management and Finance
University of Colombo, Sri Lanka

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PROCEEDINGS OF THE 15TH RESEARCH CONFERENCE ON MANAGEMENET AND FINANCE – 2020

ISBN 978 - 955 - 703 - 078 - 4

November 2020

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MESSAGE FROM THE VICE CHANCELLOR

It gives me great pleasure to write this message of felicitation on the occasion of the 15th International Research Conference on Management and Finance (IRCMF, 2020) organized by the faculty of Management and Finance, University of Colombo. Research and its dissemination is a vital obligation of any seat of higher learning. UoC's Faculty of Management & Finance is a leader with an excellent track record in Sri Lanka and the region. I congratulate the Dean, Heads of Departments and all staff and students for giving of their best to support the two co-chairs in sustaining this practice, despite the COVID19 pandemic that afflicts our country and city right now. The sustained provision of a scientific forum that encourages staff and students to deliberate on an evidence-based approach to policy formulation, planning and implementation of the related fields in Management & Finance is a key objective of your conference. This year brings forth and added purpose to formulate a cohesive strategy to ensure time appropriate economic and development processes to be put in place during the threat of disease and disruption of all sectors, particularly the business sector. I am confident that this conference will enable appropriate discussions for recommending to the government and corporate sectors a scientific and pragmatic approach to mitigate the impact of COVID19 on the most vulnerable sectors of our society.

I take this opportunity to thank the Dean and Faculty for encouraging our university community to develop an ethos of entrepreneurship across multiple disciplines and ensure our UoC products are the "best of the best" in the related fields. I wish you happy and fruitful deliberation and discussion and a highly successful scientific session in parallel with the best of health and safety.

Yours truly,

Professor Chandrika N. Wijeyaratne
Vice-chancellor
University of Colombo
Sri Lanka.

MASSEAGE FROM THE DEAN

I am delighted to send this message for the 15th Annual International Research Conference on Management and Finance (IRCMF 2020) of the Faculty of Management and Finance of the University of Colombo.

The IRCMF 2020 is a special milestone as the faculty hosts the conference in the online platform as result of the prevailing pandemic situation. Reflecting the current economic challenge, the conference is designed under the theme of “Thriving in the Turbulent Times” with the Keynote speech serving the same theme. In addition, IRCMF 2020 is coupled with the salient event of the Doctorial Colloquium. The Doctorial Colloquium provides an excellent platform for doctoral students to present and share their research ideas to obtain in-depth feedback from peers and experienced and renowned researchers and academics for obtaining valued inputs to further improve their research.

The need for handling organizational problems in a scientific and systematic manner is vital given the complexities and the dynamism in the environments in which we conduct business. This context necessitates a growing body of research vital for enriching management practice and for improving organisational outcomes. A conference of this nature not only brings those interested in the inquiry of management research to one platform, but it also inculcates the research culture among the fraternity, thereby, contributing to the development of the nation. In this light, IRCMF strives to create a research culture among academia and disseminate the knowledge created with other stakeholders in a timely manner, in the midst of healthy debate.

I am sure that the conference will contribute towards nurturing a much needed research culture among Sri Lankan academics as well as practitioners and trigger interactions among researchers to exchange ideas of recent advances in the area of management. I take this opportunity to thank the conference co-chairs, track coordinators, reviewers, the organising committee, conference secretariat, and more specifically the authors, for their contribution in successfully organising and managing this conference.

I wish the Annual International Research Conference on Management and Finance (IRCMF) 2020 a grand success.

Dr. M P P Dharmadasa
Dean, Faculty of Management & Finance
University of Colombo
Sri Lanka

MESSEGE FROM CO-CHAIRS OF THE CONFERENCE

We would like to warmly welcome you to the 15th International Research Conference on Management and Finance (IRCMF) organized by the Faculty of Management and Finance of the University of Colombo. This year's conference is a milestone, not only because it is the 15th anniversary of the IRCMF, but also the first ever conference hosted in an online platform in the faculty.

This year, our theme is "Thriving in Turbulent Times". Given the prevailing economic uncertainty developed due to Covid-19, we presume that the theme is more topical than ever. The IRCMF 2020 encompasses full paper-driven parallel sessions presenting the latest research in different fields of Management, followed by a plenary session to inspire discussions as well as knowledge exchanges among numerous stakeholders. The Doctoral Colloquium is adjoined to the IRCMF 2020 and this offers the opportunity to prospective PhD candidates to showcase their research ideas and to gather valuable insights from a distinguished panel of academics.

We are honoured to have Professor Premachandra Athukorala, Professor in Economics, Arndt-Corden Department of Economics, Crawford School of Public Policy of the Australian National University, Australia as our keynote speaker, along with distinguished panelists representing various universities.

Last but not the least, we would like to offer our sincere gratitude to a range of individuals, without whom this year's conference would not take place. Firstly, we would like to thank all the conference delegates, the secretaries, track chairs and track coordinators, session chairs, the panel of reviewers, editors, members of the organizing committee, doctoral colloquium organizers, and plenary speakers for their immense contributions We are also grateful to the Dean of the Faculty and to all our colleagues of the University of Colombo who have played vital roles in contributing towards the successful launch of this conference.

We hope IRCMF 2020 will prove to be a memorable event that will challenge, excite and inspire you!

IRCMF 2020 – Conference Co-chairs

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DOCTORAL COLLOQUIUM – 2020

It is our pleasure to warmly welcome you to the sixth Doctoral Colloquium of the Faculty of Management and Finance, University of Colombo, organized in conjunction with the 15th International Research Conference on Management and Finance (IRCMF – 2020).

The key purpose of the sixth Doctoral Colloquium organized by the Faculty of Management and Finance, is to provide doctoral students an effective platform in which they can present their work-in-progress and obtain constructive feedback from expert scholars in respective fields. The event will also provide an opportunity for doctoral students to network with each other and academics. Additionally, Professor Ramani Samaratunga, Monash University and Professor Arosha Adikaram, University of Colombo has been invited to deliver guest speeches, which will help in providing students, useful insights to survive the PhD/DBA journey within the stipulated time.

This year the colloquium includes two key tracks: Management and Organizational Studies and HRM, Marketing, Accounting and Finance where 13 extended abstracts will be presented. A short summary of these abstracts will be appearing in the main IRCMF 2020 proceedings.

While we congratulate the doctoral candidates representing various universities for being selected to be a part of our conference, we would like to extend our sincere gratitude to all those involved in making this colloquium a success: the Vice Chancellor, University of Colombo, Dean, Faculty of Management and Finance, Senior Assistant Registrar, Faculty of Management and Finance, the Chairpersons and scholarly members of the reviewing panels and all other members of the academic staff, for extending your support in making this event a success. We also thank the Keynote Speakers for accepting our invitation at the inaugural session despite their busy schedules.

We hope you will have a fruitful experience in the IRCMF Doctoral Colloquium – 2020 and wish all participants success in their research journeys!

Co-chairs of Doctoral Colloquium- 2020:

Dr. Maduka Udunuwara
Senior Lecturer
Department of Marketing
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Ruwangi Chandrasekara
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PROFILE OF THE KEYNOTE SPEAKER

Prema-chandra Athukorala

Professor of Economics

Australian National University

Prema-chandra Athukorala is Professor of Economics in the Arndt-Corden Department of Economics at the Australian National University (ANU), Fellow of the Academy of the Social Sciences in Australia, Honorary Professorial Research Fellow in the School of Environment and Development at the University of Mancester, UK.

His research interests are primarily in the fields of development macroeconomics, international trade and development, multinational enterprises and foreign direct investment, and international labour migration. His publications include 117 papers in scholarly journals; 10 books including Trade Policy Issues in Asian Development (Rutledge, 1998), Structural Adjustment and labour Migration in East Asia (Oxford University Press 1999). Liberalization and Industrial Adjustment: Sri Lanka in International Perspective (Oxford University Press, 2000), Saving, Investment and Growth in India (Oxford University Press, 2002) and Multinational Enterprises in Asian Development (Edward Elgar, 2007); 7 edited books; and 75 chapters in multi-author books.

Professor Athukorala has served, at various times, as a consultant to the World Bank, Asian Development Bank, Asian Development Bank Institute, International labour Organisation, United Nations Industrial Development Organisation, World Trade Organization, United Nations International Trade Centre, and the Australian Agency for International Development. These assignments have resulted in work on Bangladesh, Cambodia, Ethiopia, Georgia, India, Indonesia, Jordan, Laos, Malaysia, Nepal, Pakistan, Sri Lanka, Thailand Vietnam, Mongolia and Kyrgyz Republic.

Theme of Keynote Speech IRCMF 2020:

“*Global Production Sharing and Trade Patterns: Implications for Trade and Investment Policy Research”*

Contents

Accounting

THE IMPACT OF CORPORATE SOCIAL RESPONSIBILITY ON COMPASSION AT WORK WITH THE MODERATING ROLE OF RELIGIOSITY: EVIDENCE FROM LICENSED COMMERCIAL BANKING SECTOR OF SRI LANKA

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1. INTRODUCTION

The current belief that corporations have a responsibility towards society is not new, and this concept is used with a strategic perspective to derive an advantage (Agudelo, Jóhannsdóttir & Davídsdóttir, 2019). The concept of Corporate Social Responsibility (CSR) has been studied within the macro Organizational Behavior (OB) literature for a considerable period of time (Moon et al., 2013; Subba & Rao, 2016) whereas the concept 'compassion' has recently received attention in organizations at a micro level. Care and compassion have the capability to cater to an interconnected, suffering and surprising world. One of the most famous scientists of the twentieth century, Albert Einstein has mentioned the importance of compassion as: *"…. our task must be to free ourselves from this prison by widening our circle of compassion to embrace all living creatures and the whole of nature in its beauty…*" (Albert Einstein, personal letter from 1950; quoted in the New York Times, 1972 cited by Rynes et al., 2012). Since compassion provides the necessary equilibrium between a company's purpose and the needs of its communities, it should be the new philosophy of business (Bejou, 2011). Many successful companies place their attention on creating a culture of compassion in the workplace since they are acknowledged of the power of a kinder workplace in generating profound effects on morale, productivity and, ultimately the financial bottom line (Podsakoff et al., 2000). However, the researchers of this study could find only a handful of studies that have analyzed the impact of the perceptions of CSR engagement on compassion at work of employees, being two highly important contemporary concepts pertaining to organizations. In a personal note, one of the researchers of this study had certain negative personal experiences on non-existence of compassion among the superiors and colleagues in one of the former employments at a licensed commercial bank of that researcher. Furthermore, the researcher had observed how some of

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that researchers' colleagues had been impacted due to non-display of compassion by other staff members in that bank. On the other hand, 'religiosity' of individuals creates the background for ethical evaluation and influences one's attitudes and behaviors, and most of the religions highlight the importance of helping others and charitable actions (Ranganathan & Henley, 2008). However, the researchers of this study observe that there is mixed evidence as to whether religion impacts the act of helping others. The capability of religiosity to act as a moderator coupled up with the impact of CSR perceptions on compassion at work is unknown and inconclusive despite these constructs are appealing and promising especially in the Sri Lankan context. Thus, observation of the extant literature indicates that there is a gap to be addressed whether religiosity could moderate the relationship between CSR and compassion at work particularly in the banking sector in Sri Lanka. Banking sector is one of the most important and critical sectors of any country. In that milieu, considering the contemporary importance, negative personal experiences, dearth of studies and unexplored moderation effect of religiosity, the main objectives of this study are as follows; firstly, the study intends to examine the relationship between the CSR perception and compassion at work of banking employees and secondly, to examine the moderating effect of religiosity on the relationship between CSR and Compassion at work of them.

In terms of significance this study, contributes empirically and practically. Examining of the said relationships would provide an insight as to whether perception of CSR enhances banking employees' level of compassion at work. In addition, the study explores whether their level of religiosity enhances their level of compassion. These findings would enrich existing observed dearth in literature related to the banking context. Moreover, in terms of practical significance, this study's findings would benefit parties including human resource personnel and other related parties where they could change their view on CSR and religiosity and look forward to different ways of enhancing compassion at work among their employees. Furthermore, in terms of methodological significance, in CSR literature the use of structural equation modelling to test hypotheses of complex models and non-normal data is still underutilized and is undertaken in this study.

The next section reviews the extant literature on theories and key contributions of the selected area of this research, which is followed by a section on the methodology applied. The findings derived and the discussion thereon are discussed next. Finally, the conclusion of this study is presented in the last section.

2. LITERATURE REVIEW

2.1 Social Identity Theory (SIT)

The Social Identity Theory (SIT) suggests that individuals view themselves as members of social categories such as organizational membership, religious affiliation, gender and age cohort and they compare their characteristics and the groups with other individuals and groups in order to enhance their positive self-concept (Ashforth & Mael, 1989; Turner, 1985; Tajfel & Turner, 1986). According to SIT, people prefer to associate with groups that permit themselves to visualize their identity in distinctive and positive manner (Mael & Ashforth, 1992). According to Ashforth and Mael (1989), the factors associated with the identification are the distinctiveness of the group values and practices in relation to those of comparable groups, prestige of the group, and awareness of other groups. Employees like to work in a socially responsible organization. They want to work in a prestigious company and identify them as a member of it. Accordingly, based on SIT, it could be proposed that if an employee starts to be proud of being a member of socially responsible organization, his or her work attitudes can be influenced positively (Ashforth & Mael, 1989; Brammer et al., 2007; Peterson, 2004). Empirical studies have confirmed that CSR creates positive reputation of an organization (Turban & Greening, 1996). Employees are proud to identify themselves with organizations that actively participate in CSR activities, which in turn improves their attitudes and behaviors in the workplace (i.e. compassion at work) (Dutton et al., 1994).

2.2 Social Exchange Theory (SET)

In addition, Blau (1964) indicates that when individuals receive mutual benefits by interacting with a person or a group of persons and the benefits are high, they develop positive feelings towards other party. It leads to feeling of trust, obligation and mutual benefit. Conversely, when they feel this relationship is costly and one sided, they limit the level of investment and a distance appears between parties. Social Exchange Theory (SET) suggests that it sends signals to employees that their organization is caring, kind and benevolent and the employees feel obliged to *reciprocate* the good deeds of their company with positive attitudes and behaviors (Farooq et al., 2013). Employees differentiate their level of reciprocity based on exchange ideologies "*that work effort should depend on treatment by the organization*" (Eisenberger et al., 1986, p.503). Thus, employees vary their work effort based on how favorably they are treated, and the benefits received from the organization (David, 2010). This was further elaborated by Eisenberger et al. (1986) that employees who benefit from organization will feel obliged to reciprocate by performing behaviors that benefit the organization. In summary, engaging in CSR activities have the potential of enhancing employees' identity and strengthening the exchange relationship which will lead to positive attitudes and behaviors.

Having discussed the theoretical underpinnings, the next section discusses related extant empirical studies.

2.3 Impact of CSR on Compassion at Work

Employees who perceive their organization positively due to its CSR activities develop a positive identity which in turn encourage them to raise their prosocial behaviors such as compassionate acts among members (Baruch & Bozionelos, 2010; Moon et al., 2014; Subba & Rao, 2016; Hur et al., 2016). As indicated in Section 2.1 and 2.2 above, Social Identity Theory and Social Exchange Theory assert this relationship. Accordingly, based on these arguments, the following hypothesis is proposed:

H₁: There is a positive relationship between the perception on CSR engagement and Compassion at work of banking employees

2.4 Religiosity

Religion does play a significant role in shaping an individual's perceptions of CSR and the attitude towards aspects of CSR varies across religions (Brammer et al., 2007). Certain scholars such as Brammer et al. (2007), Gani et al. (2012), Ariffin, Ismail and Shah (2016), Kashif, Zarkada and Thurasamy (2016) have examined the relationship between religiosity and CSR orientation and concluded that more religious individuals tend to exhibit greater orientation towards CSR. As per literature, there is a significant impact of level of religiousness on attitude towards helping others (Ranganathan & Henley, 2008; Tsarenko & Tojib, 2012; Hopkins, Shanahan & Raymond 2014). Accordingly, based on this arguments and observations, it could be hypothesized of a moderating effect of religiosity on the relationship between the employees' perception of CSR engagement and Compassion at work, and the following hypothesis could be proposed:

H_2: Religiosity has a moderating effect on the relationship between CSR and Compassion at work of banking employees

Based on literature review above, the conceptual framework of this study could be constructed as follows.

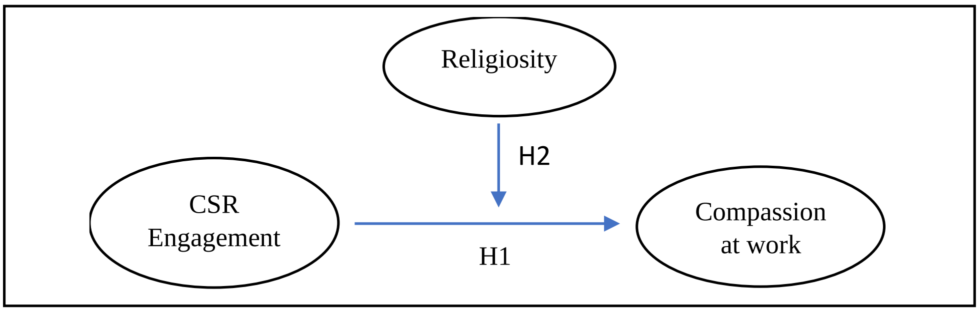

Figure 1. Conceptual framework.

3. METHODOLOGY

The study examines the relationships between variables, and thus, a quantitative strategy was utilized that falls under the positivistic paradigm. The population of this study constituted employees of licensed commercial banks in Sri Lanka. Data was collected from a sample of employees representing 13 domestic licensed commercial banks in Sri Lanka and constituted of 410 respondents. Covering all thirteen domestic licensed commercial banks, employees of both executive level and non-executive level were selected that also represented different demographic groups. A self-administered structured questionnaire was used as the data collection method which was developed based on a comprehensive literature review and refined based on expert opinions and a pilot survey. CSR scales of Turker (2009), Fatma et al. (2014), Garcia et al. (2005) and Maignan (2000) were adapted to measure level of CSR engagement. Pommier's (2010) compassion scale was used to measure compassion at work with amendments to suit the context. In order to measure the level of religiosity, the comprehensive scales of Cornwall et al. (1986) and Parboteeah et al. (2008) were considered where amendments were done to almost all the items in order to make it applicable to the Sri Lankan context.

Data collection was facilitated using convenience sampling strategy due to non-availability of the sampling frame. The researcher ensured demographic profile of the population has been reasonably represented and approximated by the selected sample. To test the hypotheses of this study structural equation modelling accompanied by Smart PLS was utilized.

4. FINDINGS AND DISCUSSION

After testing for the convergent validity and discriminant validity of the structural model (that were within the tolerable/expected limits and criteria), the table below indicates the results of the hypotheses tested in this study.

4.1 Direct Impact of CSR on Compassion at Work

The findings indicate that banking employees' perception of their organization's CSR activities has the potential to significantly and positively impact their level of compassion at work, i.e. higher the level of positive perception about CSR engagement leads to higher the level of their compassion.

4.2 Moderating Effect of Religiosity on the Relationship between CSR and Compassion at Work

As per the results, religiosity did not moderate the relationship between CSR and compassion at work. When pursuing through literature, it is observed that religiosity may not necessarily imply altruistic, helping behavior. Effects of religiosity on attitudes and behaviors may be situational. Scholars such as Tse and Au (1997), Saat et al. (2009), Bloom (2012) have empirically supported that higher levels of religiosity does not moderate the relationships examined. They claim that even though it was expected, due to cultural differences, religiosity did not moderate the examined relationships.

Table 1 : Summary of Hypotheses

Hypothesis	Path	Path coefficient	t-statistic	p-value	Supported or not supported
H1: There is a positive relationship between CSR and Compassion at work of banking employees	CSR→CAW	0.372	8.405	0.000	Supported
H2: Religiosity has a moderating effect on the relationship between CSR and Compassion at work of banking employees	R_1→CAW	0.020	0.392	0.695	Not supported
	RELG→CAW	0.330	6.943	0.000	

Source : Authors constructed

Furthermore, this result of non-significant relationship could be attributed to the findings of Allport (1967) who found that when the selected sample consists of extrinsically motivated individuals, religion has no impact on their attitudes and behaviors in a positive manner. However, as per the analysis, it was evident that religiosity has a significant impact on compassion at work. In conclusion, it is observed that religiosity has a significant impact on banking employees' compassion at work in the Sri Lankan setting but is not having a significant impact on the relationship between CSR and compassion at work.

5. CONCLUSION AND IMPLICATIONS

The first objective of this study was to investigate the impact of CSR on compassion at work. The results of this study indicated that banking employees get a positive perception about their organization when their organization engages in CSR activities, i.e. employees' positive perception about their organization's CSR activities predominantly shape employees' compassionate acts within an organization. The second objective examined the moderating effect of religiosity on the CSR engagement and Compassion at work. As per the results, religiosity did not moderate the relationship between CSR and compassion at work. However, religiosity has a significant impact on compassion at work. The results imply that even though religiosity does not moderate the relationship, it could make a significant impact on banking employees' attitudes and behaviors.

Empirically, this study further enriches existing dearth of literature on the impact of CSR at micro level highlighting the employees' perception on CSR leads to higher level of compassion at work. Also, the findings of this research would enhance literature related to micro CSR in Sri Lankan licensed commercial banking sector. Further, empirical studies are lacking which inquired on the moderating ability of religiosity. As per the results of this study, religiosity did not moderate the relationships between CSR and compassion at work.

Practically, human resource managers and others could understand the value that could be generated through CSR activities. If an organization looks forward to enhancing better relationships with employees, engaging in CSR activities could be observed to be a must. Moreover, managers could pay more attention to religiosity since it has the potential of impacting individuals' level of compassion.

To obtain an overall understanding of the total banking sector, future research could consider savings and development banking sector as well. In addition, future studies could consider cultural characteristics and individual differences as possible moderators.

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DETERMINANTS OF INDIVIDUAL TAXPAYERS' TAX COMPLIANCE BEHAVIOUR IN SRI LANKA

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1. INTRODUCTION

Jayawardana and Low (2017) state that there is a compliance issue among individual taxpayers in Sri Lanka, and found four key factors i.e. tax rate, probability of being audited, non-complexity of tax system and probability of detection to be causing the non-compliance. Besides that, the loopholes in the enforcement actions and weaknesses in the tax audit cause to increase the level of non-compliance in Sri Lanka (Jayawardane & Low, 2016). Findings of Jayawardana and Low (2016; 2017), are the only tax compliance studies available in Sri Lanka so far, and there is a need to upgrade these findings through new studies with the data related to the period when Inland Revenue Act, No. 10 of 2006 was effective. Moreover, we argue that the regression models used in Jayawardana and Low (2016; 2017) need improvements as they have not incorporated tax awareness and knowledge as a moderator on the relationship between the determinants of individual taxpayers' tax compliance behavior and tax compliance level as proposed by Kasipillai, Aripin, and Amran (2013). Separate studies for different countries are required as each country has its own approach to managing tax compliance and each has different tax laws and regulations (Deyganto, 2018). Corresponding to these concerns this study attempts to examine the determinants of individual taxpayers' tax compliance behavior in Sri Lanka under new tax laws enforced in 2018. The study also tests the moderating effect of tax awareness and knowledge in the relationship between the determinants of individual taxpayers' tax compliance behaviour in Sri Lanka.

2. LITERATURE REVIEW

Jayawardane and Low (2017) have conducted a study to explore key determinants of tax compliance behaviour among individual taxpayers in Sri Lanka. They considered tax rate, probability of detection, non-complexity of tax system and probability of detection as key factors, and found all other variables are having significant associations with tax compliance except tax rate. Outcome of the review of relevant past studies on individual taxpayers' compliance behaviour produces mixed findings. Some scholars (i.e. Andreoni et al., 1998) found a significant correlation between tax rate and tax compliance. Jayawardane and Low

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(2017) reveal a significant association between the probability of detection, non-complexity of tax system with tax compliance. In addition, some researchers have prioritized the determinants of tax compliance based on countries. As per Nurlis (2015) taxpayer awareness, knowledge, tax penalties and tax services have a significant effect on individual taxpayer's compliance in Jakarta. Kiow et al. (2017) found that tax compliance behaviour of the individual taxpayers in Malaysia is influenced by ethical perception of individual taxpayers and their ethical perception is affected by public governance and transparency in government operations. A positive attitude will encourage tax compliance, whereas a negative attitude will trigger tax non-compliance (Marti, 2010). Bidin et al. (2011) have proved empirically that attitudes have positive influence on intention. The more the positive attitude of taxpayers the greater the intention to fulfill the tax obligations. Greater subjective norm will make tax professionals to be non-compliant (Mustikasari, 2008). In case the attitude of a tax professional towards tax compliance is positive, but the individual taxpayers do not support his attitude, then, the intention of the tax professional can change exactly the opposite way (Bobek & Hatfield, 2003; Mustikasari, 2008). Therefore, the level of tax compliance is based on taxpayer's perception of how strong the level of tax penalties persuades taxpayer's tax obedient (Andreoni et al., 1998). Hence, it is justified that behavioural beliefs, normative beliefs and control beliefs are determining a person's behaviour. Therefore, tax compliance decisions are determined by behaviours of the taxpayers toward the tax system and other factors.

Moreover, the present study examines the moderator effect of tax awareness and knowledge on the relationship between the determinants of tax compliance and the compliance level of Sri Lankan taxpayers. Every taxpayer is essentially required a certain level of tax knowledge in order to be complied with the tax obligations on time (Loo et al., 2009). Kasipillai et al. (2013) examined that tax awareness and knowledge is functioning as a moderator which may twist the association between determinants and individual's income tax compliance behaviour. They also proved that, tax awareness and knowledge have a significant moderating role on the relationship between individual factors and individual's income tax compliance behaviour. Corresponding to the above empirical findings the study develops the following hypotheses.

H_1: There is a significant relationship between tax rate and individual taxpayers' tax compliance behaviour.

H_2: Tax awareness and knowledge moderates the relationship between the tax rate and individual taxpayers' tax compliance behaviour.

H_3: There is a significant relationship between fairness and transparency of tax system with individual taxpayers' tax compliance behaviour.

H_4: Tax awareness and knowledge moderates the relationship between the fairness and transparency of tax system with individual taxpayers' tax compliance behaviour.

H₅: There is a significant relationship between fines and penalties with individual taxpayers' tax compliance behaviour.

H_6: Tax awareness and knowledge moderates the relationship between fines and penalties with individual taxpayers' tax compliance behaviour.

H_7: There is a significant relationship between the level of actual income and individual taxpayers' tax compliance behaviour.

3. METHODOLOGY

Being a quantitative study, this study employed a structured questionnaire to collect data from 384 individual taxpayers who required complying with new tax laws imposed in 2018 in Sri Lanka. Having ensured the reliability of data through Cronbach Alpha with a value of 0.91, proved normality and multicollinearity assumptions the following regression models were estimated to obtain statistical evidence to test the hypotheses.

$$ITCB_i = \beta_0 + \beta_1 TR_i + \beta_2 FP_i + \beta_3 FTTS_i + \beta_4 LAI_i + \varepsilon_i \text{ ....(1)}$$
$$ITCB_i = \beta_{01} + \beta_5 TR_i * TAK_i + \beta_6 FP_i * TAK_i + \beta_7 FTTS_i * TAK_i + \beta_8 LAI_i + \varepsilon_i \text{ ....(2)}$$

Where, $ITCB_i$ is the individual tax compliance behaviour which is depending on the independent variables tax rate (TR_i), fines and penalties (FP_i), fairness and transparency of tax system ($FTTS_i$), level of actual income (LAI_i) and tax awareness and knowledge (TAK_i). β_0 and β_{01} are the constants of the models and ε_i represents the error term.

4. DATA ANALYSIS

Regression estimates without incorporating the effect of the moderator (i.e. tax awareness and knowledge *[TAK_i]*) are summarized in Table 1. The table evident a statistically significant positive impact from tax rate (TR_i), fines and penalties (FP_i), fairness and transparency of tax system ($FTTS_i$) on individual taxpayers' tax compliance behaviour ($ITCB_i$). Therefore, H_1, H_3, and H_5 of the study are accepted as predicted. However, the reported significant negative impact from level of actual income (LAI_i) leads to reject the H_7 of the study. R-squared value of 0.693 illustrates the independent variables of the model together explains approximately 69% of the variance of individual taxpayers' tax compliance behaviour of Sri Lanka. A high *F*-statistic (i.e. 217.49) shows the model is efficient and robust in estimating the individual taxpayers' tax compliance behaviour.

Table 1: Regression Estimates without Moderator Effect

Model 1: $\boldsymbol{ITCB_i = \beta_0 + \beta_1 TR_i + \beta_2 FP_i + \beta_3 FTTS_i + \beta_4 LAI_i + \varepsilon_i}$		
β_0	0.355	0.000*
β_1	0.120	0.001*
β_2	0.478	0.000*
β_3	0.426	0.000*
β_4	-0.093	0.036**

Notes: Number of observations is 384; * and ** denote significance level $p<0.01$ and $p<0.05$, respectively; adjusted R-squared is 0.693 and *F*-statistic is 217.49

Table 2: Regression Estimates with Moderator Effect

Model 2: $ITCB_i = \beta_{01} + \beta_5 TR_i * TAK_i + \beta_6 FP_i * TAK_i + \beta_7 FTTS_i * TAK_i + \beta_8 LAI_i + \varepsilon_i$		
β_0	1.361	0.000*
β_5	0.916	0.000*
β_6	0.538	0.043**
β_7	-0.658	0.048**
β_8	-0.077	0.063***

Notes: Number of observations is 384; *, ** and *** denote significance level $p<0.01$, $p<0.05$and $p<0.1$, respectively; adjusted R-squared is 0.746 and *F*-statistic is 161.42

As per the Regression coefficients in Table 2, the strengths of the relationships reported in Table 1 has changed after including the moderating variable into the regression analysis. Although the statistically significant positive impact from tax rate (TR_i) and fines and penalties (FP_i) on individual taxpayers' tax compliance behaviour ($ITCB_i$) remains in the same direction, the positive impact from fairness and transparency of tax system ($FTTS_i$) has become negative with the effect of the moderator. The negative impact from the level of actual income (LAI_i) at 95% confidence level has been diluted to a negative influence at 90% confidence level after incorporating the moderator into the analysis. More specifically the degree of positive impacts from tax rate (TR_i) and fines and penalties (FP_i) on individual taxpayers' tax compliance behaviour ($ITCB_i$) has increased after incorporating the moderator (TAK_i). Thus H_1, H_2, H_3, and H_4 of the study can be established as expected whereas H_5 and H_7 cannot be accepted as predicted (see Table 2). However, H_6 of the study can be established as there is a change from positive impact to negative impact of fairness and transparency of tax system ($FTTS_i$) on

$ITCB$ after including the moderator in the model. Moreover, the adjusted R^2 has been increased from 0.693 in Model 1 to 0.746 in model 2. This illustrates that the Model 2 has a better fit to data compared to the Model 1.

5. CONCLUSION

Based on the findings of the study, a significant portion of individual taxpayers' tax compliance behavior in Sri Lanka is explained by a combination of variables such as tax rate, fines and penalties, and fairness and transparency of the tax system. Moreover, statistical evidence of the study reveals that the inclusion of the moderator (i.e. tax awareness and knowledge) increases the impact of tax rate and fines and penalties. In the meantime, the inclusion of the moderator tends to decline the effect of fairness and transparency of tax system. A possible reason behind such behaviour could be the enhancement of fairness and transparency of the tax system beyond the acceptable level which generate unfavorable consequences by revealing highly sensitive information regarding tax system. Thus, if individuals get to know such information it may lead to reduce the level of tax compliance behaviour of the individuals since they would understand the loopholes of the tax system. As a result, it is evidenced that tax awareness and knowledge deteriorate the strength of the relationship between fairness and transparency of the tax system and individual taxpayers' compliance behaviour.

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'STABILITY' AND 'CHANGE': A CASE STUDY ON THE MOVE FROM TRADITIONAL BUDGETING TO BETTER BUDGETING

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1. INTRODUCTION

For decades, while budgeting has been the cornerstone of control in business organizations, lately business managers and practitioners have expressed their dissatisfaction with traditional budgeting (Nguyen, Weigel, & Hiebl, 2018), claiming that it is of limited use in todays' highly volatile business environment (McNally, 2002). Some have proposed the abandonment of traditional fixed annual budgets in favour of beyond budgeting, which is a more adoptive and decentralised management model (Hope & Fraser, 2003), others have called for improving budgeting practices, in the name of better budgeting (McNally, 2002). While the theoretical merits of beyond budgeting seem promising, majority of companies still use budgets and do not have plans of abandoning it (Ekholm & Wallin, 2000). Therefore, on a practical note, organizations on one hand, strive to address the limitations of conventional budgeting; and on the other hand, inspired by beyond budgeting ideas, and being mindful of its practical constraints tend to settle for a balancing act, seemingly which is 'better budgeting' (Gooneratne, 2017). Nevertheless, in past literature there is limited empirical evidence on better budgeting practices and the practical usage of beyond budgeting.

Drawing field study evidence from Citrus Lanka, an operating firm in Sri Lanka, a subsidiary of one the largest multinational food and beverage parent companies in the world, which has extensively used budgetary control over the years, this research explores the following research questions: 1) Faced with limitations of traditional budgeting, why did the case study organization move to better budgeting, rather than towards beyond budgeting? 2) How has the organisation designed and implemented better budgeting in practice?

2. LITERATURE REVIEW

While budgeting is popularly used in planning and controlling (Rickards, 2006; Ekholm & Walin, 2000), its use for contemporary organisations, which are faced with fast-changing environments has become open to question (Hope & Fraser, 2003; Neely et al., 2003; Rickards, 2006). Nevertheless, research also claims that budgets are "still alive and kicking" amid

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changes (Ekholm & Walin, 2000). Criticisms towards traditional budgeting have led to two distinctive approaches, better budgeting and beyond budgeting.

The notion of better budgeting, while remains loyal to the concept of budgets, argues for initiating improvements to the conventional budgeting process (CIMA, 2007), making it more simplified and relevant. Neely et al. (2003) espoused that techniques such as Activity Based Budgeting (ABB), Zero Based Budgeting (ZBB), and rolling budgets are all taken under the umbrella term, better budgeting. ZBB requires the budget to start at a base of zero, without an expectation that current activities can proceed to the next period. Rolling budget is a plan that is continually updated so that the time frame remains stable, while the actual period covered by the budget changes. This leads to a more accurate, up-to-date and responsive budget. ABB is a better budgeting approach which is built upon Activity Based Costing (ABC) and Activity Based Management (ABM) concept (Hansen, 2011).

In contrast, beyond budgeting developed by Jeremy Hope and Robin Fraser carries performance management and leadership principles and holds the idea of completely abandoning budgets (Hope & Fraser, 2001). See Table 1.

Table 1: 12 Principles of Beyond Budgeting

Performance Management Principles	Leadership Principles
Beat the competition	Create a performance climate based on sustained competitive success
Reward team-based competitive success	Build the commitment of teams to a common purpose, clear values, and shared rewards
Make strategy a continuous and inclusive process	Devolve strategy to front line teams and provide the freedom and capability to act
Draw resources when needed	Champion frugality and challenge the value-added contribution of all resources
Coordinate cross-company interactions through "market-line" forces	Organise around a network of teams that dynamically connect their capabilities to serve the external customer
Provide fast, open information for multi-level control	Support transparent and open information systems

Amid these various budgeting approaches, organisations are faced with the dilemma as to what’s most suitable in a given context.

3. METHODOLOGY AND THEORETICAL LENS

This study employs the qualitative methodology and case study approach. Data collection was initiated with a pilot study in March 2019 followed by a main study from June to August 2019, which involved in-depth interviews with 10 functional heads and other managers and review of organisational and web-based documents. Interviews were voice recorded and transcribed verbatim. The transcripts were analysed, main themes identified and categorised under the evolution of budgeting, better budgeting initiatives, barriers for moving towards beyond budgeting. In doing so we were guided by the theoretical notions, of 'stability' and 'change' under Old Institutional Economics (OIE). Thereby, we explored the relationship within the process of accounting change, i.e. stability of budgeting and the change towards better budgeting and show that stability and change rather than being contradictory can be intertwined in an evolutionary process of change.

4. FINDINGS AND DISCUSSION

Our field data show how Citrus Lanka when faced with limitations of the prevailing (conventional) budgetary systems, initiated improvements in the form of evolutionary changes (towards better budgeting) rather than making revolutionary changes (towards beyond budgeting). The firm thus witnessed 'stability' of budgeting and 'change' towards better budgeting in the face of dynamisms in the environment.

The findings of this study are parallel to Libby and Lindsay (2010) which espouse that budgets continue to be used for control purposes and are perceived to be value adding. Contemporary business firms face unpredictable circumstances and requires adaptive methods. Therefore, although problems exist with traditional budgets; businesses are striving to address them rather than departing from budgets. In similar vein, Citrus Lanka has initiated continuous revisions via rolling forecasts.

In response to lapses in conventional budgeting organisation have also implemented beyond budgeting (Hope & Fraser, 2001, 2003; Rickards, 2006). Citrus Lanka exhibits elements of beyond budgeting, such as make strategy a continuous and inclusive process, support transparent and open information systems, provide fast, open information for multi-level control, devolve strategy to front line teams and provide freedom and capability to act (employee empowerment). However, the absence of other beyond budgeting principles, such as lack of external orientation and relative target setting handicap it is becoming ingrained in the organisation. Citrus Lanka is required to obtain permission from the parent company to draw resources etc., thus bureaucracy is unavoidable. Although empowerment exists, fears in the employees' minds limit its use, while team-based rewards is not strongly present. All this obstruct beyond budgeting taking a prominent foothold in the firm.

5. CONCLUSION AND IMPLICATIONS

Budgeting was practiced in Citrus Lanka since its inception, and eventually it became embedded into its organisational setting, through evolutionary changes. This paper emphasises that although stability and change are apparently contradictory, they could co-exist and that stability could in fact facilitate change. i.e. stability of budgeting has facilitated change towards better budgeting. Our findings are similar to past research which suggest that budgeting continues to take a centre stage in organisations (Bunce, Fraser & Woodcock, 1995). As espoused by Wildavsky (1986), merits such as simplicity, easiness and controllability explain its continuity, and reinforces that annual budget is not dead (Ekholm & Wallin, 2000). Beyond budgeting calls for a fundamental transformation to a company's management model, and many organisations are not ready for such a radical change as became evident through Citrus Lanka.

This research contributes to expanding existing literature on better budgeting and beyond budgeting, while bringing in the notions, 'stability' and 'change' under institutional theory. It also provides a comprehensive understanding of better budgeting methods and shows how in response to limitations of conventional budgeting, better budgeting can be practiced by business organizations, rather than eliminating budgeting and moving towards beyond budgeting. This to date has received limited attention from researchers. It offers valuable insights to practitioners as this is focused on a practical and real-world phenomenon, on how organisational budgeting systems could be improved through better budgeting, while alerting them on practical challenges of beyond budgeting.

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SUSTAINABLE DEVELOPMENT THROUGH ENVIRONMENTAL MANAGEMENT ACCOUNTING PRACTICES: A CASE OF A MANUFACTURING FIRM

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1. BACKGROUND

Sustainable Development (SD) is a hot issue facing organizations. Meantime, the emergence of environmental issues has raised awareness among society about environmental protection and it has prompted organizations to become environmentally responsible. Decision makers at company level often fail to recognize the economic values of natural resources as assets and the business and financial value of good environmental performance. Even though, decisions are increasingly affected by environmental costs, studies have showed that financial accounting could not fully support sustainability growth as there were particular accounting rules for extremely controlled financial accounting that resulted in incomplete capture and presentation of environmental expenses. Environmental performances of an organization can be achieved through adopting Environmental Management Accounting (EMA) practices.

2. RESEARCH ISSUE

The emergence of environmental issues has raised awareness among society about environmental protection and it has prompted organizations to become environmentally responsible. Similarly, Organizations that ignore environmental impacts may not be able to maintain their market position in the long term, as this issue has become a threat to business survival.

On the other hand, Gibassier and Alcouffe (2018) has mentioned that even though two kinds of literature have focused on “accounting for sustainability” and “accounting for SD”, two works of literature have rarely crossed and still not clearly understand the potential contribution of Environmental Management Practices towards the Sustainable Development. In the same line, Lee, Gunarathne, and Herold, 2017 state, EMA and Sustainability, knowledge and understanding of EMA and its corporate sustainability management tools and techniques between developed and developing countries are still under - researched. Since the amount of environmental information used and reported by companies may differ from one context to

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other as well as the link between EMA and SD has not been clearly revealed in past literature. By grounding in a cement manufacturing in Sri Lanka, the current study addresses the above-mentioned research issue. Following are the research objectives of this study.

3. RESEARCH OBJECTIVES

1. To examine the current Environmental Management Accounting practices in the selected company
2. To examine how the case organization's Environmental Management Accounting practices, would contribute to sustainable development.

4. LITERATURE REVIEW

The literature that initially connect accounting with sustainability focus mainly on the deficiency of traditional accounting and the potential limitation of the accounting system. Maunders and Burritt (1991) investigated that, there is no doubt that traditional accounting cannot provide sufficient information for the SD of enterprises or reflect the special contributions to SD made by them. But in the early days, sustainable accounting is not fully conceptualized. It only has a vague description at most and is just another pronoun of environmental accounting or environmental reporting (Zhang, 2014). Gray and Milne (2002) proposed that enterprise sustainable accounting and reporting is accounting that emphasizes services to the ecological system and society and that considers ecological justice and pays attention to efficiency and effectiveness. On the other hand, sustainable economic growth requires that the development of enterprises be coordinated with their environmental responsibility (Zhang, 2014).

Graff et al. (1998) believe in recognizing materials and environmental costs in business decision-making. They believe that linking financial goals with environmental goals will provide an end result of financial and environmental improvement, thus avoiding over/underestimation of profitability. Bennett and James (2000) is more concerned about how environmental information is used in business decision-making.

5. METHODOLOGY

This study is based on one of the leading cement manufacturing company in Sri Lanka and hereafter the company name is referred to as SC Company due to confidential considerations.

Based on the research context mentioned above the researcher decided to carry-out a single case study with the support of qualitative methodology. Data were collected by using both primary and secondary sources, for the purpose of achieving the objectives of this study.

Primary data collected through interviews and observations while, secondary data was collected through sources such as reports of the SC Company. All the interviews were transcribed. Later, the transcripts and detailed notes of the interview were analyzed in isolation and taken together as a whole. Then the main themes were identified. Transcripts were labeled as per the interview questions asked, which enables comparison among different perspectives of interviewees. These themes were further analyzed in-depth in relation to the main four actions in Kim and Mauborgne's four action framework (2005). Study conducted by Nicolas (2011) found that, four actions framework will help companies in order to create new value innovation by asking several questions, e.g. about the elimination, reduction or creation of a company's industry factors to achieve value innovation. To reconstruct buyer value elements in crafting a new value curve, the four actions framework need to be implemented (Kima et al., 2007). Four Actions provide guidelines to create a new strategy profile. Therefore, in this study I castoff this four actions framework to understand how the case study organizations Environmental Management practices would help to attain sustainable development.

6. DATA PRESENTATION AND DISCUSSION

Bennett and James (2000) are more concerned about how environmental information is used in business decision-making. They argue that even though environment-related management accounting relies heavily on non-financial information, the information is useful to support managers in ensuring a sustainable business.

SC Company was not into any kind of environmental-related reporting prior to 1992 since it operated as a corporation and no one had a focus on the environment. Changes in ownership of the organization were the main reason behind them to introduce EMA. In 1998, a Multinational Company has acquired the SC Company. The findings of the study are separately elaborated according to the Four Action Frame under eliminating factor, reducing factor, raising factor and creating factor respectively.

Table 1: Summary of Findings

Factor	Findings
Eliminating	-Eliminate non-value adding activities -Restricted to bring polythene to the factory which are below 20 microns -Utilizing co-processing technology to eliminate over 700,000 MT of waste to-date for a portfolio of 600 top corporates across the country -Eliminate and/or mitigate micro-level operational risks

Reducing	-Achieving the lowest recorded emissions among local cement producers -A 34% reduction in the sourcing of coal -Reduced the non-renewable energy consumption immensely, saving 11.6% of Thermal Substitution Rate -Reduced the Co2 emission through the road and sea transportation
Raising	- Water resource management efforts focus on the careful use of water, setting up of rainwater harvesting infrastructure and investing in effluent treatment plants - Increase the quality of raw materials which need to prepare cement, especially quality of the coal, it led to reduce the Co2 emission. - Huge projects which consume above 2.5 million CAPEX projects, project manager needs to take environmental consent from the environmental manager - Zero-tolerance approach towards non-compliance with all laws, rules, regulations
Creating	- Alignment with the United Nations Sustainability Development Goals - Created a risk management framework called Hazard Identification Risk Assessment Control (HIRAC) - Innovation and Application Centre

7. CONCLUSION

This study revealed how SC Company adopted eco-management approaches over time and how the environmental aspect can be integrated into the business process over time. It has proven that the integration of environmental management practices into the organizational strategy enables a company to achieve corporate sustainable development. In order to develop sustainability, some organizations are adopting environmental management practices. The SC manufacturing organization is one of the best examples of it. In their vision statement, they mentioned that “We want to achieve the best value and a sustainable future for all our stakeholders” as well as one of their core objectives is building a sustainable nation.

Towards the end of the last century, an environmentally conscious policy agenda emerged in response to growing awareness of the problem of global unsustainable production and consumption. This policy agenda has supported the adoption of environmentally responsible business operations across various sectors, industries, and countries which in turn have contributed towards improved consumption and production practices. In the past, environmental issues were often ignored by both, large companies and small-medium enterprises. However, accounting for the environment or the acronym “Green accounting” is receiving increased attention in recent times. At a time where this industry is considered one of the greatest contributors to environmental pollution, and this SC organization has proactively addressed the challenge by minimizing environmental impact through optimization of product and process. Also, they are offering sustainable solutions to a range of industries in various sectors to recover energy and resources from waste materials, to improve their environmental footprint.

SC Company is facing increasing concerns from various groups about their environmental impacts, and different stakeholders are requesting different types of information. Company management needs information on costs, revenues, and profits, and they managed to face those challenges by adapting EMA practices to the operations process. Literature also reveals that EMA is vital for businesses to apply cleaner and more productive procedures such as carbon reduction, efficient use of physical resources such as water, raw materials, etc. (UNDSD, 2001). SC Company has reduced various activities which have negative impact on the environment and society by using EMA practices. SC Company has implemented productive procedures to minimize carbon emission and waste management. On that account, a sustainable future is imperative with the effort put by SC Company to address energy consumption matters that have been established, implemented, and adequately furnished with clear monitoring and regulative frameworks.

Further, ISO 14001 standard has been championed as one initiative to help achieve sustainable development goals. It offers an organization cost saving benefits from improved efficiencies and energy efficiencies whilst also supports a company to build legitimacy with overseas stakeholders, thereby expanding its products market. It allows an organization to demonstrate its environmental stewardship to discerning worldwide customers, thus drawing wider interest towards their products (Darnall & Carmin, 2005). In light of the important role of ISO 14001 EMS in helping to achieve more sustainable production and consumption practices. SC Company has aligned with the SD goals in order to create sustainable nation.

Gray and Milne (2002) proposed that enterprise sustainable accounting and reporting is accounting that emphasizes services to ecological system and society and that considers the ecological justice and pays attention to efficiency and effectiveness. On the other hand, sustainable economic growth requires that the development of enterprises to be coordinated with their environmental responsibility (Zhang, 2014). Application of EMA, which integrates two of main principles of SD - environment and economics, can significantly improve decision-making (Staniskis, & Stasiskiene 2006). Bennett and James (2000) are more concerned about how environmental information is used in business decision-making. They argue that even though environment-related management accounting relies heavily on non-financial information, the information is useful to support managers in ensuring sustainable business.

This study reveals how SC Company adopted eco management approaches overtime and how environmental aspect can be integrated into business process overtime. It is proven that the integration of EMA practices into the organizational strategy enables a company to achieve corporate sustainable development.

8. IMPLICATIONS AND FUTURE RESEARCH DIRECTIONS

The study contributes to practicing managers to identify opportunities for use EMA concepts and create value for the entities. For most organizations, the main reason for introducing environmental management accounting is the logical consequence of changed relative costs and benefits rather than "green" idealism. Although there is encouragement for organizations to be mindful of social, economic and environmental impacts, the financial indicators still permeate through business thinking and they present the main driver for business actions (Staniskis & Stasiskiene, 2006).

EMA can likely support decision making in companies towards better environmental performance today. Decision makers at company level often fail to recognize the economic values of natural resources as assets and the business and financial value of good environmental performance. Since decisions are increasingly affected by environmental costs, there is a need to upgrade the business decision-making process by including information on material flows and related costs to account for efforts of SD and the study provided the pathway.

As further improvements to this study, future researchers can investigate the level of application of EMA in service sector entities. This study is conducted on a Sri Lankan leading cement manufacturing organization. Given the nature of different environmental management accounting techniques used in other industries and in the service sector, future research can be conducted on a service sector organization or on a separate industry which have high impact on environment.

This study has focused on the uses of four actions framework; however, future research could be carried out using different theoretical frameworks to investigates how environmental management would contribute to sustainable development. Similarly, this study was done as a single case study but, the study could be further developed by taking different industries and carrying out a study using multiple case studies. This would be an area of interest for future researchers.

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Finance

ANALYSIS OF FACTORS INFLUENCING THE SHARE PRICE VOLATILITY OF FOOD, BEVERAGE AND TOBACCO INDUSTRY OF SRI LANKA

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1. INTRODUCTION

Colombo Stock Exchange is the main stock exchange in Sri Lanka providing an electronic platform where investments are made in financial instruments. Each and every investor makes investments in share market with the intention of generating returns obtained in the form of dividend or capital gain with expectation of fortune (Ernayani & Robiyanto, 2016; Taliawo & Atahau, 2007). Therefore, it is necessary to have good understanding on the stock price of companies on which the investment is made. The share prices are determined by the two indices in the Colombo Stock Exchange namely All Share Price Index and S&P Sri Lanka 20 Index. Share Price plays a key role in the share market and acts as a means for investment decision making. Each and every day share prices are fluctuating due to several factors. Among them, there are both internal factors such as Dividend Per Share, Dividend Payout, Dividend Yield, Earnings Per Share, Earnings Volatility, Assets growth rate, Sales growth rate, Firm Size and Leverage and external factors such as GDP, inflation rate and exchange rate. Hence, careful attention and scrutiny should be made by the investors before making any investments.

Share market is a platform where investors buy and sell shares. Individual and institutional investors make investment decisions by looking at the trend of share prices of entities. The share prices of organizations fluctuate inconsistently due to several unexpected changes within the organization as well as external environment. In recent years, it has been observed that the share price of Sri Lankan stock market (All-Share Price Index) is gradually declining. All-Share Price Index is a major stock market index which tracks the performance of all companies listed on the Colombo Stock Exchange in Sri Lanka. Moreover, the unexpected changes in share price are critical for the economic development of Sri Lanka. So, it is crucial to analyze the factors influencing the volatility of share price in Sri Lankan stock market. Therefore, the research problem is "to what extent the internal and external factors of organization influence on the share price volatility of Food, Beverage and Tobacco companies in Sri Lanka?".

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2. LITERATURE REVIEW

There are numerous researches undertaken on the factors influencing the share price volatility. Among those factors, there are both internal and external factors that may impact on the share price volatility.

2.1 Share Price Volatility

Share price volatility is a statistical measurement of the variation or fluctuation of the price of security over a given period (Robiyanto, Wahyudi & Pangestuti, 2017). It is the systematic risk faced by the shareholders in a firm as stated by Guo (2002). If the stock price is continuously fluctuating in the market, it is extremely difficult to forecast the price in future. Investors are more likely to earn good return when they face higher risk. According to Hussainey (2010), the lesser the volatility of a given stock, the greater its desirability which means the investors choose investment with low risk as they prefer to face only low risk. On the other hand, if there are higher returns from the stock, it may lead to huge risks which may increase the volatility.

2.2 Dividend and Stock Price Volatility

As per Modigliani and Miller (1961), dividend is irrelevant to firm value which means dividend policies do not affect the prices. Gordon (1963) put forwarded that dividend policy is relevant to value of the firm. Kengatharan and Ford (2020) investigated the factors determining the share price volatility of 72 non-financial firms listed on CSE for the period from 2013 to 2017. They argued that there is a significant positive relationship between dividend yield and share price volatility. However, dividend per share, earnings volatility, and firm size are significantly negatively related to share price volatility. Also, dividend payout, sales growth, firm leverage, earnings volatility, and GDP have not shown any significant influence on share price volatility.

2.3 Leverage and Share Price Volatility

Dissanayake and Biyiri (2017) evaluated on the impact of internal factors on share price using a sample of 20 hotels in CSE over 2011–2015 using the analysis descriptive analysis, correlation analysis, and regression analysis to analyze the data. They proved that there was a significant impact of earning per share, dividend per share, and return on equity on the share price. Further, there was a strong positive relationship between earning per share and share price. Dividends per share had a strong positive relationship with the share price.

Balan and Srinivasan (2017) carried out a study on the determinants of share price with reference to the Bombay Stock Exchange "group A" shares using a sample of 69 companies from 7 industries from 2006 to 2013. They concluded that dividend per share was the strong determinants of the market price. Additionally, the study supported the liberal dividend policy and suggested a company to pay regular dividends. This policy will affect the market price of the share in a positive direction.

2.4 Macroeconomic Factors and Share Price Volatility

Kulathunga (2015) had undertaken a research on the impact of macroeconomic factors on stock market development in Sri Lanka using descriptive statistics and multiple regression analysis over the monthly data between 2002 and 2014. He proved that Inflation Volatility, Lending Rate, Deposit Rate, Exchange Rate volatility and GDP has significant impact over Stock Turnover. However, all macroeconomic factors excluding lending rate and GDP positively affect Stock Turnover. In other words, volatile inflation rate and exchange rate together with higher deposit rate have curtailed the stock market development in Sri Lanka.

Ngugi (2017) had done a study on Factors influencing share price volatility of firms listed at the Nairobi Securities Exchange. The study used secondary data obtained from annual reports and financial statements from 61 firms listed in NSE found at the Capital Markets Authority (CMA) library for the period January, 2010 to December, 2016. He concluded that share price volatility is positively and significantly influenced by GDP, inflation rate, Dividend policy, and trading volume. All of the variables influenced it positively. The five independent variables that were studied (GDP, inflation rate, dividend policy, and trading volume) explain a substantial 80.7 per cent of share price volatility among firms listed at the Nairobi Securities exchange as represented by adjusted R^2 (0.807).

Handayani, Muharam, Mawardi, and Robiyanto (2018) analyzed the influence of return on equity, debt to equity ratio, sales growth, firm size, cash ratio, and dividend payout ratio to stock price volatility companies listed on the Indonesia Stock Exchange in the period 2011-2015. The results of panel data regression analysis showed that the company's stock price volatility in the research samples can be explained by 4.84 per cent by ROE, CR, DER, DPR, company size and sales growth while the remaining 95.16 per cent explained by other variables outside the research. Only sales growth has significant positive effect on stock price volatility.

Thus, from the literature review it is clearly understood most of the researches carried out on relating to factors determining share price volatility. But, recently there are no researches conducted in relation to However, the researchers wanted to examine what are the factors affecting the share price volatility and analyze how they are impacting in the context of Food, Beverage and Tobacco industry of Sri Lanka.

3. RESEARCH METHODOLOGY

Present study used secondary data obtained from annual reports of the 25 firms listed in Colombo Stock Exchange of Sri Lanka under Food, Beverage and Tobacco industry for the period 2013 to 2019. The data collection was designed to record Share Price Volatility, Dividend Payout, Dividend Yield, Leverage, Firm Size and Gross Domestic Product. To determine the factors influencing share price volatility of firms, various statistical techniques such as Descriptive Statistics, Correlation Analysis, Regression Analysis and VIF were utilized. This was done using the Statistical software Eviews 9. To examine the relationship between the determinant factors and share price variability, regression was used. The regression equation is expressed as follows:

SPV = β0 + β1DPO + β2DY + β3FS + β4LEV + β5GDP + Є

Where, SPV = Share Price Volatility, DPO =Dividend Payout, DY= Dividend Yield, FS=Firm Size, LEV=Leverage, GDP=Gross Domestic Product, β1, β2, β3, β4 and β5 are coefficients of the independent variables and Є is the error term.

The following hypotheses were formulated.

H_1 - Share Price Volatility is significantly influenced by Dividend Payout.

H_2 - Share Price Volatility is significantly influenced by Dividend Yield.

H_3 - Share Price Volatility is significantly influenced by Firm Size.

H_4 - Share Price Volatility is significantly influenced by Leverage.

H_5 - Share Price Volatility is significantly influenced by Gross Domestic Product.

4. RESEARCH ANALYSIS AND DISCUSSIONS

4.1 Descriptive Statistics

Table 1: Descriptive Statistics

	SPV	DPO	DY	FS	LEV	GDP
Mean	0.121829	0.148373	0.025641	12.82255	0.294983	3.882806
Median	0.076500	0.364333	0.013356	14.60282	0.262706	3.420000
Maximum	0.519200	12.99363	0.143674	16.18358	1.134254	5.010000
Minimum	0.000000	-44.32715	0.000000	0.000000	0.006798	2.720000
Std. Dev.	0.114535	4.095664	0.030215	4.315768	0.228664	0.854081
Observations	175	175	175	175	175	175

Source : Survey data

According to the Table 1 (Descriptive Statistics), the Share Price Volatility's average value is 12.18 per cent which is high. This ranges from 0 to 51.92 per cent. The mean value of Dividend Payout Ratio is 14.83 per cent which reflects that 14.83 per cent of dividends are payable from the earnings generated in the Food, Beverage and Tobacco industry of Sri Lanka. The Dividend

Yield has 0.0256 average value whereas the minimum and maximum value are 0 and 0.01437 respectively. And its standard deviation is 0.0302. Firm Size has an average value of 12.82 and ranges from 0 to 16.18. Additionally, the standard deviation of Leverage is 0.2287. Further, the GDP of Sri Lanka from 2013 to 2019 is on average of 3.88.

4.2 Correlation Analysis

Table 2: Correlation Matrix

Correlation Probability	SPV	DPO	DY	FS	LEV	GDP
SPV	1.0000					

DPO	0.015536	1.0000				
	0.8560	-----				
DY	-0.123296	0.114709	1.0000			
	0.1482	0.1787	-----			
FS	-0.232724	0.025634	0.128545	1.0000		
	0.0058	0.7645	0.1315	-----		
LEV	0.340670	-0.034598	-0.070333	0.333651	1.0000	
	0.0000	0.6860	0.4107	0.0001	-----	
GDP	-0.066892	0.138539	-0.064565	0.013510	0.02622	1.0000
	0.4340	0.1039	0.4502	0.8746	0.7593	-----

Source : Survey data

As per the Table 2 above (Correlation Matrix), the Dividend Payout Ratio is positively correlated with Share Price Volatility ($r = 0.015536$). But, their correlation is not significant at 95 per cent confidence level ($p > 0.05$). On the other hand, the Dividend Yield ($r = -0.123296$, $p > 0.05$) and GDP ($r = -0.066892$, $p > 0.05$) have negative and insignificant correlation with Share Price Volatility. However, the Firm Size shows ($r = -0.232724$) negative and significant relationship with Share Price Volatility. Further, the Leverage is positively related with Share Price Volatility also the correlation is significant at 95 per cent confidence level. When the Leverage raises, the Share Price Volatility also increases.

4.3 Ordinary Least Square Regression

The Table 3 depicts the results of the Ordinary Least Square Regression. The coefficient value of Dividend Payout Ratio is 0.001666 which shows this can positively impact on Share Price Volatility. But, Dividend Payout Ratio does not have significant effect on Share Price Volatility as its probability value is greater than 0.05 ($p=0.4336$). This is supported with the findings of

Kengatharan and Ford (2020) and Mehmood, Ullah, and Sabeeh (2019). Share Price Volatility is negatively affected by Dividend Yield (r = --0.202790, p = 0.4848) and GDP (r = -0.011496, p = 0.2582) and insignificant at 95 per cent confidence level. At the same time, the Firm Size reflects coefficient value of -0.010155 showing a negative and significant impact over Share Price Volatility.

Table 3: Ordinary Least Square Regression

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.232358	0.047807	4.860366	0.0000
DPO	0.001666	0.002121	0.785423	0.4336
DY	-0.202790	0.289457	-0.700588	0.4848
FS	-0.010155	0.002126	-4.777657	0.0000
LEV	0.234863	0.039901	5.886134	0.0000
GDP	-0.011496	0.010124	-1.135501	0.2582
R-squared	0.262049	Mean dependent var		0.121829
Adjusted R-squared	0.234306	S.D. dependent var		0.114535
S.E. of regression	0.100223	Akaike info criterion		-1.720638
Sum squared resid	1.335931	Schwarz criterion		-1.593970
Log likelihood	125.5843	Hannan-Quinn criter.		-1.669163
F-statistic	9.445749	Durbin-Watson stat		0.446168
Prob(F-statistic)	0.000000			

Source : Survey data

This result is consistent with the findings of Kengatharan and Ford (2020) and Ali and Waheed (2017). Additionally, the Leverage has its coefficient value of 0.234863 implying positive and significant effect on Share Price Volatility. This is supported by the results of Handayani et al. (2019). As per the above table, the R squared value is 0.2620 which indicates 26.20 per cent variation in the Share Price Volatility is explained by the variation in all the independent variables. Also, the value of F-statistic shows 9.445749. And its p value is 0.0000 which is lesser than o.o5. Thus, overall this regression fit to the model. Further, the Durbin Watson statistic is 0.446168.

4.4 VIF Test

As per the results of VIF Test (Table 4), the independent variables do not have multicollinearity problem as the centered VIF values are less than 10.

Table 4: VIF Test Results

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	0.002285	31.62699	NA
DPO	4.50E-06	1.038506	1.037135
DY	0.083786	1.813228	1.050927
FS	4.52E-06	11.43621	1.156182
LEV	0.001592	3.060807	1.143698
GDP	0.000103	22.41281	1.027286

Source : Survey data

5. CONCLUSION AND RECOMMENDATIONS

This study was undertaken to identify how the Share Price Volatility get affected by several factors and in what level of magnitude in the Food, Beverage and Tobacco industry of Sri Lanka. Therefore, the study was carried out using the sample of 25 companies out of 50 companies for the period ranging from 2013 to 2019. The findings revealed that the Dividend Payout ratio and Leverage positively impact on Share Price Volatility whereas Dividend Yield, Firm Size, GDP has negative effect on Share Price Volatility. Moreover, the Share Price Volatility is significantly get affected by Firm Size and Leverage only. Other variables such as Dividend Payout, Dividend Yield and GDP do not have significant impact on Share Price Volatility. The trade-off theory supports the finding that leverage significantly and positively influences on Share Price Volatility. The study on the evaluation of the determinants of share price volatility is essential not only for policy makers, but also for investors, portfolio managers, and researchers interested in the performance of capital markets. This research has not considered some of the other external factors, namely, inflation rate, exchange rate. Therefore, it is recommended to incorporate these variables in future research. Further, future researchers can carry out the research on considering the all industries of Sri Lanka and perform a comparative study.

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CORPORATE GOVERNANCE AND LEVERAGE OF REAL ESTATE INDUSTRY IN SRI LANKA

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1. INTRODUCTION

Corporate governance has been generally defined as the system by which companies are directed and controlled (The Cadbury Committee, 1992). This has gained more attention among the people and become a vital area of finance since the ownership and management are separated. Corporate governance is bounded with the authority, accountability, stewardship, leadership, direction and control in managing organizations. Effective corporate governance mechanism would lead to improve firm's performance, attract potential investments and minimize the risk. Corporate governance has gained higher attention among all the entities after the high profile corporate scandals faced by Enron, WorldCom, Nortel, Parmalat and Tyco throughout the world as a result of inefficient and ineffective corporate governance and accounting malpractices (Sorensen & Miller, 2017). Sri Lanka also suffered from corporate collapses of large firms such as Pramuka Savings and Development Bank, Golden Key Credit Card Company, Vimukthi Corporation and Lanka Marine Services Ltd that got collapsed due to poor corporate governance mechanisms (Edirisinghe, 2015). Good corporate governance practices assist organizations to seek for better financing at lower cost of capital (Claessens & Fan, 2002).

Corporate governance acts as a mechanism to improve the confidence and trust of the investors over the management and promote economic development. There are several criticisms over corporate governance practices adopted by organizations due to corporate failure and drop in shareholders' wealth. Inadequate or lack of attentive oversight by the board, boards' negligence on its accountability to stakeholders, focus on own self-interest and relinquish control to corporate managers lead to significant issues in corporate governance. Iyengar and Oak (2016) stated among the all industries, real estate and hospitality industry face agency conflicts than others and it is compulsory to adopt good practices of corporate governance. The main reasons are huge investment over infrastructures, worse operating inventory management (DeFranco & Lattin, 2006) and conflict of interest between managers and shareholders (Basak, Seo,

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Kucukusta, & Lee, 2013). According to the Central Bank report, the Real estate industry contributed to GDP growth at slower pace in the last 5 years where GDP growth rate from real estate industry was declining as 9.6 per cent, 4.2 per cent, 4.7 per cent, 3.8 per cent and 2.4 per cent from the year 2015, 2016, 2017, 2018 and 2019 respectively. To boost the growth of GDP in this industry, it is vital to maintain good corporate governance practice as well as optimal mix of capital structure to magnify the shareholders' wealth. However, the relationship between corporate governance and leverage may affect the management decision on choice of capital which may determine the wealth maximization. Claessens and Fan (2002) explained that good corporate governance mechanisms help firms to access for better financing and a lower cost of capital.

Morellec, Nikolov and Schurhoff (2012) argued that effective corporate governance system would focus on shareholders' interest by persuading managers to obtain more debt and rebalance the capital structure on timely basis. Due to this, agency conflict may arise where interest of managers does not align with the interest of shareholders. When the agency conflicts increase, then the firm find ways to reduce or eliminate the conflict where manager seek for less level of debt. Thus, the researcher intended to identify how the corporate governance practices influence on the capital structure decisions. Hence, the research problem is "to what extent the corporate governance practices influence on leverage in Sri Lanka?

The objectives of this study are:

1. To identify the relationship between corporate governance practices and leverage
2. To identify the impact of corporate governance practices on leverage

2. LITERATURE REVIEW

There is numerous amount of papers on corporate governance mechanism and capital structure theory. But, only few researches are done in Sri Lanka on the relationship between the corporate governance and capital structure. Balagobei (2019) examined how the Board Structure affects the banking efficiency using 10 licensed commercial banks from 2009 to 2013. The output showed that the board size, board independence and bank size have no significant effect on non-performing Loans. Also, it revealed that smaller board size and greater board independence lead to better efficiency of licensed domestic commercial banks in Sri Lanka. Rajeevan and Ajward (2019) investigated the relationship between board characteristics and performance of hotel firms listed in the Colombo Stock Exchange during the period 2013 to 2016. They found out the governance characteristics of duality, diversity, total skill of the board and existence of a nomination committee had a positive significant impact on firms' performance while a higher presence of non-executive directors showed a negative association with the firms' financial performance with a significance of 95 per cent confidence level.

Bulathsinhalage and Pathirawasam (2017) revealed that the board size, leadership structure and managerial ownership variables do not significantly affect the debt ratio. Mudalige and Ekanayake (2015) carried out a research on the Influence of Corporate Governance on Capital structure decisions for 30 manufacturing companies for 5-year period from 2008 to 2012. Accordingly, the researcher concluded that board independence and number of meetings held during year positively and significantly influence on capital structure decisions whereas managerial and institutional ownerships are affected vice-versa. Senthuran and Velnampy (2015) in a study on Board Structure and Firm Performance, concluded that the board size, board independence, gender, educational qualifications of directors do not significantly impact on firm performance. Also, CEO duality is negatively impact over firm performance.

3. RESEARCH METHODOLOGY

There are 290 companies listed in Colombo Stock Exchange representing 20 GICS industry groups. The researchers have chosen the Real Estate industry which consists of 19 companies. Out of 19 companies, only 13 companies are selected using the random sampling method. The data is collected for these 13 companies for the period ranging from 2012 to 2019 as some companies do not possess previous years' annual report. To examine the relationship between the Corporate Governance and leverage, regression was used. The regression equation is expressed as follows:

LEVERAGE = β0 + β1 B_SIZE + β2 B_COMMITTEE + β3 B_COMPOSITION + β4 B_INDEPENDENCE + β5 B_MEETINGS + β6 CEO_DUALITY + Є

Where, LEVERAGE=Leverage, B_SIZE=Board Size, B_COMMITTEE= Board Committee, B_COMPOSITION=Board Composition, B_INDEPENDENCE =Board Independence, B_MEETINGS=Board Meetings, CEO_DUALITY =CEO Duality, β1, β2, β3, β4, β5 and β6 are coefficients of the independent variables and Є is the error term.

4. DATA ANALYSIS AND DISCUSSION

4.1 Descriptive Statistics

With reference to the Table 1, the average value of leverage is 0.4855 which reflects 48.55 per cent of the capital is financed using the debt capital on average. The minimum number of directors is 3 and the maximum number of directors in real estate industry is 13. Thus, the average size of the board is 7.

Table 1 : Descriptive Statistics of the Variables

	LEVERAGE	B_SIZE	B_COMMITTEE	B_COMPOSITION	B_INDEPENDENCE	B_MEETINGS	CEO_DUALITY
Mean	0.485	7.307	2.778	68.200	41.838	4.750	0.528
Median	0.270	8.000	3.000	67.950	38.750	4.000	1.000
Maximum	0.515	13.000	4.000	100.000	75.000	13.000	1.000
Minimum	0.025	3.000	2.000	25.000	16.670	2.000	0.000

Source : Survey Data

Also, the board consists of 3 committees on average. Moreover, the average percentage of non-executive directors and independent directors out of total directors is 68 per cent and 41 per cent respectively. Further, the board meetings conducted in the real estate sector is on average 5. Also, the mean value of CEO duality is 0.53.

4.2 Correlation Analysis

Table 2: Correlation Matrix of the Variables

Correlation/Probability	LEVERAGE	B_SIZE	B_COMMITTEE	B_COMPOSITION	B_INDEPENDENCE	B_MEETINGS	CEO_DUALITY
LEVERAGE	1.000						

B_SIZE	0.070	1.000					
	0.477	-----					
B_COMMITTEE	-0.004	-0.433	1.000				
	0.965	0.000	-----				
B_COMPOSITION	0.039	-0.083	0.426	1.000			
	0.688	0.398	0.000	-----			
B_INDEPENDENCE	-0.051	-0.456	0.248	0.044	1.000		
	0.606	0.000	0.011	0.653	-----		
B_MEETINGS	-0.025	-0.392	0.438	0.294	0.004	1.000	
	0.796	0.000	0.000	0.002	0.963	-----	
CEO_DUALITY	-0.076090	0.106397	-0.134482	-0.050777	-0.156555	-0.386298	1.000000
	0.4427	0.2824	0.1735	0.6087	0.1125	0.0001	-----

Source : Survey Data

Based on the Table 2 Correlation Matrix shown above, the independent variables such as board size (r = 0.070466, p > 0.05) and board composition (r = 0.039799, p > 0.05) have positive insignificant relationship with the dependent variable leverage. However, the board committee (r = -0.004331, p > 0.05), board independence (r = -0.051107, p > 0.05), board meetings (r = -

0.025557, $p > 0.05$) and CEO duality ($r = -0.076090$, $p > 0.05$) exhibit negative association with leverage at the same time their relationship is not significant at 95 per cent confidence level.

4.3 Regression Analysis

Table 3: Fixed Effect Model

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.275023	0.136825	2.010032	0.0476
B_SIZE	0.314064	0.007680	2.031344	0.0406
B_COMMITTEE	-0.012532	0.032570	-0.384762	0.7014
B_COMPOSITION	0.000336	0.000777	0.432559	0.6664
B_INDEPENDENCE	0.201755	0.001028	2.007254	0.0414
B_MEETINGS	0.003586	0.012481	0.287289	0.7746
CEO_DUALITY	-0.034922	0.019647	-1.777463	0.0791
R-squared	0.520839	Durbin-Watson stat		1.822535
Adjusted R-squared	0.419370			
F-statistic	5.132966			
Prob(F-statistic)	0.000000			

Source : Survey Data

The Table 3 describes the Fixed Effect model of Regression analysis. In this model, the value of R-squared is 52 per cent which reflects the 52 per cent variation in the dependent variable Leverage is explained by the variation in all the independent variables. Also, the value of F statistic is 5.132966 and its probability is 0.0000. This indicates that overall this model is goodness fit. The value of Durbin Watson stat is 1.822535. This is approximately closer to zero revealing there is no auto correlation or serial correlation. Moreover, the board size has positive coefficient value of 0.014064 and its p-value is 0.0406. So, the board size had positive impact on the leverage. This is supported by Achchuthan, Sivathaasan and Rajendran (2013) and Gowsika (2015). But the board size does not has significant impact on leverage. The leverage is negatively influenced by the board committee but not possess significant impact. The negative effect of Board Committee on Leverage is consistent with the finding of Bulathsinhalage and Pathirawasam (2013). Also, the board composition is positively ($r = 0.000336$) and not significantly impact on leverage ($p > 0.05$). This finding is supported by Bulathsinhalage and Pathirawasam (2013) and Achchuthan, Sivathaasan and Rajendran (2013). The proportion of independent directors out of total directors indicated by the board independence does not significantly influence the leverage but it has positive impact on leverage. So, this is supported with the results of Mudalige and Ekanayake (2015). The leverage does not get significantly affected by the board meetings conducted. However, the board meetings positively impact upon leverage which is proved by Gowsika (2015). CEO duality shows negative and insignificant effect on leverage.

4.4 Hausman Specification Test

Table 4: Hausman Specification Test

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	9.078195	2	0.0124

Source: Survey Data

The above table 4 shows the results of Hausman test done to verify whether the Fixed Effect model or Random Effect model is appropriate. Accordingly, the Chi Square Statistic of Cross section random is 9.08 and its degrees of freedom is 2. The probability value of cross section random is 0.0124. This is less than the p value 0.05. From this it can be concluded, alternate hypothesis is accepted alternatively, it can be said fixed effect model is appropriate.

4.5 Variance Inflation Factor

Table 5: VIF Test

Variable	**Centered VIF**
C	NA
BOARD_SIZE	1.721873
BOARD_COMPOSITION	1.285964
BOARD_COMMITTEE	1.628926
BOARD_INDEPENDENCE	1.428395
BOARD_MEETINGS	1.752045
CEO_DUALITY	1.252567

Source : Survey Data

The above Table 5 depicts the results of Variance Inflation Factor test. The values of Centered VIF for independent variables are below 10. Therefore, it can be concluded there is no multicollinearity problem exists in this fixed effect regression model.

5. CONCLUSION AND RECOMMENDATIONS

This study highlights the relationship between the corporate governance and leverage and how corporate governance has an impact on leverage in real estate industry of Sri Lanka. Researchers concluded that the leverage may rise when board size, board composition, board independence and board meetings increase. But, the impact of board size and board independence on leverage is only significant. The positive impact of board independence on leverage reveals the agency theory whereas greater number of independent non-executive directors may improve the management's accountability to shareholders. As a result, the agency conflict between managers and shareholders will drop. Also, when the number of board meetings held in an year arise, the management find good solutions to manage the financing needs of the firm. Additionally, the board committee and CEO duality show negative but insignificant effect on leverage at 95 per cent confidence level. This research fails to consider the stakeholder interest as more or less it is important for an entity to focus on various stakeholders' interest such as employees, government, general public, competitors, suppliers etc. When a company focuses on stakeholder interest as well, the firm may face indirect benefits. Also, other piece of corporate governance is ownership structure. Therefore, it would be best advisable if stakeholder interest and ownership structure also incorporated into future research.

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DOES FINANCIAL LITERACY OF WOMEN INFLUENCE ENGAGING WITH MICROCREDIT IN POOR URBAN AREAS IN SRI LANKA?

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1. INTRODUCTION

Growth of financial literacy will make the benefits for economic growth as women in poor families can increase their income, acquire capital, manage risks, empower and work their way out of poverty (Kumari & Aluthge, 2018). Women and the poor are more likely to suffer from gaps in financial knowledge both in developing economies and also in countries with well-developed financial markets. Comparing with other South Asian countries, Sri Lanka has the highest rate of financial literacy which shows 35 per cent when comparing with other south Asian countries (Global Financial Literacy Survey, 2017). However, Sri Lanka's population has 92 per cent of print literacy (Department of Census and Statistics, 2018). This statistic shows that there is a highest gap between print literacy and financial literacy in Sri Lanka. Furthermore, the level of financial literacy in Sri Lanka is different from urban areas to rural areas due to the fact that lack of financial institutions located in rural areas and the amount of transactions done per day is at a low level. Even though more financial institutions located in urban areas, financial literacy of the people who live in poor urban areas is low due to the poor financial education (Kumari & Aluthge, 2018).

National financial inclusion survey conducted by the World Bank (2019) revealed that women represent more than half (51%) of the working population in Sri Lanka. However, employed women denote only 18 per cent out of the total working age population. Simultaneously, around 80 percent of the economically active women are from the rural sector. Both rural and urban women lack financial literacy in Sri Lanka and microfinance institutions introduced special loan schemes for women (Madurawala, 2018). However, there is lack of research evidence regarding the level of financial literacy of women in poor urban areas and whether financial literacy of women influences on engagement of microcredit in Sri Lankan context. To fill this gap, present study is based on two poor urban areas in Matara district of southern Sri Lanka

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Namely Mathotagama and Nupevela which are located nearby Matara town. Matara district is considered as vastly growing area due to the development of education, having a national university, tourism development, southern express highway and the development of several microfinance institutions like Sanasa Development Bank, Commercial Credit, Samurdhi Bank etc. Around 21 women who are beneficiaries of micro credit in these two villages are self-employed and running their own micro/ small businesses. Out of 1413 micro credit loan holders, 67per cent of them are women in these two villages (Grama Niladhari /Division 409 - D - Mathotagama and 414 – Welegoda East, 2017).

When related to Sri Lankan context, few studies are conducted on financial literacy, and how financial literacy impact on engaging with microcredit facility (Edirisinghe, 2017) and the situation is same with the poor urban areas. Therefore, present study attempts to answer the research problem of "*Does financial literacy effect on engaging with microcredit facility of women micro credit holders in poor urban areas in Sri Lanka?"* Accordingly, the objective of the research is to examine the effect of each financial literacy dimensions on engaging with microcredit of the women who live in poor urban areas in Matara, Sri Lanka.

2. LITERATURE REVIEW

This section explains the concept of financial literacy and reviews literature pertaining to the dimensions of financial literacy.

2.1 Financial Literacy and Its Dimensions

To get a better understanding of the complex financial products, nowadays financial education is an essential element. Financial literacy is described as

"*A combination of consumer understanding about financial products, concepts and their ability, confident on financial risk and opportunities for informed choices, to know to where to go help and take other effective actions to improve financial wellbeing*" (OECD, 2005).

Remund (2010) gives a conceptual definition for financial literacy as

"*Financial literacy is a measure of the degree to which one understands key financial concepts and possesses the ability and confidence to manage personal finance through appropriate, short-term decision-making and sound, long-range financial planning, while mindful of life events and changing economic conditions*."

Moreover, Heenkenda (2014) noted that financial knowledge can be converted into behaviour based on financial skills and financial attitudes. Bongomin et al. (2017) found that financial knowledge, financial skills, financial behavior and financial attitude can be used to assess the level of financial literacy.

2.1.1 Financial skills

According to World Bank (2008), financial literacy helps to improve the efficiency and quality of financial products. Poor people need a certain level of financial literacy with skills to evaluate and compare each financial products, as savings, bank accounts, payment method, credit facility and loans, insurance coverage, and investment options. Holzmann (2010) explained that giving proper training among poor households in developing countries help to buildup the capacity of making saving plans.

2.1.2 Financial knowledge

Cole, Sampson, & Zia (2010) explained that when poor households are not familiar with financial products, they will not use them. Therefore, poor people need some level of financial literacy which helps to empower them with financial knowledge to enable them to make informed decision, strategies and choices about financial products. Knowledge acquired from financial literacy programs by poor people help to reduce the information asymmetry among loan holder and finance company because they well informed about different kind of financial products in the finance market (Ardic, Heimann, & Mylenko, 2011).

2.1.3 Financial behaviour

Financial literacy programs increase the awareness and knowledge of financial products and make an influence in financial behavior such as savings and financial planning. Training on financial literacy increase the level of financial knowledge and effect for financial behavior of poor households (Jappelli, 2010).

2.1.4 Financial attitude

According to Atkinson and Messy (2013), the main reason for financial exclusion in developing countries is the lack of awareness on different types of financial products. Lack of knowledge and skills on financial products and services create a cost and poor attitude in the consumption of these financial products and services. Basically consumption of financial products and services by poor households in developing countries are directly linked with financial attitudes that depend on trust in financial products and financial institutions (Okello, Bongomin, Munene, Ntayi, & Malinga, 2017).

3. HYPOTHESES

Based on the literature review, four dimensions were identified as financial knowledge, financial skills, financial behaviour, and financial attitudes to determine the level of financial literacy. Accordingly, following four hypotheses were formulated to determine the relationship between financial literacy and the engagement of microcredit by women in poor urban areas.

H_1: There is a significant positive impact of financial skills on engaging with Microcredit by women

H_2: There is a significant positive impact of financial knowledge on engaging with Microcredit by women

H_3: There is a significant positive impact of financial behavior on engaging with Microcredit by women

H_4: There is a significant positive impact of financial attitude on engaging with Microcredit by women

4. RESEARCH METHODOLOGY

4.1 Sampling and Data Collection

Descriptive research design with survey method was applied for the study. Two poor urban areas were selected in Matara district of Sri Lanka. According to the information given by village leading officers, there are around 2,300 people are living in these two villages with moderate infrastructure facilities. Sample of 150 micro credit loan holders were selected through simple random sampling technique. Pilot study was conducted by selecting 15 respondents and structured questionnaire was prepared based on the pilot study and the literature review. Questionnaire was pre-tested with two experts in the field to ensure the content validity. On-site survey was applied to collect primary data. Total 134 completed questionnaires were received for analysis.

4.2 Measurement and Analysis

Financial literacy dimensions were measured using multi- item scale. Researchers used three items to measure each dimensions such as financial knowledge, financial skills, financial behavior, and financial attitude in a five point Likert-scale drawn from Bongomin et al. (2017). Measurement scales of the Engagement with microcredit facilities were drawn from Nkundabanyanga et al. (2014) with five items. Construct validity and reliability analyses were performed using confirmatory factor analysis and analysis of internal consistency (Cronbach's Alpha) to ensure that all items were suitable for statistical analysis. Multivariate assumptions also tested prior performing regression analysis. The measurements of central tendency and variability were used to provide a detailed description of the variables. Subsequently, correlation, and regression analysis were performed to test the hypothesis.

5. RESULTS AND DISCUSSION

5.1 Descriptive statistics and Correlations of Financial Literacy Dimensions and Microcredit Engagement (MCE)

In general, all the financial literacy dimensions such as financial skills, financial knowledge, financial behavior, and financial attitude shows moderate mean values in between 3.2 to 3.6. The highest mean score is 3.562 which depicts by financial attitude and 3.606 for Micro credit engagement. Results imply that women microcredit holders who live in poor urban areas have moderate level of financial literacy. Correlation coefficients were analyzed to illustrate interrelationships among financial literacy constructs and MCE. All the financial literacy dimensions were positively and significantly ($p< 0.05$) correlated with MCE, where the highest relationship was shown in between financial skills and MCE ($r=0.502$). This can be supported by the fact that financial skills of women are a main component of financial literacy.

5.2 Regression Analysis

The R^2 value of the model was 0.280 which indicates that 28 per cent of total variation of MCE is explained by the financial literacy dimensions. Where ANOVA result is significant, model is appropriate. Coefficient value of financial skills (ß = 0.333, p< 0.05) and financial behaviour (ß = 0.256, p< 0.05) show that there is a positive and significant impact of financial skills and behaviour on MCE of women micro credit holders. Where, financial knowledge and attitude have no significant impact on MCE of women micro credit holders.

Table 1: Summary of Hypotheses Testing

	Hypothesis	Remarks
H_1:	There is a significant positive impact on Financial knowledge on engaging with Microcredit	Rejected
H_2:	There is a significant positive impact of Financial skills on engaging with Microcredit	Accepted
H_3:	There is a significant positive impact of Financial behavior on engaging with Microcredit	Accepted
H_4:	There is a significant positive impact on Financial attitude on engaging with Microcredit facility.	Rejected

Source: Survey Data, 2019

Summary of the acceptance and rejection of hypothesis is illustrated in the above Table 1 which shows that financial knowledge and financial behaviour have significant positive impact on engaging with micro credit of women micro credit holders in poor urban areas.

6. CONCLUSION AND IMPLICATIONS

Main findings of the present study show that that there is a significant positive effect of financial skills and financial behavior on MCE of women micro credit holders in selected poor urban areas in Matara district of Sri Lanka. Study found that the most important dimension of financial literacy that effects on engaging with microcredit facility is financial skills of women micro credit holders. The results of the study are similar with Holzmann (2010) who revealed that effectiveness in financial behavior among poor households demonstrates that their capability in making a budget, planning, and savings. Contrary to the findings, Bongomin et al. (2017) found that financial attitude as a component of financial literacy significantly and positively predicts financial inclusion of poor households, whereas financial behavior, knowledge, and skills are not significant predictors of financial inclusion of poor households in rural Uganda. Previous findings were confirmed that financial literacy among rural poor women in Sri Lanka is relatively low. However, economic decision-making power is significantly influenced by financial literacy among the rural women in Sri Lanka. (Kumari & Azam, 2020).

With the rapid development of the financial market in Sri Lanka, the need for financial literacy is an essential criterion of financial environment. Thus, present study provides important information for micro finance institutions and policy makers to design financial education programs for women in poor urban areas to enhance their financial knowledge, skills, behavior, and attitudes.

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CORPORATE GOVERNANCE AND EQUITY FINANCE IN LISTED COMPANIES: A SRI LANKAN STUDY

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1. INTRODUCTION

Corporate Governance (CG) is referred to as "a system of rules, practices and processes by which firms are directed and controlled" (Institute of Charted Accountants of Sri Lanka (ICASL), 2017, p. 11). In the meantime, Florackis (2008) demonstrated that CG strategies have a negative linear relationship with agency cost in the United Kingdom which explains the ability of controlling agency cost of firm using better CG practices. Further, past literatures explain that minority shareholders are affected with the decisions of the major shareholders and led towards the high level of information asymmetry for the minority shareholders (Shleifer & Vishny, 1997). Haque (2015) stated a firm's ability to persuade investors about the firm's governance quality appears to influence the equity financing of a firm. Further, it is explained; better CG and associated stronger shareholder rights reduce agency costs of the firms (Gompers, Ishii, & Metrick, 2003). Emerging economies like Sri Lanka "where the capital market and the corporate sectors are very scrawny and the financial system is predominantly bank-based" (Haque, 2015, p. 234) needs to identify the importance of CG practices to make capital market stronger.

1.1 Research Questions

1. Does the firm-level CG influence on the firm's equity financing pattern of the public quoted companies in Sri Lanka?
2. Do the organizational factors (firm size, profitability, leverage, firm age and growth rate) influence on firm's equity financing pattern of the public quoted companies in Sri Lanka?
3. What organizational factor including CG index impacts most on equity financing pattern of the public quoted companies in Sri Lanka?

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1.2 Objectives of the Study

1. To examine the relationship between firm-level CG practices including ownership concentration with the firm's equity financing pattern of the public quoted companies in Sri Lanka.
2. To examine the relationships between organizational factors (firm size, profitability, leverage, firm age and growth rate) with the firm's equity financing pattern of the public quoted companies in Sri Lanka.
3. To identify the organizational factor that has the highest impact on firm's equity financing pattern of the public quoted companies in Sri Lanka.

1.3 Conceptual Framework

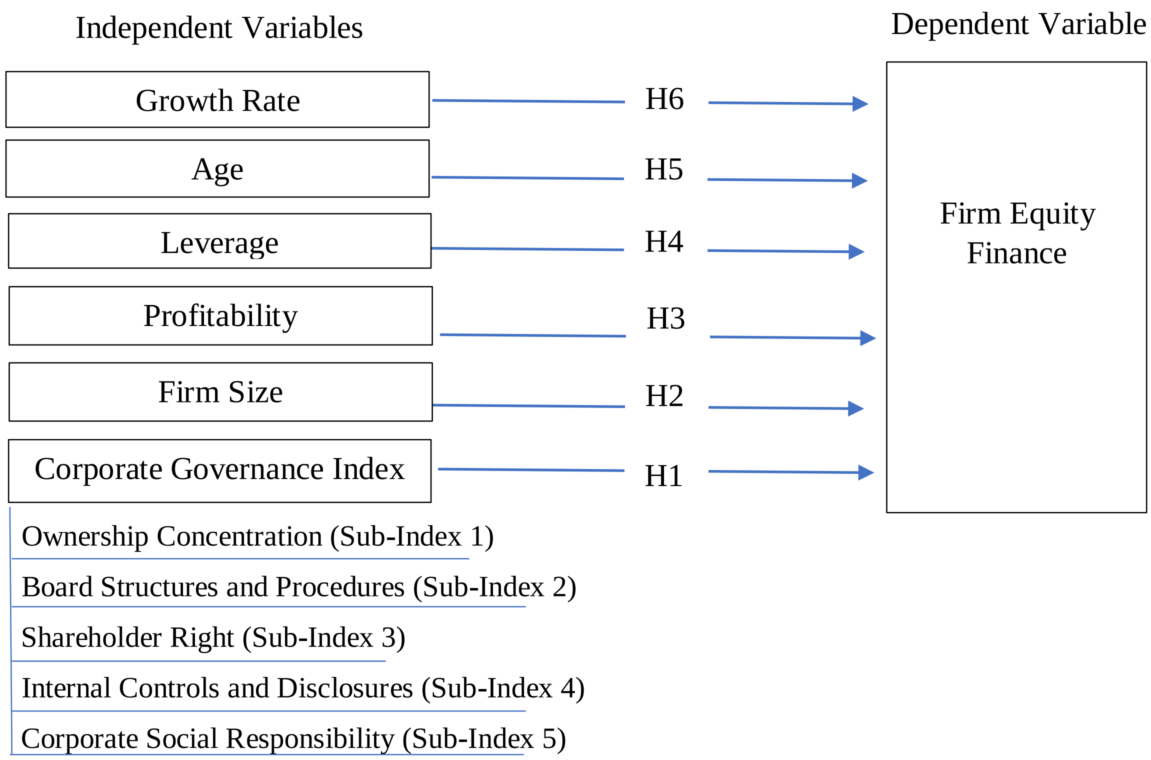

Figure 1. Conceptual Framework

1.4 Hypotheses

The following research hypotheses was developed by taking the relationships between dependent and independent variables into the consideration.

H_1 - Firm level CG quality is negatively associated with the firm's equity financing pattern.

H_2 - Firm size is negatively associated with the firm's equity financing pattern.

H_3 - Firm profitability is negatively associated with the firm's equity financing pattern.

H_4 - Firm leverage is negatively associated with the firm's equity financing pattern.

H_5 - Firm age is negatively associated with the firm's equity financing pattern.

H_6 - Firm historical growth rate is negatively associated with the firm's equity financing pattern.

2. LITRETURE REVIEW

Haque (2015) has carried out a study to find out whether there is a relationship between firm-level CG and firm's equity financing pattern in the emerging economies perspective. Here, researcher demonstrated that, firms with quality CG practices have the ability to access more equity capital (Haque, 2015). Accordingly, confidence of investors and investors' protection is high when firms having more effective CG practices leading to access for more equity finance in the market (La Porta, Lopez-de-silanes, Shleifer, & Vishny, 2000). This explains that developing economies tend to issue more equity to invest in low return investments as they are having weaker CG institutions (Gugler, Mueller, & Yurtoglu, 2003).

Growth opportunities are considered as an important determinant in making decisions regarding capital structure (Myers, 1977). Fast growing firms most of time rely on equity financing more than debt financing as there is an associated risk of potential bankruptcy (Du & Dai, 2005). Age is important factor when making an investment decision to invest in equity shares. Accordingly, it is said that, in the early stage of a firm degree of information asymmetry is extremely high between firms and investors. As a result of that investors' confidence is reduced to invest in a firm which is in early stage (Schäfe, Werwatz, & Zimmermann, 2001). Moreover, firm leverage also has a significance over firm financing pattern. Firm's higher reliance on debt financing reduces the ability to access towards equity financing. And it can be considered that, over valued firm more rely on equity than debt financing (Dittmar & Thakor, 2007).

Most of profitable firms tends to finance their investments using retain earnings as an internal financing source since it has no cost associated with (Dittmar & Thakor, 2007). In most of times, the firm size is measured using firm's total asset base (Haque, 2015). Accordingly, large firms experience positive influence on equity financing pattern than small firms. Further, it is considered information asymmetry between insiders and outsiders is high in small firms compared to large firm financing (Rajan & Zingales,1995; Kumar, 2005).

3. RESEARCH METHODOLOGY

As at the 31st of March 2019, there were 292 listed companies registered in the CSE under 20 different sectors showing highest number of firms have listed under the bank finance and insurance sector which amounted 63 firms excluded in selecting sample. Moreover from 292 listed companies the sample selected 174 firm from 18 different sectors in CSE for the period of 2016/17, 2017/18 and 2018/19. For analyzing the data, statistical applications of 'SPSS' is used and following regression model used to derive the relationship between firm-level CG and firm equity financing pattern along with other organizational factors.

$$\text{Equity finance} = \alpha + \beta 1(\text{G\_R}) + \beta 2(\text{Age}) + \beta 3(\text{Leverage}) + \beta 4(\text{Profitability}) + \beta 5(\text{Firm size}) + \beta 6(\text{CGI})$$

4. DATA PRESENTATION AND ANALYSIS

To observe the probable multicollinearity, Table 1 depicts the correlations among independent variables. According to the output of the correlation matrix, it is suggested that multicollinearity does not appear to have forced the effect of the explanatory variables. This is because independent variables do not have perfect associations. Accordingly, all the independent variables can be applied in the regression model.

Table 1: Pearson's Correlation Matrix Analysis

Variables	1	2	3	4	5	6	7
1. CGI	1						
2. Firm Size	.270**	1					
3. Profitability	.157*	.028	1				
4. Age	-.261**	-.006	.122	1			
5. Growth Rate	.218**	.191*	.155*	-.132	1		
6. Leverage	.242**	.212**	-.014	-.133	.141	1	
7. Equity Finance	.201**	-.026	.240**	-.093	.223**	-.180*	1

Note: **Correlation is significant at the 0.01 level, *Correlation is significant at the 0.05 level.
Source: Survey Data

Table 1 shows the CGI and Equity Finance is positively correlate with every variable except age which is negatively correlate with CGI at a 1 per cent of significant level and Leverage which is negatively correlate with Equity Finance at a significant level of 1 per cent. Moreover, Equity Finance, CGI and most of other variables each are positively correlate with Firm Size, Profitability, and Growth Rate at significant level of 5 per cent and 1 per cent. However, Equity Finance has a negative and significant correlation with firm Leverage. This may be due to the risk associated with the debt financing in Sri Lanka effects the shareholders' confidence to demand the equity shares of the highly levered firm. However, there is no any perfect relationship can be identified among all variables. All independent variables coefficient values lie between a value of + 01 and -01. As a result of this it can be considered, there is no multicollinearity among the variables.

Table 2 presents the OLS Regression Model summary of the relationship between firm-level CG and Equity Finance shows a 17.8 per cent R square value and adjusted R square value which is 14.7 per cent. Which means 14.7 per cent statistical variance of the equity finance is explained by the firm-level CG along with other organizational factors.

Table 2: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.422[a]	.178	.147	.29114	1.644

Source: Survey Data

Table 3 shows model is more appropriate as regression model is jointly significant at 99 per cent confidence level. Accordingly, it can be stated, CGI and other independent variables are jointly influence on Equity Finance pattern of Sri Lankan quoted companies.

Table 3: ANOVA Analysis

	Sum of Squares	Df	Mean Square	F	Sig.
Regression	2.907	6	.485	5.717	.000[b]
Residual	13.393	158	.085		
Total	16.300	164			

Source: Survey Data

According to Table 4, firm-level CGI has a statistically significant positive coefficient with equity finance. In addition, Profitability, Growth Rate have statistically significant positive coefficients. On the other hand, Leverage has a statistically significant negative coefficient with the Equity Finance Apart to the above-mentioned variables, firm Age and Firm Size have statistically insignificant negative coefficients with the Equity Finance. According to the standardized coefficient beta values, firm Leverage has a highest significant negative coefficient with the firm equity finance pattern. In addition to that Growth Rate, Profitability, CGI have significant positive coefficients of 0.190, 0.189, and 0.187 respectively towards the firm equity financing pattern.

Table 4: Parameter Estimations

Variables	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
	B	**Std. Error**	**Beta**			**Tolerance**	**VIF**
(Constant)	.695	.366		1.896	.060		
CGI	.406	.176	0.187	2.311	.022	.793	1.261
Firm Size	-.015	.018	-.066	-.862	.390	.880	1.136
Profitability	.575	.229	.189	2.512	.013	.923	1.083
Age	-.001	.001	-.075	-.984	.327	.883	1.132
Growth Rate	.378	.151	.190	2.506	.013	.901	1.110
Leverage	-.475	.146	-.246	-3.245	.001	.905	1.105

Source: Survey Data

5. FINDINGS AND DISCUSSION

In the hypothesis testing, null hypothesis $H1_0$ is clearly rejected and hypothesis one ($H1_1$) is accepted and as a result of that primary objective of this study is achieved. According to the profitability and growth rate, $H3_1$ and $H6_1$ hypotheses can be accepted while rejecting $H3_0$ and $H3_0$ null hypotheses. Further, $H4_0$ can be accepted since it shows a negative relationship between leverage and equity finance. Therefore, $H4_1$ is rejected. Finally, leverage is identified as the most impacted variable for the equity finance which is negatively related. According to the results obtained following new model can be built up by removing insignificant variables

Equity finance = 0.695+ 0.190(G_R)- 0.246(Leverage)+0.189(Profitability)+0.187(CGI)

Deciding optimal capital structure is one of most fundamental decisions taken by finance managers of firms and based on the new practices of Equity finance, such decisions can be affected by different factors, one of which is CG. Whereas maximizing shareholders’ wealth also another important issues in this context. The results obtained from testing the research hypothesis indicates that there is a positive relationship among CGI and used moderated variables of this study. According to the analysis, it shows a significant positive relationship between firm-level of CG and equity financing pattern. But, in the descriptive data table, it explained a mean value of 0.617 for the whole CGI, which as a percentage it is 61 per cent. Accordingly, it is a value just over 50 per cent and it can be explained there is a moderate CG system is available in the quoted firms of Sri Lanka. However, in developing economies have a comparatively low CG mechanism compared to developed economies (Gugler et al., 2003).

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IMPACT OF FINANCIAL DISTRESS ON EARNINGS MANAGEMENT: EVIDENCE FROM SRI LANKAN LISTED FIRMS

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1. INTRODUCTION

The earnings management has been elevated as one of the most important issues for investors and owners of corporate interests in the accounting literature. The intention of the current study is to shed some light on the issue of earnings manipulation when a company is facing financial distress. Financial distress means the inability of a company to service its debts or other obligations, emerged from poor profitability and cash flows. Platt and Platt (2002) defined financial distress as 'It is the late stage of firm decline, which can be followed by the major events such as bankruptcy, liquidation or insolvency'. Under the condition of financial distress, managers would take opportunity to conceal such a deteriorating performance by choosing different accounting methods that increase income and could conceal the loss (Habib, Bhuiyan, & Islam, 2013). Previous studies have mainly discovered that when the distress level is high, companies escort higher levels of accrual earnings management (AEM) (Agrawal & Chatterjee, 2015).

On the other hand, companies are being practice the magnitude of real earnings management (REM) to avoid disclosing probable bankruptcy. Earning manipulation is evidenced by Golden Key and the Pramukha Bank cases are the best examples for the financial scandals occurred as a result of mismanagement and manipulation of earnings in the Sri Lankan companies (Edirisinghe, 2015). Further, the recent collapse of some finance companies in Sri Lanka, particularly The Finance Company, also clearly shows the poor financial reporting practices and thus it is subject to the manipulation. Accordingly, it is right time to investigate the impact of earning management on financial distress in the context of Sri Lankan. because, in light of mixed evidence available and dearth of literature pertaining to the Sri Lankan context, the aim of this study is to analyse the impact of financial distress towards the two earnings manipulation techniques: accrual and real earning management. This study will provide useful insights for

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investors, lenders and regulators on ground realities of earning manipulation during financial distress, so that they can make optimal decisions.

2. LITERATURE REVIEW

There is no unified accepted definition to the concept of earning management. However, according to the most recent definition of Callao, Jarne, and Wroblewski (2014), it is a purposeful intervention in financial reporting, designed to reach earnings targets by varying accounting practices. The first alternative is to alter the level of accruals through the judgements made in financial reporting, until the desired level of earnings is achieved (Healy & Wahlen, 1998). The second alternative is to manage earnings through the deviation from the normal business operations, which is defined as the real earnings management (Roychowdhury, 2006).

2.1 Agency Theory and Earnings Management

According to the agency theory, the separation of ownership and management in large corporations gives an opportunity for the managers to use their discretion in preparing and reporting accounting information for their own benefit as earnings are also used as a performance measure and a compensation benchmark (Cohen, Dey, Lys, & Sunder, 2007). Corresponding to this view point, managers do not decide in favour to their owners, but manage incentives for their private interests, which are in contravention to the interests of maximizing shareholders' wealth.

2.2 Earnings Management and Financial Distress

Financial distress means the inability of a company to service its debts or other obligations, emerging from poor profitability and cash flows. In the face of financial distress, companies manipulate accounting profit as a performance measurement item (Ranjbar & Amanollahi, 2018). On the other hand, literature on real earnings management offer evidences that companies engage in manipulation of real activities such as decreasing R&D, maintenance or advertising expenditure to adjust cash flow and earnings (Nagar & Sen, 2016). Based on the prior literature, the following hypotheses are formulated in the study.

H_1**:** There is a positive impact of financial distress on the magnitude of accrual earnings management

H_2**:** There is a negative impact of financial distress on the magnitude of real earnings management

3. METHODOLOGY

This study is based on the secondary data, which were extracted from the annual reports in the Colombo Stock Exchange database. The sample comprises 207 Sri Lankan listed firms excluding financial sector companies during the period of 2013-2017.

3.1 Model Specifications and Method of Analysis

The specific models are employed from the literature to measure financial distress; accrual based management and real based earning management. Financial distress of this study is based on Altman Z-Score model developed by Altman, Hartzell, Heine, and Peck (1995). Accordingly, a company is considered as distressed if its Z-Score is less than 1.1. Further, between 1.1 and 2.6 is considered as bankruptcy cannot be predicted while more than 2.6 is considered as bankruptcy is not likely to occur.

The measure of accrual earning management is based on abnormal discretionary accruals derived from the Modified Jones model by Dechow, Sloan, and Sweeney (1995). Total accrual (TAit) is considered as a prerequisite to run the regression. This study adopted cash flow approach to evaluate total accruals (TA). According to cash flow approach the TA is the difference between net income before extra-ordinary items (NI) and cash flow from operating activities (OCF). Modified Jones Model of Dechow et al. (1995) is used by regressing to obtain the abnormal values of discretionary accruals. The model that is used to measure the extent of real earnings management is the combined models of abnormal production costs and abnormal discretionary expenses that were developed by Roychowdhury (2006). All variables are scaled by prior year total assets (A_{it-1}) to control for heteroscedasticity in both models.

Finally, panel regression is adopted to test the impact of earnings management on financial distress, including the selected control variables such as, return on assets, leverage, size, market to book value and cash flow.

4. RESULTS AND DISCUSSION

According to the panel fixed effect regression model, the adjusted R squared values implies that 57.3 per cent of the impact between the AEM and the selected independent variables, while, 73.9 per cent of impact between REM and the independent variables. The results indicate a statistically insignificant positive relationship between financial distress and AEM. Among the control variables, return on assets and firm size have a significant (at 5 % level) positive impact on AEM. This shows that more profitable and bigger firms have greater practice of AEM.

On contrary, there is a negative significant (at 5% level) impact between the level of financial distress and the magnitude of REM. Subsequently, more financially distressed Sri Lankan firms significantly conduct lower magnitude of REM because of their weaker financial condition. Further, return on assets has a positive significant impact on REM. This indicates that managers of profitable firms might be encouraged to engage in real earnings management in order to keep their records high and to be more competitive in the market. Therefore, above findings prove the hypothesis of H2 and reject the hypothesis of H1.

5. CONCLUSION AND IMPLICATIONS

The main findings of this study is consistent with the expected results, that less distressed companies significantly conduct higher magnitude of real earnings management due to their strong financial conditions and enable them to deviate from optimal business operations. While those companies exposed to lower levels of accruals earnings management. However, companies switch to accruals earnings management when distress is relatively higher because they have lost their financial competitive advantages within the market, thus they are discouraged to deviate from their most optimal business operations. Overall, the outcome of this study highlights that in the context of Sri Lanka there is strong relationship between the magnitudes of REM with the level of financial distress than AEM. We believe that the findings of this study could be helpful not only to investors to make better investment decisions and but also to lenders and regulators who are in charge of monitoring financial reporting quality.

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RELATIONSHIP BETWEEN BOARD CHARACTERISTICS AND FIRM RISK IN THE LISTED COMPANIES OF SRI LANKA

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1. INTRODUCTION

Major corporate collapses worldwide and the global financial crisis fetched considerable attention on corporate governance (CG) and risk management (Sorensen & Miller, 2017). Hence, CG systems are trust to be effective as an instrument for monitoring and control to prevent irregularities (Hossain, 2020). As per Jensen and Meckling (1976) corporate governance measures like board features, compensation structure and ownership structure determine firm risk. The board's mismanagement of fund and less risk management oversight were the main reasons for Sri Lankan corporate scandals took place as well (Senaratna & Gunaratna, 2009; Rajeevan & Ajward, 2019).

CG best practices and compliance level significantly vary in developed and emerging economies (Mishra, 2019). So, research based on those economies is invalid in application to the emerging economies. So that, due to dearth of literature in Sri Lankan perspective, the statement of problem of this study could be stated as whether there is an association between board features and firm risk in listed companies in Sri Lanka. Therefore, the aim of this paper is to explore the knowledge about how selected board features influence on firm's risk. This paper contributes CG and risk literature, by viewing selected board characteristics associate with risk of firms in Sri Lankan perspective. This study will guide regulators, policy makers and corporate management by providing empirical evidence on board features and their significance role in determining risk of corporate companies.

2. LITERATURE REVIEW

Primary responsibility of the board is to look after the interests of shareholders (Jenson & Meckling, 1976). In particular, the board needs to be on alert for any conflict that may arise between the interests of management in boosting returns while appetite risks, and the interests of the company's longer-term sustainability (Kyei, 2019). To perform the task, Stiles and

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Taylor (2002) states that, directors of the board (BOD) have vested important roles for firm risk taking which are strategic role, monitoring role and institutional role. These roles directly influence the BODs for risk taking. As per the literature review the following variables and hypothesis are assumed for this study.

The first feature is board size. Board plays an important role in corporate governance (Al-Haddad, Alzurqan, & Al-Sufy, 2011). As per Cheng (2008) large size board is associated with lower performance volatility. Pathan (2009) finds significant inverse relation between board size and firm risk. Sudha et al. (2016) finds that inverse relation with firm risk. However, in contrast Nguyen and Nakano (2012) shows that large firm motivate the risk. Next important feature is Non-executive directors (NED). Combined Code (2003) commends that at least half of the board, should contain NED. Literature shows three types of findings, first, no any association between proportion of NEDs and risk of firm for instance (Chaganti et al., 1985; Cheng, 2008). Second, positive association between firm risk and NED proportion for example (Pathan,2009). Third, negative association with firm risk, for example Sudha et al. (2016). Another important feature in Duality of CEO and Chairman. Pathan (2009) shows that powerful CEOs to be related to less firm risk and Parrino et al. (2005) shows the powerful CEO prefer to take less risky project. On the other hand, some of the literature shows the Powerful CEO prefer to have higher risk (Adams et al., 2005; Lewellyn & Muller, 2012; Sudha et al., 2018). Next feature is Gender diversity in the board. Powell and Ansic (1997) shows females are less risk-seeking than males and in terms of risk attitudes women more risk averse than men (Croson & Gneezy, 2009). Sudha et al. (2016) shows that the percentage of women on the board is insignificant inversely related to firm risk. Controversially, Adams et al (2005) find in Swedish women are more risk seeker and Berger et al. (2012) shows that women on board positively associated with firm risk.

Audit committee is an important feature in corporate board. Large participation of independent audit committee member depicted better performance (Saat et al., 2012). Chan and Li (2008) and Aggarwal et al. (2009) find positive association between audit committee and financial performance. Erickson et al. (2005) depicts a positive connection among audit committee independence and firm performance. Further they show a positive affiliation between audit committee operation and performance**.** Interlock directorship is important feature of board. Carrington (1981), Meeusen and Cuyvers (1985), Keister (1998) and Burt (1983) reports positive association with performance. On the other hand, Fligstein and Brantley (1992) and Richardson (1987) and Lincoln et al. (1996) report negative association with risk. Based on the above literature support below hypothesis developed to find the relationship between selected CG variables and firm risk.

H_1: Size of Board has inverse association with risk.

H_2: The Non-Executive Directors is negatively related to risk.

H_3: CEO duality is positively associated with firm risk.

H_4: The proportion women on the board is inversely associated to firm risk.

H_5: Audit committee independent is inversely associated to firm risk.

H_6: Director Interlocking is inversely associated with firm risk of listed companies in Sri Lanka.

3. METHODOLOGY

3.1 Research Approach, Variables, Population and Sample

This research aims to study the relationship between selected CG variables and firm risk. Quantitative approach is employed, (Zang, 2012; Alhadab et al., 2016). The population of the study is 293 companies listed in the Colombo Stock Exchange representing twenty industry sectors. In selecting sample, the banking, finance and insurance sector companies excluded. Due to data unavailability some companies were removed and finally 156 companies were selected. The sample period of the study was eight years from 2010 to 2017. Internal corporate governance variable refers to here as independent variables and it included Board Size, Non-Executive Directors, CEO Duality, Women on board, Audit Committee independence and Director Interlock. The current study ascertains firm risk as endogenous variable and measures it on the basis of market measure, accounting measure and mix of accounting and market measures. Firm risk measures used in this study are total risk (TR), financial risk (FR) and asset return risk (ARR). Firm size, Firm Performance and Leverage used as control variables.

3.2 Analytical Strategies

To attain research aim, descriptive statistics, correlation analysis, ordinary least square regression analysis and panel version of the regression analysis are used. As per Green (2003) panel data analysis is the recommended data analysis technique for a study using secondary sources that consists both the cross-sectional and time-series data. Therefore, panel date analysis is used to test the hypothesis. The following econometric model is developed to test the hypothesis.

$$\text{Risk}_{i,t} = \beta_1 + \beta_2 (\text{board size})_{i,t} + \beta_3 (\text{NED})_{i,t} + \beta 4 (\text{Percentage of women})_{i,t} + \beta_5(\text{CEO Duality})_{i,t} + \beta_6(\text{Audit committee})_{i,t} + \beta_7 (\text{Director Interlock})_{i,t} + \beta_8 (\text{performance})_{i,t-1} + \beta_9(\text{firm size})_{i,t} + \beta_{10} (\text{financial leverage})_{i,t} + \varepsilon_{i,t}.$$

4. RESULTS, ANALYSIS AND DISCUSSION

The Table 1 depicts the results of regression models. The pre-sign specifies the forecast as made in the propositions. Results revealed that the overall models are significant at 95 per cent confidence interval level. R-squared value of all models around 62 percent shows the amount of variation in the dependent variable is explained by the independent variables in the models.

Board size concern results show that board size is inversely associated to all measures of risk which demonstrate that if board size is small relationship with risk is high whereas if board size is large then relationship with risk is low. According to the results reported that NED proportion is inversely related to all measures of risk which mean higher NED proportion lead to lower the firm risk and lower NED proportion lead to higher the firm risk. Further women on board in Sri Lankan listed companies have an impact on firm risk means higher proportion of women lower the firm risk and wise-versa. Then estimate results for CEO duality is negative and significant with risk measures. Next result is audit committee, it shows no any significant association with risk measures however, it shows negative coefficient. Furthermore, the results depicted that director interlock significantly inversely related with risk of the firms.

Table 1: Estimation Results of Determinants of Firm Risk and Board Characteristics

Explanatory Variables	Pre-sign	Total Risk (M1)		Asset Return Risk(M2)		Financial Risk(M3)	
		Coefficient	t. statistics	Coefficient	t. statistics	Coefficient	t. statistics
C		4.54	5.83	24.95	8.08	13.71	8.29
Board size	-	-0.00	-0.15	-0.12*	-1.71	-0.10***	-2.71
Non-executive director	-	-0.18	-0.89	-1.50*	-1.87	-0.87***	-2.02
Women on board	-	-0.84**	-1.97	1.74	1.03	-0.57	-0.63
CEO Duality	+	-0.01	-0.04	-0.96	-1.01	-0.94**	-1.84
Audit committee	-	0.03	0.10	-0.07	-0.06	-0.14	-0.23
Director Interlock	-	0.02	0.17	-0.84*	-1.78	-0.57***	-2.29
ROA	-	0.26	0.99	3.37***	3.22	2.16***	3.85
Firm size	-	-0.13***	-4.26	-0.92***	-7.17	-0.45***	-6.53
Leverage	-	0.30**	2.00	0.39	0.66	-0.22	-0.69
R-squared		0.46		0.62		0.61	
Adjusted R-squared		0.38		0.56		0.56	
Hausman test Chi-Square stat		22.11		16.55		35.41	
Hausman test p-value		0.00		0.00		0.00	
F-statistic		5.66		11.00		10.77	
Prob (F-statistic)		0.00		0.00		0.00	
No of firms		156		156		156	
No of observation		1248		1248		1248	

*Note: This table displays the results from the estimation of the econometric model using generalized least square–fixed effects method. The model fit is also presented; along with the coefficient the t-statistic is reported in parentheses; the superscripts of *, ** and **** statistical significance to 10* per cent, *5* per cent *and 1* per cent *respectively.*

5. CONCLUSION AND IMPLICATIONS

This study investigates how board features such as board size, board independence, chairman/CEO duality, women proportion in the board, director interlocking and audit committee independence influence on firm's risk. This is very important due to the fact that emerging economies have practical issues while implementing the corporate governance system. Based on the results the below conclusion could be drawn. Listed companies in Sri Lanka are compliance with Code of best practices by the way of average board size are around 8 members, around 36 percentage of the members are NED in the board, 95 percentage of the boards are separated the duality of the position and audit committee included mean more than one professional independent NED in the board which are mandatory of the code of best practices. Apart from that, gender balance was analyzed even though it was not mentioned in the code shows 8 percentage of the board filled by women which depicted more insight of the board, multi directorship shows the mean of 64 percentage interlocked with other firms. The results give more understanding about the influence of board structure characteristics on risk of the firm. The number of risk measures are used to examine the influence of board characteristics on risk. The finding shows that under board attribute variables such as Board size, Women on board, non-executive director, CEO Duality and Director Interlock seems to be significant impact on firm risk. These finding are consistent with agency theory perspective. On the other hand, Audit committee do not show any impact on firm risk therefore, this knowledge is very important for the practitioners and regulators to take meaningful measures in appointing audit committee. The finding of the empirical study reveals that consistence with theoretical expectation and code best practices. It suggests that as far as risk concern the existing corporate governance practices and code of best practices are effective in Sri Lankan context.

The main implication of this finding for the regulators, investors, policy makers and government to use board structure variables as internal risk control mechanism and the same time potential investors can consider these variables to assess the firm risk. Further, the finding of this study is useful for companies listed in Sri Lanka to implement the risk assessment tool and threshold level of board character. When the code of best practices amendment take place, the policy makers can consider women proportion and interlock directorship for the enhancement of the performance and maximize the shareholders wealth.

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Management, Marketing and Human Resource Management

RECONCEPTUALISING DEVIANT BEHAVIOUR: DISCOURSES, NORMS, AND IDENTITY WORK

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1. INTRODUCTION

Deviant Behaviour—behaviour deviating from socially accepted norms-has traditionally been linked to criminal behaviour in a society (Hirschi, 1969; Warren, 2003). Within Management and Organizational Studies (MOS), rule-bending behaviour (e.g.- Ferreira, et al., 2017), rule-breaking behaviour (e.g - Bryant, et al., 2010), discrimination, harassment, violations, and corruption (e.g - Hudson, et al., 1998; Loyens, 2014) are studied under deviant behaviour. Sociological studies reveal the negative aspects of deviant behaviour (Hirschi, 1969), while positive and negative effects of deviant behaviour are evident in MOS (Warren, 2003). Theories on the construction of deviant behaviour vary depending on the premises—the deviant and his/her surrounding—occupied and provide partial reasoning of the construction of deviant behaviour. Hence, it is argued that a fuller view of the construction of deviant behaviour is needed. Thus, this paper aims to examine the construction of deviant behaviour in order to identify common sub-constructs to be incorporated in re-conceptualising the deviant behaviour.

2. PLACING THE CONSTRUCTION OF DEVIANT BEHAVIOUR UNDER THE ENDOGENOUS AND EXOGENOUS APPROACHES

The construction of deviant behaviour is considered under the ‘endogenous’ and ‘exogenous’ approaches in this paper. The purpose of this classification is to understand the common premises of the theories which utilize these two approaches. Accordingly, theories under the exogenous approach emphasize the external context of the deviant (e.g - Avolio et al., 2009; Larsson et al., 2014; Alsadullah et al., 2019; Borry & Henderson, 2019; Fleming, 2019; Loyens, 2014) while theories under the endogenous approach emphasize the person who deviates (e.g - Borry, 2017; Warren, 2003; Avolio et al., 2009; Borry & Henderson, 2019; Bryant et al., 2010; Chen et al., 2019; Ferreira et al., 2017; Fleming, 2019; Loyens, 2014; Majeed, Jamshed, & Mohd Mustamil, 2018; Hirschi, 1969). However, the exogenous construction of deviant behaviour does not emphasize micro-sociological processes (Wells, 1978) while the

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endogenous approach provides more inward reasons for the behaviour, though the social context of a person impacts his/her behaviour through social interactions (e.g - Larsson et al., 2014). Thus, these two approaches provide partial explanations—emphasizing either the external or internal view—to the construction of deviant behaviour, leading to the use of two or more theories, stemming from both approaches, to understand deviant behaviour (e.g - Borry & Henderson, 2019; Loyens, 2014).

3. ANALYSIS AND DISCUSSION - RECONCEPTUALISING THE DEVIANT BEHAVIOUR

In line with the review of literature on the construction of deviant behaviour and its observed limitations, an analysis was carried out by identifying and categorising the constructs discussed in conceptualising deviant behaviour within the existing literature. Then the paper proposes three sub-constructs to be considered in re-conceptualising deviant behaviour (see Table 1).

Hence, discourses, norms, and identity work are proposed as the sub-constructs to be incorporated in the construction of deviant behaviour. Further, these sub-constructs are suggested to be mingled in the re-conceptualization since they can be used to ascertain the above-discussed premises of deviant behaviour. Higher goals or values and social norms are the examples of discourses of social norms which impact on deviant behaviour at the operational level of strategies (Su et al., 2017; Loyens, 2014). Practices resulting from a deviation have the potential to become normalized norms in the long run, through organizational discourse (Alsadullah et al., 2019; Borry & Henderson, 2019; Borry et al., 2018; Fleming, 2019; Loyens, 2014; Morrison, 2006) and are linked with organizational strategies. The understanding of identity work helps to manage the identities of self and others' through deviating norms and normalising norms (Balogun & Johnson, 2005; Nag, Corley, & Giola, 2007; Reay, Goodrick, Waldorff, & Casebeer, 2017; Stensaker & Falkenberg, 2007; Xing & Liu, 2015) which play a part in organizational change.

4. CONCLUSION AND IMPLICATIONS

Constructs behind the construction of deviant behaviour were categorised under two approaches—exogenous and endogenous—and multiple constructs were identified. However, these constructs are scattered among different theories leading to the use of two or more theories within one study in the process of explicating the construction of deviant behaviour. Thus, discourses, norms, and identity work are the sub-constructs proposed to be used in re-conceptualising deviant behaviour. They go beyond the surface-level reasoning related to the construction of deviant behaviour and extract the essence of its construction enabling an understanding of its multiple and complex nature.

Table 1: Re-conceptualising Construction of Deviant Behaviour

Existing Constructs	Sub-theme	Element of proposed constructs	Proposed constructs
• Individuals/Groups associated with the deviant and their behaviour • Behaviour imitated and learnt from others • Attributions observed from others	Attributions and behaviours of individuals and groups **(1)**	Language in use/ Social Practices, Context	**Discourses** (Language in use, social practice and context are core elements of discourses (Jaynes, 2015; Paroutis & Heracleous, 2013; Wenzel & Koch, 2017)).
• External structure/contexts • Standards/ rules/ morality of the context/society • Organizational climate and control systems	Structural and contextual constructs of society **(2)**		
• Information sought from the immediate environment	Social context and experiences gained **(3)**		
• Previous experiences • Signals internalized • Personal goals	Internalized behavioural norms and personal goals**(4)**	Rules which guide behaviour	**Norms** (Unwritten rules that guide individuals' behaviour in specific situations (Cummings & Worley, 2009)).
• Individual differences • Cognitive mechanisms • Way of achieving personal goals	Way of achieving personal goals **(5)**		
• Impulse to engage in a given task	Rule behaviour **(6)**	Active processes of individuals	**Identity work** (Set of active processes/ range of activities which serve to construct a sense of identity or to create, present, and sustain identities that are congruent with and supportive of the self-concept' (Brown, 2017; Sveningsson & Alvesson, 2003)
• Socially demanded roles • Labelling of society	Society attaches labels/ constructs identities according to rule behaviour **(7)**		

Source: Developed by Authors based on the above cited literature

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GENDERING RESPONSES TOWARDS PURCHASE INTENTION WITH JOINT EFFECT OF DESIGN AND SOCIAL CUES IN FASHION RETAILING CONTEXT

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1. INTRODUCTION

Fashion retailing industry has become a fast-moving industry in the present world. 'In this dynamically changing industry, one of the leading factors are that account for significant differences in shopping behavior is, gender. Thereby the notable variations on stereotypes classify women as being more conscious towards shopping, as women are more shopping conscious while men are classified as having loathing for shopping. Therefore, it's appropriate to pay attention to the notion of gender orientation in retail settings where sex–based differences are known to occur in retailing. Thus, the current study aims to investigate the effect of design cues on the purchase intention of consumers in a fashion retail context, with a controlling effect of social cues and its gender base differences.

2. LITERATURE REVIEW

A considerable number of academic research studies have taken place to identify its antecedents on individual factors which are vastly focused on an atmospheric sense such as music, color (Yalch & Spangenberg, 2000), odor/scent (Michon, Chebat, & Turley, 2005), and lighting and crowding (Machleit, Eroglu & Mantel, 2000), with respect to its influences on shopping duration, merchandise evaluation ,affective response and shopping satisfaction (Yalch and Spangenberg, 2000). Furthermore, other than the physical factors, density or feeling of crowdedness in the store and friendliness and salespersons' persuasive efforts within a store environment also makes significant influence for reactions given by the consumers in the store (Kim and Kim, 2012).

Accordingly, a considerable number of research studies have investigated nexus between above discussed factors such as music, color, lighting, crowding as individual factors related to the phenomenon with a different range of outcomes. When consumers experience the retail environment, they don't explore its music in isolation, don't smell the scent without seeing the colors, and can't walk without feeling the ambient temperature or feeling of crowdedness. Therefore, the typical experience in retail setting is on-going and integrated. However, the exploration of this holistic perspective of atmospheric experience in retail stores has been limited in research.

In trying to address this lacuna, it is therefore apt to study whether the presence of friendly and more persuasive sales peoples and level of crowdedness in an environment make any influence towards the relationship between mesmerized design cues and the purchase intention of consumers in the retail premises. Furthermore, another interesting area to study is whether there are any differences on gender towards the identified relationship of design cue and purchase intention as well as the social cues.

Accordingly, a notable limitation in academic literature, in holistic perspective of atmospheric experience such as the ongoing and integrated effect of purchase intentions and encountered atmospheric cues: design cues and social cues in retail setting. Only a few numbers of studies have been conducted in this context such as: Kumar, and Kim (2014) which examines the social cues and its impact on cognitive evaluation. The design cues and the customer purchase intention under the influence of social factors and its differences among different genders do not appear to be well-researched context in current academia.

There by, the main purpose of the study is to investigate the effect of design cues in retail environment on the purchase intention of consumers depending on the influence of social cues in retail context as well as males and females different responses in there. The objectives of the research are:

Objectives:

1. To examine the relationship between design cues in retail settings and purchase intention of consumers in different genders.
2. To examine the moderating effect of social cues in retail setting on the relationship between design cues in retail setting and purchase intention of consumers and its differences in gender.

3. METHODOLOGY

The research was conducted as descriptive research which was carried out as a survey, with the data being quantitative in nature; statistical methods were used to analysis the data. The main focus of the present study is to reveal the design cues in fashion apparel retail setting and its influence for consumers purchase intention in retail setting out of the independent variables of window display, in-store form /mannequin display, floor merchandising, promotional signage. The context within the study was fashion sector retail stores. The rationale behind choosing this is that it has a proportionally larger number of stores in shopping centers with these concepts applied in an advanced form than any other retail sector (West, 1992).

The data was obtained using a self-administered questionnaire which was developed focusing on demographic factors in the first part and the second section consisting of items that addressed design cues in fashion apparel retail setting and its influence for consumers purchase intention in retail setting. The data was evaluated by the respondents on a seven -point Likert-type scale which represents, 1- strongly disagree to 7- strongly agree (second section of the questionnaire). Ultimately, the general public who use these retail formats were focused on due to the fashion retail context intensively comprises with design and social cues greeter than other sectors (Saleem, & Ellahi, 2017). Therefore, the applicability of the phenomenon is interested in the study. The response rate was 88 present (88%).

Table 1: Measurements of the Variables

Variable	Items	Reference
Window display	Compelled to enter, interesting window display, tend to enter by eye-catching displays.	Mehta and Chugan, (2013)
In-store form	Feature new design & styles, get an idea to buy item, tend to rely on site displays, see the like item on mannequins buy it.	Mehta and Chugan, (2013)
Floor merchandising	Try on clothes when pass by, walk to look at items close to me.	Mehta and Chugan, (2013)
Social cues	friendly smile , easily being available for the consumers , shopper density and perceived crowding	Kim and Kim (2012)

Source: Survey data (2019)

4. FINDINGS

The frequency statistics indicated that, the sample distributed closely similar between two genders as 51 percent (51%) of males and 49 percent (49%) of females. Furthermore, the majority of male respondents represented the age category above 30s and majority of females in age in 24-26 respectively (71.8%) and (69.6%) from the sample. However, largest number of both respondents earns around Rs.25000-35000 and majority spends around Rs. 10000-20000 as their clothing budget similarly.

There are two analysis performed in this research. Multiple regression analysis was applied to test the relationship between the two variables: relationship between design cues in retail setting and consumers purchase intention in retail setting while they purchase fashion apparels. Moreover, hierarchical regression analysis was employed to measure moderating effect of social cues in terms of employee friendliness and responsiveness. Items yield a Cronbach Alpha value for these five factors are (window display: 0.583, In-store form: 0.629, floor merchandize: 0.669, Promotional Signage; 0.612, Social cues: 0.698 respectively, Purchase intention: 0.758), and Overall Crobanch's Alpha was 0.794 which indicates adequate internal consistency. Accordingly, in order to ensure the stability and the consistency of the instrument which measures the concept and its "goodness" as measures were extracted through the validity of the measurements (Sekaran, 2013). The reliability of the sample proved through statistically significant Bartlett's Test results (Chi-Square 80.685, df: 10, sig .003) by indicating the sufficient correlation among the variables and the advocacy of the sample was strived through Kaiser-Meyer-Olkin. (KMO) .671 (> 0.5). Accordingly, Overall Crobanch's Alpha was 0.794.

In order to ensure the respondents were actually influenced by tested retail environmental cues, manipulation checks were applied based on two main questions, "I would intend to buy fashion apparels in a retail environment with high design cues, "I would intend to buy fashion apparels in a retail environment with high social cues" which anchored the answers on a seven-point scale (1=Strongly disagree and 7= strongly agree). The design cues in retail store evaluated in more favorable manner by males than females in the group (M male=5.197 and M female=5.04; F (1,100) =.828; P>0.001. For the second question, in direct contrast between two groups (M male=5.02 and M female=4.6; F (1,100) =.050; P>0.001 where males perceived slightly higher than their female respondents, thus conforming the effectiveness of manipulated variables.

As derived through correlation analysis, main variables, window display (P= .192, Sig=.048), in-store form (P= .170 Sig=.071), and floor merchandising (P =.179, Sig =.061) for male respondents and its female counterparts displayed values respectively window display (P = .217, Sig =.031), in-store form (P = .368 Sig =.001), and floor merchandising (P = .346, Sig =.001). Accordingly, compared to males, female respondents indicated strong positive significant relationships with dependent variable. Therefore, in-store form and floor merchandising in retail atmosphere appeared to significantly influence females' purchase intention when buying products.

In order to further emphasise on the findings, the regression model was applied and as findings pointed out, the various inflation factor (VIF) for all variables is should be less than 05 (Rogerson, 2001) (VIF for all variables < 3.0) and all tolerance value well below 1, was indicated that free of multi co linearity of the variables in regression model. Further, Durbin-Wotson close to 2.0 is consistent with no serial correlation among the independent variables.

Thus, results were partially supported for hypothesis 01 (H1) which examines whether there is significant positive relationship between design cues (window display, in-store form or mannequin display and floor merchandising) and consumers' purchase intention in retail settings for female respondents. Thereby, the results show social cues do not have a moderating effect in the relationship between window display and the consumer purchasing intention in retail setting regarding any consumer groups. Thus, hypothesis 02a (H2a) was rejected. Further, both male and female consumers do not make any changes in their intention to buy products in retail setting with influence of the social cues present.

It can be concluded that, both male and female consumers significantly change their purchase decision with interaction effect of social cues but, female respondents get significantly higher stimulus than males from the social cues in retail setting.

5. CONCLUSION

The multiple perspectives of retail atmospheric cues in examining features of review content are a major theoretical contribution of this study. The findings also generated areas worthy of more research efforts for future practitioners that has female can be promoted to purchase more products in attractively designed setting with in-store form and floor merchandising in retail atmosphere than the other environment.

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BEHIND THE MASK: ANTECEDENTS AND CONSEQUENCES OF WORKPLACE VIOLENCE AMONG UNIVERSITY ACADEMICS

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1. INTRODUCTION

Workplace violence (WPV) is a well- prevalent issue of concern which exists within every level and type of organizations across the world. Workplace violence can be identified as any intentional confrontation that may increase the intensity and threaten the safety of any employee that have an impact on employee's physical or psychological well-being. Therefore, the workplace violence can be recognized as one of the major issues that employers need to pay attention to due to the paramount consequences it creates. Hence any violent act that affects the work life of employees should not be disregarded by any of the employers.

Even though this significant issue has been addressed in many disciplines, workplace violence among academics has not been investigated so far in detail. Unlike with other work organizations, universities are generally accepted as places where well educated, disciplined and intelligent people work as academics. Therefore, the prevalence, reasons and the responses of academics towards workplace violence could be different from other work organization's employees. Even though the concept of workplace violence is not that new phenomenon to other fields of employments, prevalence of workplace violence among academics remained soundless throughout the history. Therefore, this study together with sound literature review is a timely attempt to investigate the prevalence of workplace violence among university academics in three main Western province state universities in Sri Lanka namely university of Sri Jayewardenepura, university of Kelaniya and university of Colombo.

This study aims to explore the antecedents and academics' experiences related to the workplace violence among academics in the Western province state universities. Further it also tries to understand how workplace violence impact on the performance of academics and the other related consequences.

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2. LITERATURE REVIEW

The concept of workplace violence has been identified in many disciplines, including management, organizational culture, psychology, nursing and psychiatry (Speedy, 2009). The Occupational Safety and Health Administration (OSHA, 2009) defines workplace violence as "any physical assault, threatening behavior or verbal abuse occurring in the work setting. It includes, beatings, stabbing, suicides, and shootings, near suicides, psychological traumas such as threats, obscene phone calls, an intimidating presence, and harassment of any nature such as being followed, sworn at or shouted at" (p. 7). According to Verdugo and Vere (2003) workplace violence refers to both physical and psychological behavior. Therefore, the definition of violence is any attack, assault, or threat that results in physical injury or in the psychological stress of an individual or group. Among many diverse categorizations on the types of violence most common categorization is physical, psychological and/or sexual violence (European Agency for Safety and Health at Work, 2010); verbal, physical, sexual and behavioral violence (Khalef, 2003); self-directed, interpersonal, and collective violence (WHO); and physical and psychological violence (Chappell & Di Martino, 2006).

The individual costs of workplace violence are great. Research tend to concentrate on two individual costs namely physical and psychological. Individual physical costs due to workplace violence include injury, death, and other physical consequences. Individual psychological costs can include depression, anxiety, fear, loss of self-esteem, and stress, which have all been linked to workplace violence. These psychological outcomes, in turn, have their physical consequences, such as psoriasis, headaches, pain, etc. all of which have been linked to the psychological costs of workplace violence (Leck, 2002). It is evident that the impact of WPV is numerous. In relation to work-related consequences, researchers have found that targets have a higher intent to leave (Djurkovic et al., 2008), lower levels of commitment (McCormack et al., 2006), and higher levels of absenteeism (Hoel et al., 2003). Moreover, Lutgen- Sandvik et al. (2007) found that both targets and witnesses of bullying had lower levels of job satisfaction, job rating, and higher levels of stress. In addition, Einarsen et al. (2003) also found detrimental consequences for both targets and witnesses when revealing that both types reported a lower quality work environment. In relation to physiological and psychological consequences, targets suffer lower physical and mental health (Giorgi et al, 2015; Hoel et al., 2004), while experiencing higher levels of depression (Mikkelsen and Einarsen, 2002), negative affect (Djurkovic et al., 2006), alcohol abuse (Rospenda, 2002), and even suicide (Rayner et al., 2002). Finally, D'Cruz and Noronha (2010) found that witnesses also reported deterioration in their own physical and mental health including guilt and fear, insomnia, headaches, and fatigue.

3. METHODOLOGY

A qualitative approach was carried out to discover the workplace violation situations which arise among academics, through in-depth interviews. Researchers selected a sample of twenty-one academics through purposive sampling technique to identify and select all cases that meet some predetermined criterion of importance namely, equal representation of gender, seniority level (service should be more than or equal to two years), should be from a Management Faculty, should be from a selected state university of Western province. After transcription, the interviews were analyzed by using thematic analysis method. The Thematic Map was developed based on the analysis of the data. Triangulation is used to ensure the validity and trustworthiness of the study. Respondent validation was done soon after transcribing interviews into scripts where all the scripts were read and acknowledged by the participants by accepting the fact that transcripts represent their true views during the interview. Peer examination was carried out by the respective senior research supervisor continuously in order to ensure accurate interpretation of the findings of the study.

4. ANALYSIS AND DISCUSSION

Two major themes were emerged, namely perceived victimization and consequences of workplace violence. Constructs such as ‘factors related to organization’, ‘factors related to perpetrator’, ‘factors related to victim’ were categorized under the theme of ‘Perceived Victimization’. Further the research identified ‘factors related to the organization as organizational culture’, ‘perceived barriers to report violence in the university’ and ‘inefficient organizational management’. Factors related to the perpetrator were also identified as ‘unmet expectations of the perpetrator’, ‘personality traits of the perpetrator’ and ‘erosion of professional competence’. ‘Personality traits of the victim’ and ‘perceived coping ability’ were identified as factors related to the victim.

All the academics in this study has experienced some form of workplace violence and majority of them have not reported it .Intention to leave, reduced productivity and commitment, self-isolation, higher levels of absenteeism, frustration / job dissatisfaction, deviation of responsibilities as an academic were identified as negative consequences of workplace violence whereas attention to further studies and improved adaptability , tolerance were identified as positive consequences of workplace violence .Interpretations of what participants said suggest that psychological violence is a prominent existing issue among academics. Seniority and gender are identified as major contributing factors to workplace violence. Paradoxically, the level of engagement in administrative activities also found to be a booster of workplace violence among academics. Resource conservation theory, and social dominance theory were used to analyze collected data of the research. This study has provided more in-depth insight into the experiences of workplace violence experienced by state university academics.

5. CONCLUSION AND IMPLICATIONS

In this study, key variables causing workplace violence among academics were identified and discussed. Identification of these factors would help the university management to reduce the chances of occurrences of violence incidents among academics in future. Accordingly, suggestions mentioned are needed to be implemented namely formulation of workplace violence prevention policies and procedures, employee assistance programs, and workplace education / training programmes for academics. Employee assistant programmes, policies and procedures to prevent workplace violence could be strengthened, with additional support provided by the top management philosophy related to workplace violence within the state university system. It was found that some factors which leads to workplace violence can be changed (immediately/ slowly) to reduce future occurrence of workplace violence among academics. Further, the study emphasizes the significance of continuous monitoring and reviewing of complaint procedures and reporting mechanisms to ensure efficiency and awareness amongst all staff members to minimize the adverse effects of workplace violence incidents.

The study helps to fill the gap between existing literatures related to psychological workplace violence that exists among academics in the Asian as well as global context. It is essential for state universities to be prepared to deal with workplace violence to reduce the adverse consequences of it.

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INTER-ORGANIZATIONAL KNOWLEDGE TRANSFER IN DISSIMILAR CULTURES: A CASE OF A MULTINATIONAL COMPANY

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1. INTRODUCTION

Knowledge transfer is a complex phenomenon (Bender & Fish, 2000; Goh, 2002). Successful or effective knowledge transfer is often difficult to achieve (Michailova & Hutchings, 2006) due to the multifaceted nature of boundaries, cultures and processes involved (Easterby-Smith et al., 2008). This complexity is intensified as organizations tend to disperse across geographically and culturally dissimilar contexts (Pauluzzo & Cagnina, 2017). These organizations tend to be multinational companies (MNCs) (Qin et al., 2008). Their competitiveness depends on their ability to exploit knowledge resources through knowledge transfer across countries or cultures (Pauluzzo & Cagnina, 2017). These issues of MNCs seem to be debated in recent work related to inter-organizational knowledge transfer (Pauluzzo & Cagnina, 2017; Qin et al., 2016). Research have also revealed that knowledge transfer in MNCs is especially difficult due to various contextual issues like cultural distance (Jensen & Szulanski, 2004). However, most research on inter-organizational knowledge transfer in MNCs between headquarters (HQ) and subsidiaries (Michailova & Hutchings, 2006; Wilkesmann et al., 2009) do not seem to adequately address the influence of cultural distance.

To achieve these aims, a USA based MNC having its subsidiary operations in Sri Lanka was selected, considering the knowledge transfer between these organizations as inter-organizational due to highly decentralized nature of the selected HQ and subsidiary. Accordingly, this study shall contribute to knowledge management literature by filling the knowledge gap with respect to the influence of cultural distance on inter-organizational knowledge transfer in MNCs. As per the findings, it is argued that cultural distance influences inter-organizational knowledge transfers in MNCs.

2. LITERATURE REVIEW

Cultural distance is generally viewed as an obstacle to effective knowledge transfer (Bhagat et al., 2002). Even if the phenomenon of this study: inter-organizational knowledge transfer in MNCs between HQ and subsidiaries, was thoroughly discussed in knowledge management literature (Noordderhaven & Harzing, 2009; Pauluzzo & Cagnina, 2017; Qin et al., 2016), it seemed that the influence of cultural distance on this phenomenon still prevails under-explored. The scholars have come up with various cultural dimension theories to analyze and explain cultural distance: Hofstede (1980), Hall (1989) and Trompenaars (1993). However, Trompenaars (1993) theory was selected as the appropriate theoretical lens to be utilized in this study due to the associated limitations in other cultural dimension theories (e.g., Hall, 1989; Hofstede, 1980) which have been criticized in previous studies (Orr & Hauser, 2008; Wilkesmann et al., 2009) and, Trompenaars' (1993) seemed addressing such limitations. Further, it seemed that the use of Trompenaars (1993) cultural dimensions theory in knowledge management research was limited to explore and adequately explain the phenomenon of this study: the influence of cultural distance on inter-organizational knowledge transfer in MNCs between HQ and subsidiaries (Lindholm, 2013; Michailova & Hutchings, 2006). Perhaps, such limited use of Trompenaars' (1993) cultural dimensions theory in knowledge management research on inter-organizational knowledge transfer in MNCs between HQ and subsidiaries set this theory as an appropriate perspective to be utilized in this study.

3. METHODOLOGY

This study was designed as a qualitative study based on the social interpretivistic paradigm as the research questions of the study explored a qualitative phenomenon and being similar to most studies in knowledge management literature (Chen et al., 2010; Wilkesmann et al., 2009) whilst a case study approach was taken as a means of achieving the objectives of this study. Qualitative data for this study was gathered through documentary review and fifteen in-depth research interviews conducted online. The interviewees consisted managerial level staff in the selected organization, who involve in inter-organizational knowledge transfer. The data was analyzed based on the themes identified using Trompenaars (1993) cultural dimensions theory.

4. FINDINGS AND DISCUSSION

As per the findings, inter-organizational knowledge transfer in this MNC between USA HQ and Sri Lankan subsidiary takes place as knowledge transfer sessions. When considering inter-organizational knowledge transfer between USA HQ and Sri Lankan subsidiary with respect to the dimension: universalism vs. particularism, USA and Sri Lankan employees behave in: a particularistic way and a universalistic way respectively. Hence, the selected context showed a difference as USA and Sri Lanka laid in: particularism and universalism respectively, even if the previous literature (Madhavan, 2016; Nanayakkara, 1992) brings evidence to situate these two countries in opposite ends of this dimension. Next, the findings complemented the evidence carried in Trompenaars (1993) cultural dimensions theory and previous literature (Lindholm, 2013; Madhavan, 2016; Nanayakkara, 1992) for the dimensions of; individualism (USA) vs. communitarianism (Sri Lanka), specific (USA) vs. diffuse relationships (Sri Lanka), achievement (USA) vs. ascription (Sri Lanka) and, time orientation: sequential (USA) vs. synchronous (Sri Lanka) with respect to inter-organizational knowledge transfer in the selected context. However, the remaining two dimensions: neutral vs. diffuse relationships and human-nature relationship: internal control vs. external control were not supported by the findings of this study.

5. CONCLUSION AND IMPLICATIONS

This study started with a broad research problem to fill a knowledge gap, which existed in knowledge management literature: "What role does cultural distance play in inter-organizational knowledge transfer?" with a case of an MNC with a USA HQ and a Sri Lankan subsidiary. Based on this broad research problem, two research questions (RQs) were formulated as: how does inter-organizational knowledge transfer take place between USA HQ and Sri Lankan subsidiary in an MNC? (RQ-1) and how does cultural distance influence (i.e. the role) inter-organizational knowledge transfer between USA HQ and Sri Lankan subsidiary in an MNC? (RQ-2). As per the evidence gathered for the study, it was understood that knowledge transfer between USA HQ and Sri Lankan subsidiary of this MNC takes place as knowledge transfer sessions (RQ-1). Next, the influence of cultural distance on inter-organizational knowledge transfer between USA HQ and Sri Lankan subsidiary (RQ-2) was explored through the light of Trompenaars (1993) cultural dimensions theory. The findings illustrate that the theoretically introduced cultural dimensions are relevant to analyze this phenomenon in the selected context. Therefore, it was concluded that cultural distance influences inter-organizational knowledge transfer in MNCs. Hence, this study theoretically contributes to debates in knowledge management research in general and inter-organizational knowledge transfer in MNCs between HQ and subsidiaries, in particular. When considering the practical implications, if inter-organizational knowledge transfer happens in similar contexts: MNCs with a USA HQ and a Sri Lankan subsidiary in the practical business world, such companies may take into account: the influence of cultural distance on inter-organizational knowledge transfer.

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JOB-RELATED HAZARDS AMONG DELIVERY EMPLOYEES IN THE QUICK SERVICE RESTAURANT (QSR) INDUSTRY

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1. INTRODUCTION

Today, almost all the restaurants in the QSR industry in Sri Lanka operate mainly with the option of door delivery of their foods. This tendency [2]of door delivery leads to increase the demand and popularity for the category of delivery employees. With this increasing trend, the likelihood of occurring job-related hazards among delivery employees are also increasing (Ludwig & Geller, 2012). In this context, this conceptual paper seeks to answer the problem of, 'why there is an increasing trend of job-related hazards among door delivery employees in the QSR industry?' Having identified that delivery employees possess several unique job characteristics such as a young workforce, skills and experience deficiency, time pressured job tasks, high turnover, frequent riding, and heavy workload, the paper identifies four major factors as the significant causes of job-related hazards based on the literature: Poor safety attitudes, lack of safety knowledge and engagement, time pressured working conditions, and lack of management commitment to safety.

As the main contribution, the paper develops four cause and effect relationships to reflect the reasoning for the job-related hazards among delivery employees and presents different ways how each independent variable link to hazard occurrence. Even though, the literature explains several reasons for work hazards, there is no adequate research to cover a broader area considering multiple reasons in a single study with a focus on the delivery employees. Accordingly, the paper widens the current knowledge regarding job-related hazards among an emerging and continuously growing category of delivery employees.

2. LITERATURE REVIEW

The prevailing high rates of accidents and fatalities in the delivery industry have placed it among the most hazardous industries (Hosseinian & Torghabeh, 2012). Job-related hazards are the root cause of accidents and injuries (Yuebing, Kai, & Ruming, 2011). Accordingly, job-related hazards in the QSR industry can be defined as any unsafe act and/or unsafe condition

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related to the job that occurs within the restaurant or during delivery and that cause harm to people, damage to properties or environment, or a combination of these.

The job-related hazards faced by delivery employees are not limited to the road hazards. They expose to common restaurant hazards such as slippery floors, sharp objects, heavy lifting, and awkward positions. Also, they encounter hazards during the deliveries including, frequent stair climbing, slipping, tripping, and falling from heights (Deliverers' Occupational Safety Report, 2017). Delivery employees are vulnerable to robberies as they carry cash and are at a risk of becoming victims of aggressive, careless, drunken drivers and other road users (Kudasz et al., 2010).

3. CONCEPTUALIZATION

This study uses four factors in order to conceptualize the causal effects between causes of hazards and the occurrence of hazards among delivery employees**.** These four factors are discussed below.

Safety attitudes: Safety attitudes indicate individual desire to behave properly or poorly in relation to safety (Brauer, 2016). Literature shows safety attitude could lead to hazard occurrence in ways such as over speeding, lack of rule obedience, excitement seeking etc. For example, consider over speeding, riders may think it is not an issue to violate speed limits due to traffic conditions on the road. This leads to establish the first causal relationship.

H_1: Poor the employee attitudes towards safety, higher the job-related hazards among delivery employees

Safety knowledge and engagement: Individual's own awareness of safety issues is the key to reduce hazards (Barling et al., 2002). When employees are engaged, they put their physical, cognitive, and emotional labors to complete work safely. The literature shows several ways how safety knowledge and engagement reduce the occurrence of job-related hazards, including involvement, confidence, safety awareness, and participation for safety trainings. For example, participation in well-designed safety training can improve safety knowledge of employees, reduce unsafe behaviors, and thereby reducing occupational accidents (Burke et al., 2006). This leads to the second hypothesis.

H_2: Better the employee safety knowledge and engagement, lesser the job-related hazards among delivery employees

Time pressured working conditions: Delivery work is time pressured and food delivery employees feel high time pressure than other drivers and deliverers (Christie & Ward, 2019). Literature shows, pressure from the restaurant manager, customers, and delivery incentive system cause the time pressure. For example, one of main reason delivery employees are pressurized and commit unsafe acts because of their restaurant wants to maximize profit by increasing the number of deliveries (Chung et al., 2014; Kim & Bae, 2012). This leads to the third hypothesis.

H_3: Higher the time pressured working conditions, higher the job-related hazards among delivery employees

Management commitment to safety: Management commitment associates with low injury risks (Gillen et al., 2002). Literature shows managers can affect hazards occurrence by preparing safety policies, organize safety trainings, and prioritizing safety in daily routines. For example, Yule and Flin (2007) found that unsafe behaviors of employees are encouraged when they feel that managers are not committed the safety of their employees. Therefore, prioritizing employee safety is important to reduce hazard occurrence. This leads to the fourth hypothesis.

H4: Better the management commitment towards safety, lesser the job-related hazards among delivery employees

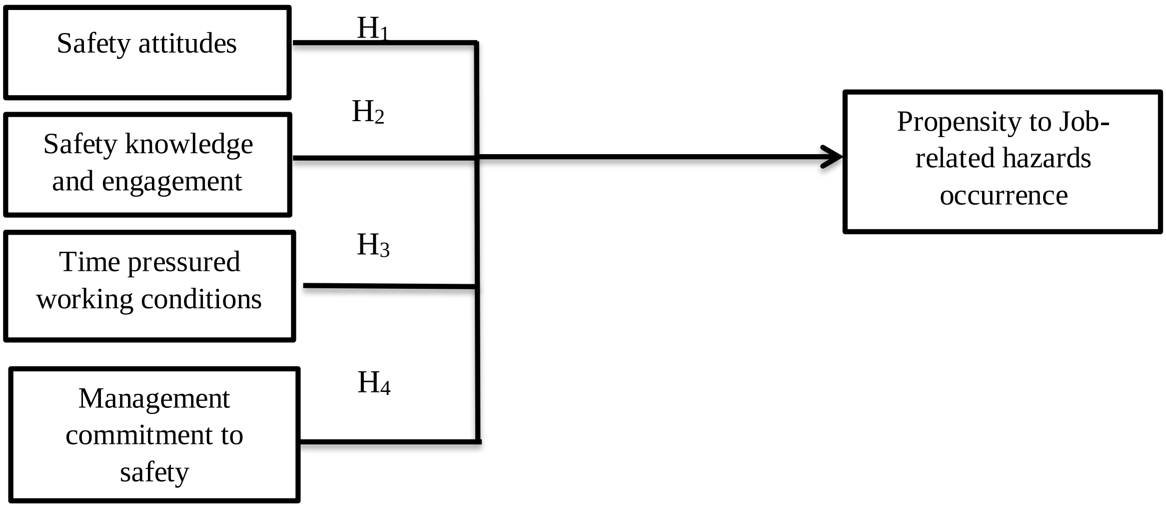

Figure 1: Conceptual Framework

4. THEORETICAL AND PRACTICAL IMPLICATIONS

This conceptual paper has both theoretical and practical implications. First, in terms of theoretical implications, the current research domain of hazards of delivery employees is an under researched area (Zheng et al., 2019). This is perhaps because the home delivery of food is a relatively new concept to the world. To fill this gap, the present study provides theoretical contribution by studying multiple factors of job-related hazards of delivery employees and different ways under each of these factors, covering a broader area while the existing studies related to job related hazards cover only single or limited factors.

Second, in terms of practical implications, delivery employee's safety has attracted a lot of social controversies and become a serious social and labor issue as it affects to both employees and society. The present study attempts to widen the understanding of academics and practitioners on job related hazards of delivery employees. Therefore, this research is useful for policy makers, HR practitioners, and other managers to recognize and mitigate those hazardous situations and ensure the health and safety of delivery employees and protect and retain their employees.

5. CONCLUSION

This paper conceptualized the causes of job-related hazards among delivery employees. After identifying the major causes of hazards and different ways of hazard occurrence under each of hazard causes through prior literature the paper developed a framework to show the relationship between four causes of hazards: Individual safety attitudes, safety knowledge and engagement, time pressured working condition and management commitment to safety and job-related hazard occurrence of delivery employees. According to the study, all factors that are considered have an impact on hazard occurrence and by giving appropriate attention for these factors job related hazards occurrence can be reduced and accidents can be prevented.

This is a conceptual paper and no empirical analysis is carried out. Therefore, future researchers can test the causal effects and explore further linkages between the constructs through empirical studies. In addition, there are numerous factors that cause job related hazards, but the present study limits to only four factors. Therefore, future researchers are encouraged to analyze other factors that can lead to job related hazards.

6. DIRECTION FOR FUTURE RESEARCH

There are several future research directions arise from this conceptual model. first, the factors of hazard occurrence in this study include individual safety attitudes, employee safety knowledge and engagement, time pressured working conditions, management commitment to safety. However, there are plenty of other factors that not conceptualized in this study. Therefore, there is a dare need for further researches to be conducted to investigate the other factors of hazard occurrence among delivery employees. Second, there are some other factors, including demographic factors such as age, work experience, educational level that can be used as a moderator and researcher invites future researcher to investigate regarding moderating effect using other factors.

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NIGHTINGALES AT RISK: OCCUPATIONAL HEALTH AND SAFETY ISSUES AMONG THE NURSING OFFICERS IN THE HEALTHCARE INDUSTRY

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1. BACKGROUND

Health care providers such as doctors, nurses, radiology technicians, physical therapists and laboratory technicians are specifically found to be susceptible to occupational health and safety (OHS) issues due to the very nature of their jobs, than other professions (Subramaniam & Shamsudin, 2014). Among the health care providers, nurses are found to be highly vulnerable to OHS issues. According to McCaughey, DelliFraine, and Erwin (2015) in Canada, nursing has been identified as an occupation most at risk of occupational injury (2015). Likewise, many research data shows that there is a relatively higher number of occupational accidents that occur among nursing officers than other professionals and that 45.7% of these incidents occur as a result of poor standard of occupational health and safety practices among them (Aquino, et al, 2017). As Aquino, et al. (2017) affirm, OHS issues among nurses can be eliminated only if the nurses and the relevant authorities are aware of OHS and its consequences. Hence, there clearly is a need to conduct more studies on OHS among nurses, firstly, to understand the nature and frequency and the reasons for OHS issues among nurses and secondly, based on these findings, to implement OHS practices in the work setting. In this background, the aim of this study is to explore the experiences of the nurses in terms of OHS issue they face and to understand how and why these OHS issues occur in Sri Lankan government hospitals.

2. OHS IN HEALTH CARE

Occupational health and safety hazards can occur wherever health care is practiced in the world (Manyele, Ngonyan, & Eliakimu, 2008). Since the healthcare workers' main job task is to engage with patients, diseases and death in regular basis, and the use of specific chemicals and radiation which exposes them to several occupational diseases and injuries (McCaughey, DelliFraine & Erwin, 2015). Nurses are mainly found to face OHS issues, such as accidents due to certain characteristics of their job, such as occupational stress, heavy work load, overtime

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and most importantly by being exposed to hazardous situations on a daily basis (Samaei et al., 2015). Manyele, et al., 2008 have identified five types of hazardous job tasks which a nursing officer has to perform in his or her job role: giving injections, medication, use of chemicals, patient care and the most recent issue among OHS in health care industry - exposing to radiation.

While these prior studies provide details about the OHS issues of Nursing officers, these studies are mainly conducted in the Western context, and thus does not provide an understanding of the OHS issues nursing officers would encounter in non-western developing or under developed countries.

3. METHODOLOGY

Due to the nature of the research questions raised in the study and the need to explore and understand in depth the OHS issues nurses in government hospitals face, we adopted the qualitative research approach as the methodology for our study. Under this broader research approach of qualitative research, multiple case study strategy of inquiry was employed (Yin, 2002) by selecting three government hospitals, to understand the different experiences of OHS of the nurses in different contexts. The 3 hospitals selected for the study are given below;

- National Hospital of Sri Lanka (NHSL)
- Sri Lanka Military Hospital, Narehenpita (SLMHN)
- National Institute of Mental Health Mulleriyawa (NIMH)

In collecting information, in-depth, in-person, semi structured interviews with twenty nursing officers and three nursing-in-charges working in the three selected hospitals (cases) were carried out. The nurses were selected using convenient sampling technique, also known as availability sampling which is a non-probability sampling technique. Sixteen participants were females and the ages of the participants ranged from 26-57. They were attached to different divisions in the hospitals. In addition, the Commissioner and Chief Factory Inspecting Engineer from the industrial Safety Division of Labour Department Sri Lanka was also interviewed as a key informant. Finally, the data analyzing was conducted in a three-step process, which included initial coding, categorizing and identifying themes.

4. FINDINGS

Overall, the OHS issues the participants have faced could be divided broadly into three main categories as 1) health issues, 2) safety issues and 3) mental wellbeing.

Health issues: The participants stated how the nurses are vulnerable to two categories of diseases as communicable diseases and non-communicable diseases. Participants from all three hospitals mentioned how they or their friends are exposed to various communicable diseases such as HIV, Hepatitis, Back pain, Stress and Tuberculosis due to their job role. At the same time, the nurses who work in NIMH mostly appear to face communicable diseases such as skin diseases, one of the main reasons for this issue being the low hygiene level among psychiatric patients. Furthermore, nurses attached to divisions which carry out treatments for the patients with Sexually Transmitting Diseases like HIV also face higher level of risk of contacting these diseases from transmission of patients' blood or other body fluids. Most common type of non-communicable diseases they contact is back pain and gastritis as well as diseases such as cancer due to exposure to radiation.

*Safety issue***:** One of the most common safety issue faced by many nurses is found to be the needle prick injuries which can cause nursing officers to contact diseases such as HIV or Hepatitis B. According to the participants who work at the NHSL stated how they face many safety issues especially during night shifts as well as during day shifts due to the poor status of the buildings, and absence of safety measures such as locks on the doors of the ward. Moreover, the nursing officers who were attached to Intensive Care Unit frequently have to travel in ambulances with patients, without proper safety measures such as seat belts and with the possibility of accidents. The risk to their health in instances when during surgeries blood gets splashed on their eyes was also reported. Further abuse from the patients were mainly reported by the participants of NIMH.

*Mental wellbeing***:** According to the participants, the wellbeing of the nurses are compromised due to the stress of their work and the nature of their work. Work overload was also found to contribute to the mental wellbeing of the participants. This was specially an issue for the nurses who work for NHSL and NIMH where there is lack of supportive staff and doctors (so the nurses have to perform some of their job roles too) and also a higher number of patients to deal with, leading to increase stress for the nurses. In addition, increased workload, fear of being exposed to health and safety issues, and work-life balance issues too appear to contribute to the stress and mental wellbeing of the nurses. Moreover, participants also stated how the lack in the welfare activities directly affect their job satisfaction and ultimately their mental well-being.

5. DISCUSSION

The findings indicate how the nurses of the government hospitals studied were subjected to various OHS issues due to the very nature of their job and also other factors such as heavy workload and lack of nutrition and immunity. They are mainly subjected to communicable and non-combinable diseases, abuse from patients, stress and dissatisfaction. It was also clear that nurses of some hospitals are more prone to OHS issues of certain nature than the others. For example, nurses of the NIHM are more prone to safety issues such as physical harm and abuse by the patients than the nurses working in other hospitals. Also nurses working in certain units of the hospitals were also more prone to OHS issue than others. For example, the nurses working in the theatres and clinics are more prone to OHS issues. Hence, it is important for the authorities to take necessary action to ensure that the OHS of the nurses are ensured by paying attention to areas such as nurses' workload and training and development.

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