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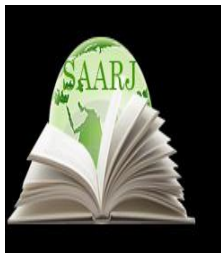
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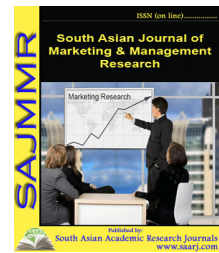
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The vision of the journals is to provide an academic platform to scholars all over the world to publish their novel, original, empirical and high quality research work. It propose to encourage research relating to latest trends and practices in international business, finance, banking, service marketing, human resource management, corporate governance, social responsibility and emerging paradigms in allied areas of management including social sciences , education and information & technology. It intends to reach the researcher's with plethora of knowledge to generate a pool of research content and propose problem solving models to address the current and emerging issues at the national and international level. Further, it aims to share and disseminate the empirical research findings with academia, industry, policy makers, and consultants with an approach to incorporate the research recommendations for the benefit of one and all.



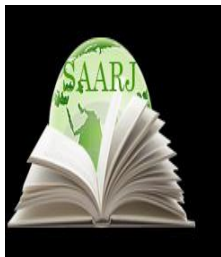
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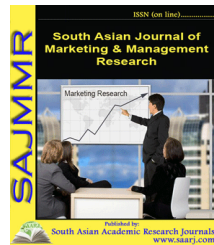
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BONUS AND OVERTIME RATE PAYMENTS AS STRATEGIES FOR ENHANCING CORPORATE PERFORMANCE

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ABSTRACT

A serious question about “Bonus and overtime rate payments (motivation) has been asked by psychologists. What is it within an individual or his environment that initiates and sustains his or her behaviour? The essence of this research work therefore is to critically examine the effect of bonus and overtime rate payments (motivation) on employee’s productivity and corporate performance. As management operates within a given organization or environment, it’s success or otherwise, depend to a large extent on the motivation of it’s employees(subordinates) not only in the internal organization, but in the wider environment in which it operates. The managers have to put into consideration, the environment and other factors that may affect the motivation of its employees. The Coca Cola bottling Company in Owerri, Imo State, Nigeria was studied using survey design. Four hypotheses were formulated and analyzed using Pearson’s product moment correlation coefficient. The study shows that Bonus and Overtime rate payments as forms of motivation are good strategies for enhancing productivity and corporate performance.

KEYWORDS: *Bonus, Overtime, Strategies, Management, Leadership, Subordinate, Behavior, Corporate Performance And Motivation.*

INTRODUCTION

Bonus and Overtime rate payments are meant to exist as external stimuli to encourage responses that will contribute to the development of normalized behaviour such as increased productivity, and corporate performance.

There is a certain joy that comes with receiving bonus at work and or overtime rate payments rooted in cognitive and behavioural theories. Bonus and overtime rate payments exist as a reward that is meant to recondition human thought processes and the behaviours that follow. The problem most organizations are facing today has been attributed to the manner in which managers in such organizations direct and control their subordinates. This has resulted to the poor performance of their employees, which is as a result of low motivation. Therefore, this study is to examine the efficacy of Bonus and overtime rate payments as strategies for enhancing productivity and corporate performance.

Experts and scholars of business administration see Bonus and Overtime rate payments as motivation. According to Oparanma and Dibia (2015), in recent years, scholars have been concerned with three important questions about motivation. These questions are “what is it within the individual or his environment that initiates or sustains his behaviour? How is his behaviour limited, directed and sustained or stopped? What are the motivational determinants of effective performance? Some motivational theories were developed to answer these questions. These theories such as Abraham Maslow’s Need Hierarchy Theory and Herzberg’ Two Factor Theory, were developed in the US and other highly industrialized nations of the western world. Some of them have been found to be empirically valid in these countries. The work environment in these countries are characterized by a cultural heritage whose value system imposes a strong belief that those who work hard should be rewarded in relation to their contribution to the production and other purposes of the enterprise. Hence, the empirical validity and usefulness of the motivational theories in Nigeria is today being questioned by social scientists. It is a fact that no matter how good or effective and efficient an organization is, nothing happens until the people who make up the organization are motivated by way of bonuses and overtime rate payments. Traditional theories of management and human behaviour stressed the motivating power of money and material reward. The classical theories such as hierarchy need theory and motivation hygiene theory and others take note of the improved salary by way of bonus and overtime rate payments as well as other working conditions. One of the ways a manager can be a motivator for his group is through bonus and overtime rate payment and having good relationship between him and the group members. A manager needs to be sensitive to the role of group standards and their far-reaching influence on efficiency and productivity, (Oparanma,2008).

Statement of the Problem

In most cases, in the work environment, employees tend to exhibit low morale at work either because of poor remuneration or condition of service is poor and unmotivating. In some instances, the employees tend to exhibit laissez-fair attitude at work. Often the employees tend to be a bit comported by inducement to compel them work amidst the poor remuneration by way of bonus /Overtime rate payments. The spirit to enhance take-home pay fosters the zeal and morale to increase one’s input on the job, thereby enhancing overall productivity/ corporate performance.

Objectives of the Study

The main objective of the study is to assess the effect of bonus/overtime rate payment on corporate performance.

The specific objectives are to:

- (i) Determine the effect of motivation on corporate performance.
- (ii) Determine the effect of employees low morale on corporate performance.
- (iii) Examine the impact of poor remuneration on corporate performance.
- (iv) Ascertain the effect of poor condition of service on corporate performance.

Research Questions

- (i) What is the relationship between bonus/overtime rate payments (motivation) and corporate performance?
- (ii) To what extent has employees low morale affected corporate performance?
- (iii) What is the impact of poor remuneration on corporate performance?
- (iv) What is the effect of poor condition of service on corporate performance?

Research Hypotheses

The following hypotheses were formulated **in the Null form**:

H₀₁: There is no significant relationship between bonus/overtime rate payments and corporate performance.

H₀₂: Employees low morale has not affected corporate performance to a great extent.

H₀₃: Poor remuneration has no significant effect on corporate performance.

H₀₄: Poor condition of service has no significant impact on corporate performance.

LITERATURE REVIEW

Conceptual Framework

The Concept of Bonus and Overtime Rate Payments.

According to Merriam-Webster Dictionary, Overtime rate payment is the money paid for work that is done in addition to one's working hours. Overtime rate payment is the cash compensation for the hours eligible employees work in excess of regular or normal working hours (Google.2019).

According to Investopedia, a bonus is an additional compensation given to an employee above his or her normal wage/salary. A bonus can be used as a reward for achieving specific goals set by the company or for dedication to the company. Bonus means an extra payment (bonus payment) received for doing one's job well or a salary or wages based completely on how well one does one's job, calculated performance -related pay or pay for performance.

Bonus/Overtime rate payment is for many employees a two-edged sword. On one hand, they are valuable sources of additional income and many employees come to depend on the extra pay in paychecks. On the other hand, Bonus/Overtime rate payments can be abused by employers. Research has shown that too much overtime can lead to Stress, Poor health and Obesity (Lallukk et al., 2008). According to Golden & Wiens-Tuers (2008)" too much Overtime can lead to poor well-being at home".

In the United States, guidelines for Bonus/Overtime payments were laid out in the Fair Labor Standards Act of 1938. Over there, each state has the option to set its minimum wage. Research shows that immigrant workers tend to avoid states with low minimum wages (Zarodny, 2008).

The Meaning of Motivation and Motivators

According to Edeja (2011) The term Motivation is derived from the Latin word “Movere” meaning “to move”. Thus, it is concerned with the why “of human action, behavior or response” to any given situation.

The international dictionary of management defined Motivation as the process or factors that cause people to behave or act in a certain way. Thus motivation can be described as that which causes, channels and sustains people’s behavior.

Nwachukwu (2008) opined that motivation is that energizing force that induces or compels and maintains behavior. He said that human behaviour is motivated and it is goal directed. He emphasizes that motivation is an internal psychological process whose presence or absence is inferred from observed performance.

Edeja (2011) postulates that motivators are those things which induce an individual to perform. These may include higher pay, a prestigious title and the claim of colleagues. In other words, motivators influence the behavior of individual.

Application of Motivation

From a total reward perspective, pay remains the central focus of Bonus/overtime rate payments. Given that Bonus/overtime rate payment comes out of overall compensation budgets, employers may adjust hourly rates lower for re-classified employees to take into account the need to pay them for Bonus/overtime worked. The result will be fewer full-time employees receiving benefits and more part-time not receiving benefits. But you have to balance that against the cost of reduced morale or turnover and your loss of competitive advantage in recruiting and retaining top talent. Bonus/overtime rate payments may have high cost implication but the gain in terms of boosting employees’ morale and resultant high productivity is immeasurable and unquantifiable.

Theoretical Framework

Expectancy Theory

Expectancy Theory proposes that people will choose how to behave depending on the outcomes they expect as a result of their behavior. In other words, we decide what to do based on what we expect the outcome to be. At work, it might be that we work longer hours because we expect a pay rise.

Expectancy theory also suggests that the process by which we decide our behaviours is also influenced by how likely we perceive those rewards to be. In this instance, workers may be more likely to work harder if they had been promised a pay rise which may be in form of bonus/overtime rate payment. Therefore, according to expectancy theory of motivation, people are more motivated if they believe that they will receive a desired reward if they hit an achievable target and they are least motivated if they don’t believe that their efforts will result into reward.

Hertzberg's two Factor Theory

The Two-Factor Theory of Motivation (otherwise known as dual-factor theory or motivation-hygiene theory) was developed by psychologist Frederick Herzberg in the 1950s .

.The theory postulates that for the happiest and most productive workforce, an organization need to work on improving both motivator and hygiene factors. This implies that to motivate your employees, make sure they feel appreciated and supported. Give enough feedback and make sure your employees understand how they can grow and progress through the company. To prevent job dissatisfaction, make sure that your employees feel that they are treated right by offering them the best possible working condition and fair pay and that is the essence of bonus/overtime rate payments.

Empirical Framework

Riphahn (2004) carried out a study titled; Incentives effect of Bonus Payments. The study applied the simple correlation coefficient analytical method. It revealed the following;

- (i) That bonus payments are correlated with higher output and productivity.
- (ii) That surprise bonus payments and flexibility in the evaluation of individual performances over time provide effective incentives for employees efforts.
- (iii)It recommends that;
- (iv)Bonus and other forms of motivation should be utilized to ensure high productivity in any given organization.
- (v) Motivation generally is a veritable tool for improved corporate performance.

Oparanma et al (2015) carried out a study on “A Leader’s behavior and Subordinates Motivations”. The hypotheses were tested using the Chi-Square statistical method of data analysis and it revealed the following;

- (i) That motivating the employees is a sure way of moving the organization forward.
- (ii) Leaders occasionally show concern to their subordinates well-being.
- (iii) That showing concern occasionally will generally cause low turnover on the organizational productivity if it is not checked and corrected. It recommends that;
- (iv) That organizations should apply leadership style that is motivating enough to boost the morale of the employees for achievement of high productivity.
- (v) That for leaders to create an positive impact on employees motivation, they need to show concern for the well-being and welfare of their subordinates.

Monyei (2012) carried out a study titled “impact of training and development on employee productivity”.

The study applied the chi-square statistical method. It revealed that;

- (i) There is significant relationship between employee training/development and improved workers performance.

- (ii) For increased productivity to be sustained, it is compulsory that training programmes must be available because it is through that workers acquire skills needed for effective performance.
- (iii) There is significant relationship between employee productivity and organizational success.
- (iv) The study recommends that;
- (v) Training should be encouraged to improve the performance of employees.
- (vi) Trainings should be used to develop skills, knowledge and ability of the work place.
- (vii) There must be feedback in every training and development programme.

METHODOLOGY

The survey research design was employed in this study. This research strategy was chosen because of its ability to view widely and in detail the questions raised in the study. Primary data was elicited using structured likert scale questionnaire which was analyzed using Pearson's Product Moment correlation coefficient statistical tool.

The sample frame is based on the accessible population of employees of Coca Cola Bottling company which summed up to 100 persons.

The Taro Yamen's formula was used to determine the sample size.

The Taro Yamen's formula:

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

Where: n = sample size sought

E = error margin

N = Population Size

1 = Constant

Thus, using the Taro Yamen's formula, the sample size is calculated as shown below;

$$N = 100$$

$$1 + 100(0.05)^2 = 80$$

The simple random sampling technique was applied for selection of the respondents.

The research hypotheses for this study were analyzed and tested using Pearson's product moment correlation coefficient (PPMC) Statistical tool. The Pearson's product Moment Correlation Coefficient is a measure of the strength of relationship or going together of two sets of data. The coefficient of correlation ranges between -1 and +1. A positive correlation coefficient means that the two variables are directly related; that is, high values of one give corresponding high values of the other variable (when r= 1, we have perfect positive correlation). A negative correlation coefficient means two variables are inversely related, that is, high values of one variable gives corresponding decreased value of the other variable, when r= -1, we have perfect negative correlation. In addition, if the values for calculation is greater than 30 the z-test statistical tool is used. However, if the values is less than 30, the t-test statistical tool is used

(baridam, 2001) The coefficient correlation is denoted as r. The formula for coefficient of correlation is given thus:

$$r = \frac{N\sum XY - (\sum X)(\sum Y)}{\sqrt{(N\sum X^2 - (\sum X)^2)(N\sum Y^2 - (\sum Y)^2)}}$$

Degree of freedom: n-2. The statistical tool for social sciences (SPSS) (version 17.0) was used to test the hypotheses.

Presentation and Analysis of Data

Research Question 1: What is the relationship between bonus/overtime rate payments strategies and corporate performance?

TABLE 4.2.1: RELATIONSHIP BETWEEN BONUS/ OVERTIME RATE PAYMENTS STRATEGIES AND CORPORATE PERFORMANCE

Questionnaire Item	N	Sum	Mean	Standard Deviation
Many workers put in their best in order to earn bonus payments	80	300.00	3.7500	1.2365
So many workers put in extra working hours in order to earn overtime rate payments	80	296.00	3.7000	1.2235
companies enjoy high productivity because of bonus/overtime rate payments	80	282.00	3.5250	1.1175
Many companies enjoy high corporate performance because of overtime rate payments	80	278.00	3.4750	1.1641
Bonus and overtime rate payments are good motivators	80	270.00	3.3750	1.1371
Valid N (list wise)	80		A	

A grand mean = 3.7500

Source: Survey data and SPSS Output, 2019.

Table 4.2.1 above shows that all questionnaire items on the relationship between bonus/overtime rate payments and corporate performance. These mean scores were greater than the required mean of 3.0 for a five point likert-

scale $(1+2+3+4+5) = 15 = 3$

5

5

Therefore, all the items were accepted by the respondents. The grand mean of 3.7500 as shown in the same table is greater than the mean score of 3.0. This also depicts that the respondents accepted that there is relationship between bonus/overtime rate payments strategies and corporate performance.

- (v) **Research Question 2: To what extent has employees' low morale affected corporate performance?**

TABLE 4.2.2: INFLUENCE OF EMPLOYEES' LOW MORALE ON CORPORATE PERFORMANCE?

Questionnaire Item	N	Sum	Mean	Standard Deviation
Employees' low morale has high negative influence on productivity	80	300.00	3.7500	1.2365
Overtime rate payments has high influence on productivity	80	289.00	3.6125	1.2007
Bonus payments has high influence on corporate performance	80	278.00	3.4750	1.1641
Overtime rate payments has high influence on corporate performance	80	268.00	3.3500	1.1303
Bonus/Overtime rate payments are bedrock of high productivity and corporate performance	80	252.00	3.1500	1.0748
Valid N (list wise)	80		a	

A Grand mean =3.7500

Source: Survey Data and SPSS output, 2019

Table 4.2.2 above illustrates that all questionnaire items on the influence of Employees' low morale on corporate performance had mean scores greater than 3.0. These mean scores were greater than the required mean of 3.0 for a five point likert-scale as calculated above. Thus the respondents accepted the entire items on the questionnaire. The grand mean of 3.7500 as revealed in the same table is greater than the mean score of 3.0. This therefore depicts that the respondents accepted that employees' low morale has tremendous effect on corporate performance.

Testing of Hypotheses

The hypotheses testing were done by the use of the Pearson's Product Moment correlation Coefficient (PPMC) with the application of the SPSS package version 17.0. The analysis and interpretation of the results were guided by the correlation decision scale frame of Dana (2001). According to Dana (2001), the correlation decision scale frame is thus:

- a) $\pm 0.00 - 0.19$ (very weak)
- b) $\pm 0.20 - 0.39$ (weak)
- c) $\pm 0.40 - 0.59$ (moderate)
- d) $\pm 0.60 - 0.79$ (strong)
- e) $\pm 0.80 - 0.99$ (very strong)
- f) ± 1 (perfect)

Hypothesis 1

HO₁: There is no positive relationship between bonus/overtime rate payments and corporate performance.

TABLE 4.3.1 THE RELATIONSHIP BETWEEN BONUS/OVERTIME RATE PAYMENTS AND CORPORATE PERFORMANCE

Variables	N	r	Df	Zr-cal	Zr-crit	Result
Bonus/Overtime Vs Corporate performance	80	.779	78	7.8448	1.960	S

S= significance

Source: Survey Data and SPSS output, 2019.

Table 4.3.1 above indicates the SPSS output for the Pearson's product Moment Correlation Coefficient (PPMC) test between Bonus/ overtime rate and Corporate performance. The PPMC (r) is computed at 0.779 and $P(2\text{-tailed}) \leq 0.05$ for $df = 78$ (where $df = \text{degree of freedom}$ and is given as $N-2$). The result shows a strong and positive relationship between Bonus/Overtime rate payment and Corporate performance. Thus, since Z-cal at 7.8448 is greater than Z-crit at 1.960, we rejected the null hypothesis and accepted the alternative. We therefore conclude that there is positive relationship between Bonus/overtime rate Payments and Corporate performance.

Hypothesis 2:

HO₂: Bonus and Overtime rate payment has no positive influence on productivity and corporate performance.

TABLE 4.3.2: INFLUENCE OF BONUS/OVERTIME RATE PAYMENTS ON PRODUCTIVITY AND CORPORATE PERFORMANCE

Variables	N	R	Df	Zr-cal	Zr-crit	Result
Bonus/Overtime rate payments Vs Influence on productivity	80	.721	78	7.5471	1.960	S

S =Significance

Source: Survey Data and SPSS output, 2019

Table 4.3.2 above shows the SPSS output for the Pearson's product Moment Correlation Coefficient (PPMC) test of the influence of Bonus/Overtime rate payments on productivity and corporate performance. The result of the test shows a strong positive relationship between Bonus/ Overtime rate payments and productivity and corporate performance. Since the Z-cal at 7.5471 is greater than Z -crit. At 1.960, the null hypothesis was rejected and the alternative accepted hence, we conclude that Bonus/Overtime rate payments has positive influence on productivity and corporate performance.

DISCUSSIONS OF FINDINGS

Based on the findings, literature review and test of hypotheses, the following results were deduced:

- (1) That there is strong positive relationship between Bonus/Overtime rate payments and Corporate performance because the Z-cal. at 7.8448 is greater than Z-crit. at 1.960. This means that Bonus/Overtime rate payments strategies enhance productivity and in turn ensure positive corporate performance.

- (2) Bonus/Overtime rate payments strategies has serious positive influence on productivity and corporate performance since the Z-cal at 7.8448 is greater than the Z-crit. at 1.960
- (3) Employees' low morale has negative impact on corporate performance
- (4) Poor condition of service may lead to dissatisfaction and in turn poor corporate performance.

CONCLUSION

The impact of Management behavior on employees motivation cannot be over emphasized. Management's behavior has great influence on the employees performance. Management, therefore, must be conscious of the state of being of the employees before issuing instructions that would move the work forward. According to Austin and John (2015) "subordinates are encouraged when their leaders show positive behavior towards them". Irrespective of how good or efficient an organization may be, nothing works well until the employees of the organization are motivated to perform. A manager's employees' motivation by way of Bonus and Overtime rate payments is a sure way of enhancing productivity and corporate performance.

RECOMMENDATIONS

Based on the findings and in other to give justification to the purpose of carrying out this study, the study recommends as follows:

- (1) Management should ensure that a good working relationship exists between it and the employees.
- (2) The relationship should be such that will raise the morale of the employees.
- (3) Management should introduce a leadership style that is motivating enough such as bonus and overtime rate payments strategy to boost the morale of the employees and enhance corporate performance.
- (4) The working condition of every organization should be such that is geared towards enhancing corporate performance.

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APPENDIX 1

Instruction: Please kindly respond to the questions listed below by ticking (√) in the appropriate boxes that applies to you by using the following.

Strongly Agree	5
Agree	4
Neutral	3
Disagree	2
Strongly Disagree	1

S/NO	Bonus And Overtime Rate Payments As Strategies For Enhancing Productivity And Corporate Performance	5	4	3	2	1
1	Many workers put in their best in order to earn bonus payments					
2	So many workers put in extra working hours in order to earn overtime rate payments					
3	My company is enjoying high productivity because of bonus payments					
4	My company is enjoying high productivity because of overtime rate payments					
5	Bonus and overtime rate payments are good motivators					
6	Bonus payments has high influence on productivity					
7	Overtime rate payments has high influence on productivity					
8	Bonus payments has high influence on corporate performance					
9	Overtime rate payments has high influence on corporate performance					

10	Bonus/Overtime rate payments are bedrock of high productivity and corporate performance					
11	Many successful organizations adopt various types of motivation in order to enhance productivity					
12	Motivation is a sure way of enhancing productivity					
13	Bonus and overtime rate payments are great motivators					
14	Bonus payments should be encouraged in organizations					
15	Overtime rate payments should be encouraged in organizations					
16	Bonus payments also enhances Corporate performance					
17	Overtime rate payments has high influence on corporate performance					
18	Bonus payments should be encouraged in organizations					
19	Overtime rate payments should be encouraged in organizations.					
20	Bonus/Overtime rate payments are good strategies of motivation.					

Source: Survey Data, 2019

APPENDIX 2

TABLE SHOWING THE CRONBACH ALPHA COEFFICIENT

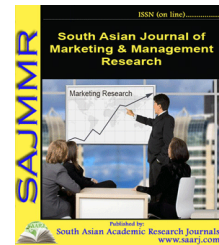
Variable	Number of cases	Number	Alpha
Bonus Payments	20	5	.70
Overtime rate payments	20	5	.80
Motivation	20	5	.80
Other forms of motivation	20	5	.70

Source: Survey Data and SPSS Output, 2019



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ABOUT SOME QUESTIONS OF CLASSIFICATION OF INSTITUTIONAL CONDITIONS DETERMINING THE STRUCTURE OF DOING BUSINESS IN UZBEKISTAN

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ABSTRACT

Subject / topic. The formation of a modern competitive entrepreneurial sector in the national economy of the Republic of Uzbekistan is directly related to such key components of the institutional support of entrepreneurial activity in the country as the interaction of small and private entrepreneurship (business) with state power, with existing financial and credit institutions, industrial and technological institutions. Goals / objectives. On a systematic basis, study the institutions that ensure the availability and transparency of information for conducting small and private entrepreneurship. To consider the problems related to the effective state regulation of entrepreneurial activity, which is manifested in the creation of an external entrepreneurial environment and in which the most favourable and effective conditions for supporting the development of entrepreneurship will be provided with the optimal combination of the interests of private entrepreneurs and the state regulator. Methodology. In the work with the help of observations, statistical analysis and targeted monitoring of the business environment, various criteria are analyzed that affect the state of the institutional and business environment. Results. The reasons leading to the emergence of ineffective shadow institutions in entrepreneurship are identified. Based on the study of international ratings, on the example of the World Bank and Doing Business International Finance Corporation ratings and business environment surveys, specific measures are proposed to improve entrepreneurship institutions in Uzbekistan. Conclusions / relevance. It is concluded that in the context of the transformation of the national economy, targeted state efforts to further remove administrative barriers to doing business by small and private entrepreneurship entities can make a difference and help the sector enterprises to take their place in the new market of the Eurasian Economic Community, as well as facilitate the entry of Uzbekistan into WTO

KEYWORDS: *Business Environment, Institutional Environment, Infrastructure, Classification, Entrepreneurship, Business Structure, Strategy Of Economic Development Of Uzbekistan.*

INTRODUCTION

The strategy for the modern development of the economy of the Republic of Uzbekistan is determined by the need to address the key problems of the transition to sustainable rates of socially-oriented economic growth, to ensure the competitiveness of domestic entrepreneurial structures in the domestic and foreign markets, and to form the foundations of post-industrial society in the context of globalization of world space. The variety of tasks of the current stage of transformation of the national economy, the ambiguity of the consequences of decisions to reform it, actualize the problem of developing a model of catch-up-stabilizing development, the solution of which is complicated by the lack of an effective neo-economics paradigm that takes into account the characteristics of the economic system, the weakness of fundamental market institutions, and the complexity of management processes in turbulent and poorly structured conditions institutional environment. Institutional conditions for the formation of small business should be perceived as a set of rules and mechanisms forcing small business to the implementation of these established rules and norms. Even insignificant dynamics of the institutional structure affect significant if the not decisive impact on subsystems, including the number and on business structures [1]. Institute, rules, special guarantors of rules are mandatory elements of institutional conditions information of the small business.

There are radical macroeconomic transformations in modern Uzbekistan, the ultimate goal of which is the implementation of the transition to an open socially-oriented market economy. Thereby the structure of the business is changing under the influence of resource, conjuncture and institutional factors.

Analysis of the literature on the topic

Fundamental moments of the theory of entrepreneurship, small business in the conditions of institutional transformations are stated in the works of known foreign economists J. Galbraith [2], D. Deakins [3], P. Drucker [4], A. Marshall [5], A. Smith [6], B. Santo [7], K. Tateisi [8], A. Hosking [9], J. Schumpeter [10] etc. Among the most important studies that illuminate certain aspects of the development of small business in the CIS, it is necessary to note such authors, as L. Abalkin [11], V. Avtonomov [12], A. Blinov [13], T. Koichuev [14], O. Krivoruchko [15], M. Lapusta [16], A. Orlov [17], E. Primov [18], V. Rube [19], F. Shakhmalov [20], A. Yudanov [21] and others.

The peculiarities of the formation and development of this sector of the economy were the investigations of A. Khikmatov [22], B. Berkinov, M. Ikramov [23], N. Mahmudov, M. Tursunkhodzhaev, Z. Hudayberdiyev, V. Baturina, D. Trostyansky and others.

Directly to the development of small business and private entrepreneurship in new institutional settings were devoted the dissertation works of A. Akhmediyeva, U. Validzhanova, O. Ismailov, L. Ishmukhamedova, S. Salaev, I. Tursunov, E. Ergashev, M. Eshov and others. The main focus was on regional or sectoral aspects of the solution to this problem. However, the areas of research for the problem for the last time has changed somewhat from analyzing common problems of small business (place and role in the economic system, in solving social problems, employment problems, etc.) to the analysis of the reasons constraining its development and search of conditions activation of small business. At the same time, practice shows that despite all efforts to

activate small business from the government side at various levels from national to regional, there is no need to discuss a radical improvement in the situation. This is explained as the multifaceted nature of the phenomenon of small business, and the variety of conditions for its functioning. Therefore, despite a large number of publications, devoted to various aspects of small business, the research of the problem requires further development. In particular, institutional conditions that determine the structure of entrepreneurship in Uzbekistan has hardly been investigated.

RESEARCH METHODOLOGY

Instrument-methodical research apparatus is based on application, within the framework of the system approach, general scientific methods of research: logical and situational analysis, expert assessments, questionnaires, observation, interviewing, groupings, comparison. These tools have been used in various combinations at different stages of the research, which allowed to ensure the scientific reliability of the final results, conclusions and recommendations.

ANALYSIS AND RESULTS

In 2019, several systemic measures were taken to create conditions for doing business, the attraction of foreign investments for small and private entrepreneurship, which are the basis of development of the economy of Uzbekistan. In October 2016, the President of the Republic of Uzbekistan Sh. Mirziyoyev issued a Decree "On additional measures for ensuring the accelerated development of the entrepreneurial activity, all-round protection of private property and quality improvement of business climate" [24], aimed at creating an even more favourable business environment by eliminating all types of unscheduled, counter checks and removal of barriers. Particular attention in this document is given to the adoption of the effective measures to ensure the dynamic modernization of small enterprises and to stimulate their export activities, which should become the main direction of economic growth in the development of industries and regions, ensuring employment of the population, as well as additional measures on further stimulating the participation of small business and private entrepreneurship in exports.

Following the Decree of the President of the Republic of Uzbekistan "On measures to a radical improvement of the system of state protection of legitimate interests of business and further development of entrepreneurship" dated June 19 2017 [25], as well as the Resolution "On the improvement of the organization Activities of the Chamber of Commerce and Industry of the Republic of Uzbekistan" [26] a profound reform of the activities of the Chamber of Commerce and Industry is carried out through a review of its tasks, functions and powers.

Implementation of measures to ensure reliable protection of private interests of small business contributed in 2019 to the dynamic development of this sector. In January-December 2019, 92.9 thousand new small enterprises and micro-firms were newly created (without dekhkans and farms), which is 1.9 times more than the same period in 2018. The largest number of small enterprises and micro-firms were created in the field of trade (39.1%), industry (21.0%), construction (9.4%), agriculture, forestry and fisheries (8.0%), accommodation and catering services (7.8%), transportation and storage (3.2%). In the context of regions, the largest share falls on the city of Tashkent and amounts to 18252 units in the total number of newly created small enterprises and micro-firms, in the Tashkent region - 9671 units, Samarkand region - 7980 units, Navoi region - 7129 units., Fergana region - 6712 units, Andijan region - 6632 units. At a low level, this indicator was recorded in the Syrdarya region - 3153 units.

Small businesses in January-December 2019:

- 115406.4 billion soums worth of industrial products (34.9% of total industrial production);
- disbursed investments worth 89352.0 billion soums (47.0% of the total volume of disbursed investments in the republic), or 166.1% of the level of January-December 2018;
- 51949.8 billion soums were completed (75.4% of the total volume of construction works), or 122.8% of the level of January-December 2018;
- services rendered (rendered) in the amount of 99139.3 billion soums (52.1% of the total volume of services), or 104.8% of the level of January-December 2018;
- 84.3% of the total retail trade turnover was formed, amounting to 138368.1 billion soums (growth rates increased by 105.4%);
- exported products (goods and services) of 5135.7 million US dollars (28.7% of total exports), which is 1324.8 million, or 34.8%, more than January-December 2018;
- the growth of freight turnover of road transport was ensured by 7.4% (77.4% of the total freight turnover);
- passenger turnover growth by 2.7% (94.9% of the total passenger turnover).

In the regional context, the largest share of small business in the export of products (goods and services) falls on Khorezm (88.7%), Namangan (80.1%), Syrdarya (79.7%), Samarkand (76.2%), Surkhandarya (73.5%), Bukhara (67.7%), Jizzakh (67.1%) and Andijan (57.8%) regions. In the Republic of Karakalpakstan (20.8%), the share of small business in the export of products (goods and services) remains low.

TABLE 1.MAIN INDICATORS OF SMALL BUSINESS IN 2019 (JANUARY-DECEMBER)

	Unit of measurement	2018	2019	(+-)
Number of operating small enterprises and micro-firms	units	262930	334767	71837
Newly created small enterprises and microfirms	units	48922	92874	43952
<i>The share of small businesses in:</i>				
GDP	%	60,4	56,5	-3,9
industries	%	37,4	34,9	-2,5
agriculture, forestryandfisheries	%	98,3	98,3	-
investments	%	38,0	47,0	9,0
construction	%	73,2	75,4	2,2
trade	%	86,3	84,3	-2,0
services	%	56,0	52,1	-3,9
freight	%	55,5	54,6	-0,9
freightturnover	%	79,6	77,4	-2,2
passengertransportation	%	89,6	90,7	1,1
passengerturnover	%	94,8	94,9	0,1
export	%	27,2	28,7	1,5

import	%	56,2	54,2	-2,0
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In the regional terms, the largest share of small business in the import of products (goods, services) falls on Jizzakh (96.7%), Fergana (77.3%), Syrdarya (75.0%), Surkhandarya (72.5%), Namangan (70.7%), Khorezm (70.1%) and Samarkand (69.4%) regions, the Republic of Karakalpakstan (63.5%) and the city of Tashkent (57.8%). In Andijan region (15.2%), the share of small business in the import of products (goods, services) remains low.

Based on the studies carried out, it is possible to determine the nature of changes of these factors and the specific features of their influence on various structural characteristics of business (table 2).

TABLE 2. FACTORS AND STRUCTURAL CHARACTERISTICS OF BUSINESS

Type of factor	Time lag impacts on structural indicators	Structural characteristics, most highly dependent from this factor	Type of change
<i>Institutional factors</i>	<i>Significant. Positive</i>	<i>The form property, the scale of business, volumes of loans and investments, intensity and forms cooperation of small and big business</i>	<i>Slow for basic formal rules, socially rooted Informal institutions. Fast for discrete mutable formal regulations</i>
<i>Conjuncture factors</i>	<i>Close to zero</i>	<i>The volume of loans, amount investment, the number employed,</i>	<i>Rapid</i>
<i>Resource factors</i>	<i>Positive, small</i>	<i>Industry</i>	<i>Slow</i>

Among the many factors that influence the results of production and economic activity, a special role belongs to institutional factors. Currently, the most relevant is the treatment of the winner of the Nobel Prize in the economics of 1993 "For the revival of research in the field of economics, thanks to the application to them of economic theory and quantitative methods, allowing to explain economic and institutional changes "Douglass Cecil North. D. North notes the importance of various institutions in the historical context, he considered the economic development of countries of Europe and the United States in the context of the industrial revolution. Based on this he puts into the concept of the institution "the rules of the game in a society or more formally, created by people constraints, forming people interaction"[28]. Institution conditions are meant as a stable complex formal (laws) and informal (contracts and voluntarily accepted codes of conduct) of rules, principles and norms, as well as coercive factors, structuring their interaction.

There is no specific idea in the former Soviet countries as to which institutions are needed for the successful establishment of a market economy, how they are interrelated, ignoring legal, economic, as well as moral and ethical psychological basis of their formation[29]. This led to a predominantly discrete, point-like nature of institutional transformations, many of which did not contribute to economic growth, as they did not justify. In our opinion, especially in the conditions of transformation of socio-economic systems that the problem of institutional transformations acquires a special significance, not yielding to the financial stabilization.

Thus the state can adhere to two strategies of behaviour:

- promote the organization of these institutions;
- Directly establish these institutions.

At the same time, public institutions, such as legal ones, belong to the sphere of government activity. Quasi-public, institutions of the financial sphere, in the field of accounting and insurance, maybe transferred to the private sector. The institutional environment of small entrepreneurship is determined based on a set of institutional conditions. It includes the most common political, economic, and social rules, on the basis of which the limits of norms, functioning and behaviour of small business entities are built. For the rational formation of a set of institutional conditions, knowledge is a necessary essence and specificity of each of them, take into account their existing structural co-ordination. The resulting classification can vary according to the criteria included in the review.

It is proposed to distinguish between the institutional conditions of direct and indirect influence. The first force small businesses to be based on the instructions of the government, and not on an independent economic choice when making decisions. The most striking example is the fiscal tools, as well as well-known volume requirements depreciation charges. These environmental conditions are characterized by high efficiency, as the economic result is achieved operatively. At the same time, they have several shortcomings. It should be noted that many different entities operate in the economy, as a result, which forms a certain system of connections between them. As soon as the state imposes a specific decision, the consequence is the emergence of a reaction to it, even in those agents of the market, on which state measures were not directed. Consequently, the already existing equilibrium between market participants will be violated, and, therefore, it can be argued that the institutional conditions of direct impact can disrupt the natural development of market processes. In contrast to the institutional conditions that have been already, considered direct effects do not violate the market situation. Their essence lies in the fact that the process of decision-making by the entrepreneurship entities, the state does not have a direct intervention. His task is to create a set of prerequisites so that the entities in case of independent choice of rules of action, such options considered as the most expedient, which correspond to the goals of economic politics. It is advisable to note that a temporary interval between the moment when the state takes measures and reacts to their economy with subsequent changes in the results of management.

In addition to this, it should be noted that indirect measures are characterized by heterogeneity in terms of the degree of influence on the acceptance by entrepreneurship entities of independent solutions. Due to the fact that concepts "institution" and "institutional conditions" are inseparable, we should single out the most fundamental, forming institutions, and then consider the classification of the analysed conditions on their basis. According to the results, the first group is represented by power and political institutions, which include the executive and legislative power; second - economic institutions that contain financial and taxation systems, business institutions, its infrastructure support; the third group includes the ideological institutions that determine the motivation for initiative activity, culture of business relations, system of values. Based on the classification of the main institutions, we will understand that administrative conditions - institutional conditions of the first group, and about the economic and ideological, respectively, the second and the third.

Do not ignore the range of problems that are solved through favourable institutional conditions [30, 31].

Classifying according to this feature, we distinguish the following species of institutional conditions (Fig. 1):

- ensuring the competitiveness of enterprises and the economy;
- increasing the efficiency of the use of potential;
- creation of jobs by opening new production facilities;
- formation of strategic development zones (by type of free economic zone in Navoi city, Kokand city, etc.);
- equalization of interregional inequalities;
- development of interaction at the level of countries and regions.

Institutional conditions are differentiated depending on the level of consideration: the lowest level - local, with the growth of the scale of influence -municipal and regional, the highest level - national. Depending on the degree of development and functioning, institutional conditions are subdivided by significance level for large, medium and small.

In the work of Corresponding Member of the Russian Academy of Sciences, Doctor of economic sciences, Professor G.B.Kleiner, the concept of formation and transformation of institutional systems – groups interrelated institutions, functioning within the framework of socio-economic objects of various levels are being developed: from enterprises to the country as a whole. The author developed the theory of a systemic economy, according to which the economy is viewed as a creation, functioning, transformation and interaction of economic systems from the point of view of the processes. G.B. Kleinershowed, that the systemic economy is a generalization and development of neoclassical, institutional and evolutionary economic theory.

At the same time, the author emphasizes the evolution of the system of economic institutions, leads a set of indicators that allow characterizing each institution. To this review, his proposed criterion is the type of subjects to be covered by the data of institutional condition. These include citizens, organizations, legal entities, employees of the enterprise, regions of the republic, etc[32].

Turning to the consideration of the small business itself, a set of factors (including non-institutional ones) that are more influential on its activity will be presented as follows:

1. State of the economy and market conditions;
2. The importance of the relevant infrastructure;
3. The policy of the state about small business;
4. The influence of the social environment.

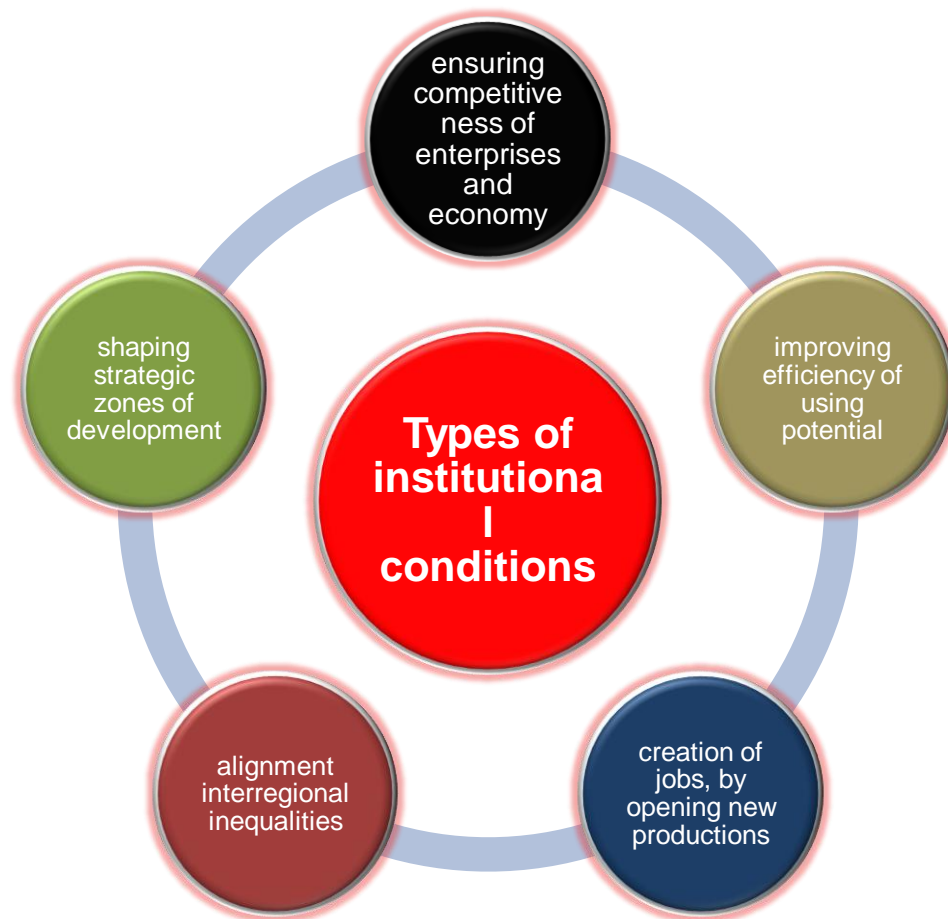


Fig.1. Types of institutional conditions.

The first group of factors is the state of the economy and the conjuncture. It is known that the development of the economy is characterized by cycle - the rise is replaced by recessions, the crises are revitalization, which has an impact not only on the economy as a whole but also on the position of small entrepreneurs. Scientists do not observe a single point of view about the period in which the cycle is small business has the most favourable ground for its development. Some of them stand on the position that the largest surge of small business accounts for the periods of economic recovery and rise. The growth of production, income and wages, an increase in demand, and together with their prices and offers of goods occurs during this period. Expansion of the market provided favourable conditions, there are niches for small businesses. Another part of economists believes that there is a potential in a small business that facilitates the periods of recessions and even crises. During this period, production and a lot of businesses are bankrupt, experiencing a significant under load of production capacity, large enterprises have to resort to reducing the staff of their employees. The result off's similar tendencies is the growth of tension in the labour market. For most people creating their own business is the only exit from the situation. As a rule, these are small firms from the owner and his family, so they stop their activity when the owner finds a job.

The carried out researches allow the author to allocate the first position.

The question studied was formulated in such a way that the first issue is not the number of newly created entities in this sector, but the dynamics of its development.

From this, we can conclude that the infrastructure for supporting small businesses should include three main components (Fig. 2).

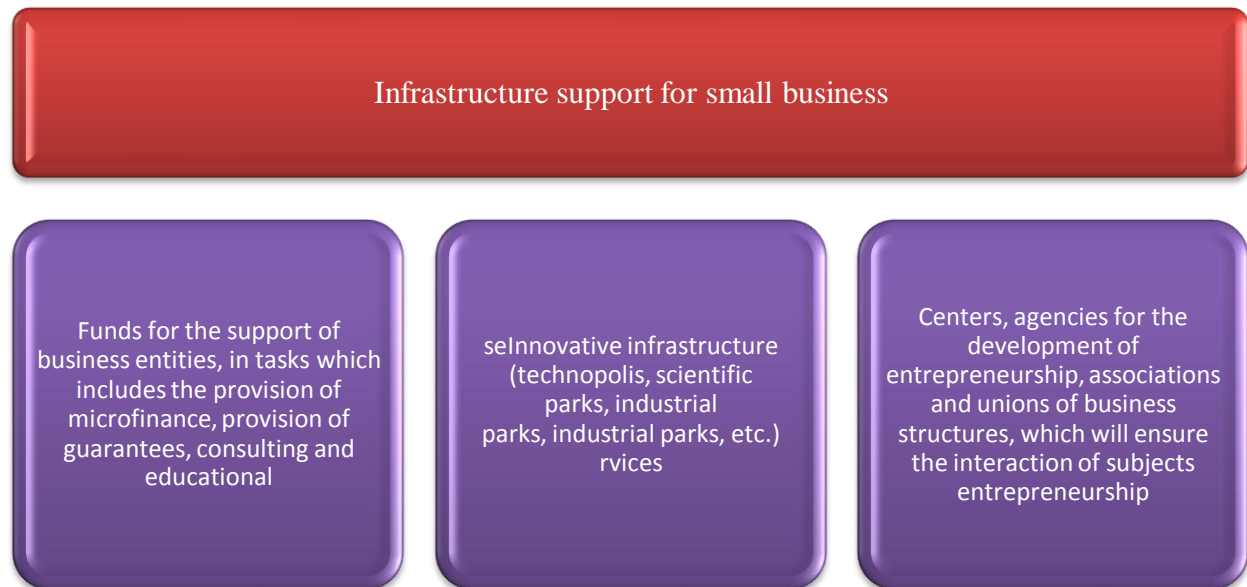


Fig.2. Small Business Support Infrastructure

Together, this makes for small business the infrastructure that contributes to the development of this sector of the economy. The third group of factors is connected with the state regulation of this sector. State support plays an important role in its present and future. It can both contribute to and hinder its strengthening. Participation in the life of the small business is carried out through ensuring favourable conditions for the development of small business. It may be ease of reporting, tax benefits, security state orders, reduction of the working shift. Respectively opposite will be the conditions for a negative attitude of the government.

A similar range of issues, but somewhat differently, is explored in the work of analysts of the United States Agency for International Development, devoted to supporting of small business in the CIS countries [33]. So, Western scientists define the external environment of a small enterprise as a set of elements (markets, market institutions, processes, relations), directly influencing the formation and functioning small business. Five groups are identified those include elements of this environment:

- Resource and sales markets, being key to small business, are included in the first group;
- the second group includes the most important for small business market institutions and agents, in the role of which is big business;
- Blocks of public organizations: legal, socio-cultural, political, expressed, respectively, in legislation, traditions and norms of morality, the alignment of political forces constitute the third group;
- in the fourth group, socio-economic processes and phenomena, such as crime, ecology, scientific and technical progress, the structure of the country's economy;
- The fifth group is a small business support system.

CONCLUSIONS AND OFFERS

The foregoing allows us to conclude that in two approaches there is a similarity, but their difference is of particular interest to the author, as for the researcher of the small business sector. Factors of the external environment, indicated in the first approach, affect not only the small but also the large business, even the entire economy of the country. The advantage of the second approaches that the specification of these factors allows one to see directly on the characteristics of the smallest business[30]. They are the following: the location of resource and distribution markets, informal relations with a narrow range of suppliers. Thus, the study of modern entrepreneurship with the use of an institutional approach is a promising direction in economic science. The institutional theory allows identifying the underlying, essential changes that contribute to the emergence of entrepreneurship in the country. The role of institutions is to provide entrepreneurs with the best opportunities to create a new enterprise, as well as create favourable conditions for its further functioning and development. Institutional environment establishes rules of games understandable to all business entities and forms the necessary conditions and incentives for business. The institutional environment has a significant impact on speed, nature and aspiration of individuals to business activities, providing a direct and indirect impact on their behaviour.

At present, the formation of institutional conditions for free enterprise is understood as development. In our opinion, this process should be activated, carried out in line with:

- optimization of the functioning of legal institutions with the help of the elimination of duplicative and unnecessary laws, that is, simplification;
- decentralization - the transfer of administrative and legislative regional offices to bring local authorities to the real-life and pressing problems of the entrepreneurship;
- expansion of the responsibilities and opportunities of individuals, for means of deregulation.

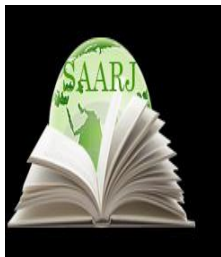
Thus, the formation of a clear representation of the realistic existing system of institutional conditions will determine, in implementation of the Strategy of Action for the five priority areas of development of the Republic of Uzbekistan within the period from 2017 to 2021 [34], the vector of institutional transformations for the coming years.

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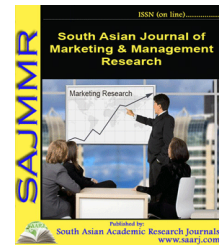
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BEHAVIORAL ANALYSIS OF CONSUMERS TOWARDS ADVERTISEMENT

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ABSTRACT

The study aimed to analyze the behavior of consumers towards advertisement leading to purchase decisions and found a positive correlation between perspective, attitude, and behavior. It was found that in terms of Perspective, some consumers make their opinion based on the advertisement to purchase a product immediately or rather refuse it without giving it a second thought; in terms of attitude makes difference for the consumer, as per the result the advertisements can negatively or positively impact the consumer's attitude towards the buying behavior while behavior makes a huge difference to consumers, especially while making final decision to ensure their satisfaction towards purchase intension, as per the results consumer get influence by the advertisement whether it is printed or broadcasted which encourage the consumer to purchase the product. The standardized Beta value showed that among the three independent variables, Perspective has the most significant impact with 4.4% followed by Attitude (-17.8%) and Behavior (-3.6%) on the advertisement.

KEYWORDS: Advertisement, Attitude, Behavior, Consumer, Perspective, Purchase Decision.

INTRODUCTION

Advertising makes an individual and proficient strategy for contacting a specific crowd. It likewise permits a business to build up and keep up a one of a kind characters, just as reinforce their notoriety which urges clients to help the business. Contemplating the mentality of shoppers, it is frequently expressed that if a customer watches messages for 2 assorted business's matters, one piece's message containing an increasingly hearty promotion and consequently the other not, accept the higher notice's item will absolutely have more highlights and afterward be of upper

worth. As especially discussing Indian Market notices even hugely affects the present marketplace is fixated on ads to expand their efficiency. As a result of the Second Largest populated nation inside the world, India assumes an enormous job in the worldwide monetary market. Most of the association has acknowledged through a considerable examination on the Indian economy that Indian costumers are to a great extent impacted by various procedures of notices. Indian shoppers, for the most part, use to purchase the items, considering just promotions. The significance of promoting keeps on expanding step by step. The host of ongoing items promoted the costs and in this manner, the dangers engaged with propelling them, and along these lines the negligible struggle of non-open selling is among the conditions which have set the noteworthy responsibility on the publicizing business. With mass promoting to convey the yield of creation, the GDP (net national item) may increment to a significant degree. Promoting assists with broadening mass showcasing while at the same time helping the benefactor to decisions and inclinations from among the scope of items offered for his choice and alternative. As it were, publicizing is only a financial development with only one target behind to expand the supporter request of the product still on upgrades the business volumes.

The commercial plays an errand inside the showcasing of products since it gives a acquiring capacity to dissimilar product activities by inducing the behavior of buyers.

LITERATURE REVIEW

Olomope (2010) stated that 54% of consumers get easily influenced by celebrity endorsements, 14% were influenced by the prices of the product whereas, 12% were influenced by the outer packaging and 10% were influenced by the information shared on the television advertisement.

Deliya(2011) utilized the attention group methodology to grasp consumers. The challenge was to coordinate bundling into a decent buying choice model, by understanding purchasers' conduct towards the bundling of items. At the point when customers searched for and process data coming up, the item's bundle contained important and valuable data for the supporter. Item bundling shaped the highest point of the 'advancement chain' and was proceed onward time to the buy and should, therefore, be played a crucial role in predicting consumer outcomes.

Srivastava (2011) analyzed the financial components, trailed by item inclinations – nonexclusive or marked under different heads of item classes, purposes behind such inclinations followed by factors influencing the purchasing conduct. There have been twenty-one such factors put under five general classes. The discoveries of the examination uncovered that purchasers in such regions lean toward brands over nonexclusive items. At the indistinguishable time unwavering quality, the item includes, and financial elements oversized affected purchasing conduct along with limited time offers. Customer conduct was characterized as exercises individuals attempt while acquiring, expending, and killing items and administrations.

Rai (2012) focused on distinguishing the impact of commercials on the customer conduct and disposition with exceptional pertinence buyer merchandise and found that the notice was advanced everywhere throughout the world to draw in the conduct and demeanor of buyers in Asia as well as around the world. The shoppers with various items had their decisional sources which were commercials and study uncovered that promotions propelled them. The consumers were targeted constantly by advertisers when the aim was on standard and money. It was also observed that purchase attitude and behavior was influenced by reasonable advertisements which covered product evaluation and brand recognition.

Niazi et al. (2013) found a strong relationship between customer environmental factors and emotional factors to purchase the product. If the consumer is emotionally attached or convinced by the advertisement, then he will buy the product. It was also found that if the customer is brand-oriented it will be difficult for the seller to change their perspective towards the product through advertisement.

Bishnoi and Sharma (2014) have researched that people living in rural areas get more easily influenced by advertisements than urban people. TV ads play a vital role in influencing people in the selection of new product purchasing decisions. The urban people get influenced where they see the benefit of the product is more than the expectations. Another important factor that influences consumer is the Brand face value. They also convinced easily by the celebrities using it in the advertisement. People are more influential towards advertisement than any other source such as Friends, family, or any other peer groups. Now the current scenario is that advertisements are introducing rapidly themselves on digital platforms such as Facebook, Instagram, or any other sites rather than television ads. With the help of a digital platform, they are getting closer to their customer in terms of their need and requirement with the help of reviews in the comment section.

Rehman et al. (2014) observed that the advertisement played a vital role in making the consumer aware of the digital platform which helped them to know about the product or services. It was found that consumers got more aware when they discussed it with their peer group which helped them to get clarity about the advertisement objective whereby this information leads to influence consumers on what should they buy, when should they buy, and from where to buy.

Fatima & Lodhi (2015) showed that notices are extremely helpful in making the mindfulness among the individuals yet they are neglected to fabricate solid observations in the psyche of purchasers and both of these factors, for example, buyer mindfulness and shopper recognitions would propel the customer to purchase a specific item, as there was a positive connection between them.

Kumar & Venkateshwar (2015) opinioned that advertisement is a part of Communication intends to understand consumer which help them to take some decision on the purchase of product and service. The Purchase process was risk-taking which customers took after getting influenced by the advertisement which will result only after the experience of the customer after usage of product which will be termed as a review of the product by the consumers. It was risk-taking because the buyer is acting based on incomplete information which will occur automatically in the purchase and non-purchase decisions.

Sadia & Khan (2015) directed a study on the adequacy of customary informal exchange and the promotion through web-based social networking destinations on feminine obtain Conduct of Pakistan and therefore the outcomes demonstrated that they're a lot of influenced by the verbal as against the advertisements on a person to person communication locales however the notice inquired regarding vogue has been changed as a result of on-line advertisements That had a lot of impact on the obtain decisions. The business world has a lot of intuitive apparatuses and improvement had a lot of impact than the typical ad stage.

Zain-ul-Abideen & Saleem (2015) have studied how the advertisement is a vital promotional strategy for the attraction of customers towards any specific product or service which leads to positive decision making. The market also targeted customer emotionally towards the consumer

decision. But it was also commonly known that some people prefer those brands in which they are emotionally attached.

Devi (2016) reasoned that a most extreme number of respondents were affected by an ad for buying of non-solid merchandise and T.V. was the most impacting methods for ad.

Mohideen & Saravanan (2016) analyzed that TV notices hold an extraordinary effect and impact on the watchers as the majority of the notices as a rule pass on their messages viably in only a couple of moments that the crowd has unwittingly caught the thought and disguised it purchasing the most up to date item promoted. The impacts of TV promoting were amazing, influencing each youngster, adolescents, and grown-ups that self-esteem and self-thankfulness were gradually decreasing. It was additionally proposed that publicists should focus more on enlightening item notice as it will expand the effect on the customers.

Pughazhendi et al.(2016) found that in a developing market, advertisers are making their advertisement more effective by filming the most popular celebrities in their ads. Single or Multiple celebrity involvement in an ad also affects consumer decisions. So, any brand having multiple celebrities was found to have more impact and a positive effect on a customer purchasing decision.

Rasool et al. (2016) opinioned that sometimes customer likes to experiment with the product from different brands. But after study, it was found that it depends upon the income level of people and observed that males were easily convinced by the advertisement as compared to females.

Rahman & Naaz (2019) highlighted that a new global culture with a new socio-economic setup has cropped up with a setup of preference and options that could cater to global taste requirements and outlook.

Jain & Payasi (2020) viewed that organizations attempted to find brands in the minds of stakeholders who wanted to create their image picture as TV commercials together showed a deadly blend and have become a vital piece of present-day society.

Objectives of the Study

Primary Objective:

- To analyze the behavior of consumer towards advertisement leading to purchase decisions.

Secondary Objectives:

- To study the impact of advertisements on the different age groups on consumer buying decisions.
- To study the attitude of the consumer towards advertisement which leads to purchase decision?
- To study the consumer's perspective towards advertisement which leads to purchase decision.

Methods

The sample size of 196 was taken into consideration for this exploratory study at 7% margin error and 5% level of significance using purposive sampling technique and the data was statistically analyzed.

Analysis and Interpretation

The different factors affecting customer purchasing decisions can be a perception in which it refers to auditory knowledge about the products and services. The perception could be related to product packaging where customers form their known perception about the product whether it's good or bad. Some customers get influence by package color combinations. Product Quality could be another factor where customers give more importance to more importance to the quality of the rather than packaging and any other factor. Accordingly, the customers form their perception of buying decisions.

Attitude can also be a factor of buying decision as it carries a productive and unproductive judgment based on occurrence and happens. Some attitude formation can be based on learning through different platforms. It leads to belief or forms specific behavior towards purchasing. Another component can be based on personal belief and attachment towards the product or certain brand. The state of mind also plays a significant role, just like sadness, happiness, anger, or stress, which also affects the attitude of a consumer. Some customers are more focused on the outcome of the product it always showcases individual attitude or intention.

Behavior can be another factor where it consists of external reactions. The other aspect includes emotions, feelings, and thoughts. It can be modified in a positive or negative aspect. The behavior can be defined in aggressive as an act of anger that intends to harm someone or something. Another aspect could be where the individual expresses their thoughts, feelings; it is trusted to be an impactful point between customers and seller.

Some other factor that can be studied in the future that is the social factor which impacts customer purchase decision it includes peer review, status, branding, etc. it has a major effect on customer decision. Financial factors can be another aspect as the customer makes their decision based on their budget. Every customer has a different capability of affording products according to their financial condition.

Demographic Profile:

We would prefer to study demography in terms old as there are many differences while Consumer takes a decision, differences within the age groups like does advertisements attract elder people or younger people. Locally, a report within the Business Times and a web survey showed that demographically, a typical Net shopper is principally male, aged between 18 and 40, had attended a minimum of Gymnasium. Another study claims cyberspace is that the domain of kids.

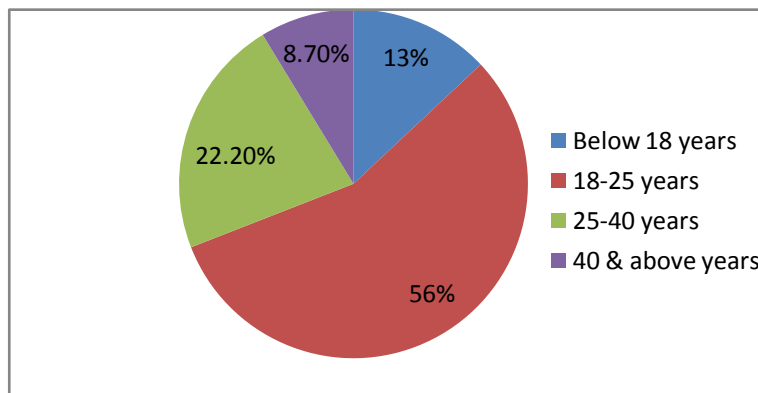


Figure 1: Showing Result based on demographic for age groups

TABLE 1:SHOWING DESCRIPTIVE STATISTICS**Descriptive Statistics**

	N	Range	Minimum	Maximum	Mean	Std. Deviation	Variance
Perspective	196	4.00	1.00	5.00	3.5391	.68179	.465
Attitude	196	3.50	1.50	5.00	3.6777	.55754	.311
Behavior	196	3.33	.83	4.17	3.2423	.48754	.238

In terms of Perspective, some consumers make their opinion based on the advertisement to purchase a product immediately or rather refuse it without giving it a second thought. Some consumers may believe that these advertisements are true and convincible as further results mean is 3.5; the Standard Deviation is 0.681 with a variance of 0.467.

Attitude makes difference for the consumer, as per the result the advertisements can negatively or positively impact the consumer's attitude towards the buying behavior. If the consumers attract or like the advertisement, they will form a positive mindset towards buying the product. The average role of attitude is 3.67; Standard deviation is 0.557 with variance 0.311.

Behavior makes a huge difference to consumers, especially while making final decision to ensure their satisfaction towards purchase intension, as per the results consumer get influence by the advertisement whether it is printed or broadcasted which encourage the consumer to purchase the product. The behavioral average is 3.2; the standard deviation is 0.487 and variance is 0.238.

TABLE 2:SHOWING CORRELATION MATRIX**Correlations**

		Perspective	Attitude	Behavior
Perspective	Pearson Correlation	1	.303**	.466**
	Sig. (1-tailed)		.000	.000
	N	196	196	196
Attitude	Pearson Correlation	.303**	1	.335**
	Sig. (1-tailed)	.000		.000
	N	196	196	196
Behavior	Pearson Correlation	.466**	.335**	1
	Sig. (1-tailed)	.000	.000	
	N	196	196	196

** . Correlation is significant at the 0.01 level (1-tailed).

According to the results, there is a positive correlation between all these variables. As if there is an increase in the value of one is variable then there will be an increase in all other related variables and vice-versa. Similarly, if the customer is an iPhone user, he will be forming their perspective only by the advertisement and it results in positive (1%) than automatically Attitude will be positive (30.3%) as followed by behavior (46.6%). The same happens with the other two variables i.e. Positive Attitude (1%) will result in positive behavior (33.5%) as followed by a positive perspective (30.3%). Similarly, Positive Behavior (1%) will result in a positive perspective (46.6%) followed by a positive Attitude (33.5%) will 196 respondents.

TABLE 3: SHOWING REGRESSION COEFFICIENTS**Coefficients**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	33.662	3.980		8.457	.000	25.812	41.513
	Perspective	.436	.806	.044	.541	.589	-1.154	2.026
	Attitude	-2.152	.926	-.178	-2.325	.021	-3.978	-.326
	Behavior	-.504	1.140	-.036	-.442	.659	-2.753	1.745

Dependent Variable: Age

- The coefficient for **Perspective** (.436) is not statistically significantly different from 0 using an alpha of 0.05 because its p-value is .589, which is greater than 0.05.
- The coefficient for **Attitude** (-2.152) is not statistically significant at the 0.05 level since the p-value is .021, which is greater than .05.
- The coefficient for **Behavior** (-.504) is not statistically significantly different from 0 because its p-value is .659 which is greater than 0.05.

The standardized Beta value shows that among the three independent variables, Perspective has the most significant impact with 4.4% followed by Attitude (-17.8%) and Behavior (-3.6%) on the advertisement.

The study shows that there is a positive impact on the entire variable on the consumer's purchase decision. This means that advertisement does affect consumer buying. Among all three variable perspectives has the most significant impact.

TABLE 4: SHOWING FACTOR METRICS**Correlation Matrix**

		Perspective	Attitude	Behavior
Correlation	Perspective	1.000	.303	.466
	Attitude	.303	1.000	.335
	Behavior	.466	.335	1.000
Sig. (1-tailed)	Perspective		.000	.000
	Attitude	.000		.000
	Behavior	.000	.000	

a. Determinant = .673

The values are matching with the original correlation matrix; it means that data abstracted accounted for a great deal of variance in the original correlation matrix. Any consumer saw an advertisement and had a positive perspective towards it (1%) which result in positive in other two variables i.e. Attitude (30.3%) and Perspective (46.6%) in the advertisement. Its same work as the Correlation Analysis.

CONCLUSION

For procurement to require a place, buyers must experience sufficiently positive attitudes toward the merchandise and the brand and consciously felt needs. When all the factors of consumer

buying are positive it results in a positive impact. The customers are largely satisfied if the perspective results positive which are directly proportional to each other so attitude and behavior will also result positive which means advertisement plays a vital role in impacting customers purchase decision, they furnish a range of theoretical models to clarify the sequence of behaviors involved in making a procurement decision. The primary task in promoting any new product is to make awareness – perception – that the merchandise exists. The second is to make an attitude with enough information – and form attitude about the merchandise for the possible customer to form an informed decision. The study says there are some other which impact customer through advertisement are financial, social, and psychological factors. It was found that in terms of Perspective, some consumers make their opinion based on the advertisement to purchase a product immediately or rather refuse it without giving it a second thought; in terms of attitude makes difference for the consumer, as per the result the advertisements can negatively or positively impact the consumer's attitude towards the buying behavior while behavior makes a huge difference to consumers, especially while making final decision to ensure their satisfaction towards purchase intension, as per the results consumer get influence by the advertisement whether it is printed or broadcasted which encourage the consumer to purchase the product. The standardized Beta value showed that among the three independent variables, Perspective has the most significant impact with 4.4% followed by Attitude (-17.8%) and Behavior (-3.6%) on the advertisement.

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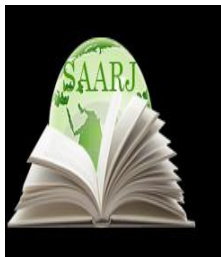
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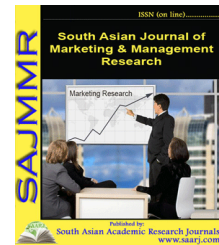
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SUPPLY CHAIN PLANNING AND BUSINESS PERFORMANCE OF NIGERIA OIL AND GAS INDUSTRY

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ABSTRACT

The purpose of this study is to investigate the relationship between supply chain planning and business performance of Nigeria oil and gas industry. This study used structural questionnaire to obtain responses from respondents. One hundred copies of questionnaires were distributed to oil and gas companies in Nigeria. Data analysis was carried out with the use of both descriptive and inferential statistics. Descriptive statistics includes the mean, standard deviation, median, mode and percentage. While Pearson product moment correlation was used to test the hypothesis to determine the relationship between supply chain planning and business performance of Nigeria oil and gas industry. The population of the study consists of all registered oil and gas companies in Nigeria. The results of the study show that supply chain planning have a significant positive relationship with business performance.

KEYWORDS: *Questionnaires, Inferential Statistics, Distributed,*

INTRODUCTION

Oil was discovered in commercial quantity in Rivers State and Bayelsa State by Shell Corporation in 1956 (Amue and Ozuru, 2014). The industry has grown to become a major player in the international oil and gas market in the world. Nigeria is the largest oil producer in Africa and the 11th largest in the world market (Adegoke and Bitrus, 2006) as cited by Amue and Ozuru, (2004). Currently, Nigeria is the 5th largest exporter of crude oil to the United State of America with oil revenue ranking up over 90% of Nigeria's foreign earnings (Festus and Gowon, 2004) as cited by Amue and Ozuru (2004). The industry is divided into three sectors; the upstream sector consist of exploration and production activities which involves seismic, geophysical and geological studies that serves as input resources for production operations. While the production involves drilling, production facility engineered and reservoir (Christopher, 2007). The downstream sector consists of processing, transportation, marketing and distribution

of petroleum products (Hackward shore, 2004 and Reebar, 1994) as cited by Amue and Ozuru (2014).

Organizations world over struggled with the choice of adequate strategy to increase performance and elicit the crucial factors causing poor performance in companies that leads to loss of market share, limited or no sales growth, customers dissatisfaction, lack of profit, redundancy, and unfavourable gross domestic product position (Didia and Nwokah, 2015). Supply chain planning is one of the basic supply chain management functions that the manager must handle seriously to create a successful organization in terms of goal attainment (Inyang, 2004) this function must be performed along with the other important functions such as organizing, directing, co-ordination and controlling of supply chain activities by applying integration techniques and technology. The relationship between supply chain management functions and goal attainments is quite obvious because they are crucial to effective management of supply chain activities. They are all aimed at helping the manager achieve desired outcomes, goals or objectives, which have been set by the organization. Organizational objectives or goals are the end state of an action or activity. Some of these objectives are productivity, employee performance and motivation, increase profit, innovation and even social objectives like supporting good causes in society, and efficiency and effectiveness in the use of organization resources (Inyang, 2004).

Supply chain planning will bring about efficient use of organization resources. Efficiency and effectiveness constitute high performance in an organization. According to Inyang (2002: 53), "Efficiency" means the proportional relationship between the quality and quantity of outputs, and the quality and quantity produced. This study aims to explore buyer supplier integration and its influence in operational performance. One antecedent for integration is related to the planning in supply chain Ely and Beheregaray (2014): In this research work, supply chain planning is considered as those activities developed by a focal company to improve its ability to precisely match the demand for its products and or services (Chopra and Meindl, 2007; Sodhi, 2003) as cited by Ely and Beheregaray (2014). Supply chain planning is able to improve operational performance (De Kok et al, 2005) as cited by Ely and Beheregaray (2014). Because of the great demand for information, supply chain planning goes beyond the focal company, as it also involves buyers and suppliers throughout the chain (Hvolby et al; 2007; Stadler, 2005) as cited by Ely and Beheregaray (2014).

The paper is organized as follows first; it reviews the important literature and hypothesis. Secondly, it describes the methodology used to test the proposed hypothesis. Thirdly, a discussion of the main findings is presented. Finally, the study ends with conclusion and recommendations. This study is anchor on Game Theory, Simulations, Queuing or waiting line theory, and Network Analysis theory. Not many scholars have written on supply chain planning especially in the Nigeria oil and gas content. This study therefore, sought to discourage this Lacuna, thereby creating a knowledge gap.

The study seeks to provides answers to the following research questions: what is the extend of the relationship between supply chain planning and market share?; to what extent does supply chain planning influence sales growth? To what extent does supply chain planning influences demand forecasting? In order to answer the above question, we proposed three hypotheses to guide us in reviewing related literature as follows:

HO₁: there is no significant positive relationship between supply chain planning and market share.

HO₂: there is no significant positive relationship between supply chain planning and sales growth.

HO₃: there is no significant positive relationship between supply chain planning demand forecasting

The purpose of this study is to examine the relationship between supply chain planning and business performance of oil and gas industry in Nigeria.

REVIEW OF RELATED LITERATURE

Consistent with the extant literature (Chopra and Meindl, 2007, Kaipia, 2008, Oliva and Watson, 2011; Sodhi, 2003) as cited by Beheregaray (2014) chain planning is defined as the process of gathering information from buyers and suppliers to help the company plan its future activities and satisfy customers demand at minimum cost. Supply chain planning has strategic and tactical levels at which focal company plans its market and supply activities based on buyer and supplier information (Ely and Beheregaray, 2014). Supply chain planning depends on efforts made by top and middle managers of the focal company to ensure information flows throughout the entire supply chain. According to Yeung (2008) as cited by Ely and Beheregaray (2014) planning should include a strategic orientation in the supply chain management in order to allow the company to improve its competitiveness.

Supply chain planning aim at improving organization sales growth, market share, demand forecasting, production capacity, reduction in excess inventory, reducing mismatches between production and demand (Chopra and Meindl, 2007) as cited by Ely and Beheregaray (2014). Supply chain planning is assured to foster trust between the focal company and its buyers and suppliers. Supply chain planning enables partners in the supply chain to gain indirect benefits where buyers and suppliers may feel encouraged to interact with each other hereby enhancing benefits, creating a cycle of positive interaction in the chain.

The Concept of Supply Chain Planning

Successful operation of an enterprise depends on its ability to plan and re-plan as well as ability to understand when plan need not be change. Planning has to be comprehensive and timely, based on accurate and up to date information and data (Nwanro, 2013). Compared to classic planning and control thinking, the supply chain management approach has led to a shift in planning philosophy. The complexity in planning organization activities has increased due to the inter-organizational dimensions covering two or more company units. When covered, a broadened set of planning issues and the need for unifying different interest among supply chain partners(Simchi Levi et al; 2007) as cited by Nwanro (2013).

According to Etuk (2008) planning is an intellectual process that usually precedes the activity being planned. It is the process of reconciling resources with objectives and opportunities by selecting a given path to the future from possible alternatives. Planning is an attempt by most organizations to predict the future as much as possible reducing the future uncertainty (Inyang, 2004) planning includes establishing the organizations objectives and formulating strategies, programmes, policies and standards which are needed to accomplish the set objectives. Planning involves selecting from among alternatives future courses of action for the organization as a whole and for every department or a section. Planning requires selecting objectives and departmental goals and determining ways and methods of attaining these goals (Inyang, 2004). Planning according to In yang (2004) is deciding in advance what to do, how to do it, when to do

it and who is to do it. Planning bridges the gap from where we are to where we want to go. Without planning those things we want done would not happen or take place. According to Kast and Rosenzweig (1979: 416) as cited by Inyang (2004) planning involves determining overall missions, identifying key results areas, and setting specific objectives as well as developing policies, programmes, and procedures for achieving them. Drucker (199: 120) as cited by Inyang (2004) defines planning as the continuous process of making present risk-taking decision systematically and with greatest possible knowledge of their futurity; organizing systematically the efforts needed to carry out these decision and measuring the results of these decisions against the expectations through organized, systematic feedback.

There is a clear trend towards optimization of entire supply chain rather than individual companies in recent time. The modern supply chain perspective implies orchestration, coordination, and integration of broad set of activities and resources across companies which are characterized by a decentralized geographical structure and high degree of operational complexity (Cooper and Gardner, 2003; Rueberg and Olhager, 2002; Maltson, 2003; Busi and Dreyer, 2004).

Moreover, a growing need for responsiveness according to more sophisticated and ever-changing customer demands is apparent (Chopra and Meindle; 2007). However, uncertainty and risk are inherent in every supply chain as customer demand can never be forecast exactly, travel times will be certain, and machines and machines and vehicles will break down. Similarly, recent industry trends, including outsourcing, off-shoring and lean manufacturing that focus on reducing supply chain costs, significantly increase the level of risk in the supply chain. Thus, supply chains need to be designed and managed to eliminate uncertainty and risk as possible as well as deal effectively with the uncertainty and risk that is link to supply chain planning.

Since the plan at each stage in the supply chain is not merely a forecast of what is likely to happen rather it is commitment of what has to happen in order for company objectives to be achieved. To that extent, what is likely to happen is an input with offer conflicting constraints for an effective and optimized plan to be worked out to meet the objectives? Planning is the process of establishing management commitments that will allow the company to effectively and efficiently respond to the demand forecast.

One feature of supply chain planning is connected to the delays associated with information flow and the physical flow. Supply chain planning (SCP), is the set of activities that focus on evaluating customer demand and formulating plans and schedules based on meeting the demand and company goals. The concept is concerned with the coordination and integration by an enterprise, from the raw material procurement to the distribution of finished products to customers (Gupta and Maranas, 2003) as cited by Nwanro (2013).

The purpose of supply chain planning is to decide what and how much to produce, and deliver, when and where and also how products and information's should flow through the supply chain. However, the activities of supply chain planning includes overall resources planning, such as sales and operations management, demand and supplier management, performance measurement and management, event management and among other operational activities for capacity and material planning and shop floor scheduling system. According to Nwanro (2013) concepts such as efficient consumer response (ECR), quick response (QR), vendor managed inventory (VMI), collaborating planning, replenishment and control (CPFR), and automated replenishment

programs (ARP) are all examples of supply chain concepts moving towards cross-company planning and control.

These concepts are based on the exchange of more or less real-time demand information (Jonsson, 2008; Christopher, 2005; Danese, 2005; Sabath and Autry, 2001; Skyoett – Larsen, 2003) as cited by Nwanro (2013). Information such as point-of-sales (POS) data, stock levels and advanced forecasts and so on is used to estimate demand and the need for replenishment and production in order to prevent stock out situations or excessive stock. However, the key to competitiveness is to continuously get access to an increasing number of real-time transaction data throughout the supply chain. To achieve these, the supply frequency identification (RFID), sensor technology and standard such as electronic product code global (EPC Global) was introduced. These technologies allow frequently than existing technology like barcode. Integrated RFID-tags and sensor technology contains information that can be read simultaneously from distance, which considerably increase the number of points where data can be obtained through out the supply chain compared with barcode system which to a large degree require manual reading operations of one and one item.

Furthermore, supply chain planning is the process that balances customer requirements with supply capabilities. The current planning process in most companies is highly fragmented; the steps in the process take place independently and at different time intervals (Makatsoris and Chang, 2004) as cited by Nwanro (2013). They opined that in a typical supply chain planning process orders are received randomly, inventory availability is checked periodically, master planning and material requirements planning takes place weekly or every two weeks, production scheduling is daily or weekly, and raw material purchases are made periodically.

Typically, the planning process is a mixture of automated and manual processes, and the decision concerns different product hierarchy levels which consequently increase the variability of the total process. The current planning process in companies may be complex and include multiple stages. Few companies have department to carry out end to end supply chain planning; instead they are relying on separate (un-connected) forecasters, procurement planners, and production planners. Targeting a particular part of the process, for example increasing forecast accuracy, will not improve the response rate of the production processes.

In addition, knowledge regarding process orientation and advanced planning across company borders are still in its infancy phase (Croom et al; 2000) as cited by Nwanro (2013). The lack of supply chain planning process leads to many supply chain inefficiencies. These include high safety stocks, difficulties in managing forecasting seasonal demand patterns, insufficient demand forecasting, a long planning horizon, or inability to capture supply constraints concerning capacity or materials availability (Kumar, 2004) as cited by Nwanro (2013). According to Nwanro (2013) to this list, stock outs, dissatisfied customers and poor financial performance are also added by Jordan (2003) the problems in matching demand and supply may lead to excessive levels of inventory created by unpredictable demand and difficulty in forecast, accuracy. Planning complexity also increase when planning encounters problems of obsolescence caused by short product life cycles and the growing demand for shorter lead times (Vitasek et al; 2003) as cited by Nwanro (2013).

Supply chain planning process follows the following steps; procurement planning, production planning, demand planning and distribution planning. The process starts with demand plan that serves as input for distribution plans; the output of distribution plans serves as input to

production planning. The output from production planning is used as input for procurement planning. Demand planning captures information on market demand and inventories, and then combines it with supply capabilities and constraints to develop a plan for future demand. The goal of the process is to capture sales opportunities and to reach business targets (Jordan, 2003). With suitable processes in place, management can proactively match supply with demand and execute the plan with minimum disruptions. The process includes forecasting, synchronizing supply with demand, increasing flexibility, and reducing variability (Lambert, 2004).

Supply chain planning will lead to demand management process between supply and demand. Compared to supply chain management, the term demand chain management emphasizes consumer pull instead of supplier push; Lambert (2004) demand chain management is a useful term to emphasize the role of customer demand in managing the supply chain. Practitioners tend to differentiate between the demand chains which create demand and the supply chain which fulfils it. A demand chain is presented as the sequence of activities through which the supplier recognizes customer demand (Hoover et al; 2001) as cited by Nwanro (2013). When the link between the demand chain and supply chain is emphasized, the terms demand – supply chain and demand – supply planning may be used.

According to Larsen et al; (2003) as cited by Nwanro (2013) supply chain planning has the following identified merits; higher services levels, reduction in excess inventory, increased sales, faster order response time, lower product inventories, faster cycle time, reduced capacity requirements, reduced numbers of stocking points, improved forecast accuracy lower system expenses, lower cost of operation and profitability.

Operationalization of Supply Chain Planning and Business Performance

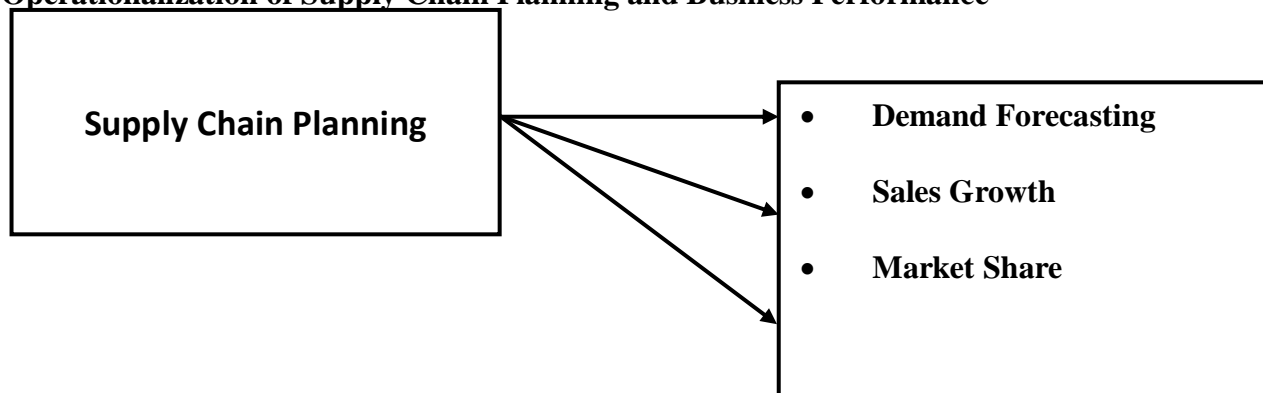


Figure 1: Operationalization of Supply Chain Planning and Business Performance.

Source: Review of related Literature (2019).

Business Performance

The fundamental purpose of every business organization is to consistently outperform the competition and deliver sustainable products, give superior values to shareholders or returns to the owners while satisfying other stakeholders. However, a medium is used in measuring how well or bad supply chain planning is doing in terms of demand forecasting, sales growth and market share compared to competitors (Nwanro, 2013).

The measurement of how successful firms are working to achieve this goals and objective is the major concern for researchers and practitioners. It is certain that performance measurement plays significant roles in running an organization. It helps assess achievements and set future strategies

to reach a stable long term growth path and success. It also involves developing and translating strategy into desired behaviours and results, communicating these expectations, monitoring progress, providing feedback, motivating employees through performance-based rewards and sanctions, understand factors that contribute to higher performance, direct the allocations of resources, provide better customers values, impact an organizational reputation that lead to greater customers trust; improve on measures of organizational knowledge created by collaborative information sharing, evaluate the compensation of managers and evaluate managerial performance.

Business

Business according to Stephenson (2011) as cited by Nwanro (2013) is the regular production or purchase and sales of goods undertaking with an objective of earning profit for the benefit of those on whose behalf the activity is conducted. According to Lewis (2011) as cited by Nwanro (2013) is a human activity directed towards producing or acquiring through buying and selling of goods. We define business as economic activity which is related with continuous and regular production, and distribution of goods and services for satisfying human wants. Its features includes exchange of goods and services, risk and uncertainty, buyer and sellers connected with production, marketing and distribution of goods focused on customers satisfaction and profit (Nwanro, 2013).

The traditional methods for evaluation of business performance are based on the calculations of financial indicators though their evaluation does not identify all the factors influencing company development (Irian et al;2011). Many manager and researchers have argued that accounting based performance measurement systems are no longer adequate (Christopher and David, 2003; Chee et al, 2006) European integration studies, 2011).

The analysis of company performance using just financial indicators provide incomplete evaluation of company performance as there are financially based, internally focused, backward looking, deliberate misrepresentation, do not attempt to anticipate future results and are concerned with the overall health or performance of the business.

However, immeasurable factors of the company describing company's internal potential and future perspective are not taken into consideration. (Crook et al, 2011; Devinney et al 2010, KHPI, 2013; Irina et al, 2011; Maruaya Maa and Odagirib, 2002; Neely 2033; Richard et al, 2009) as cited by Nwanro (2013).

Performance

Performance is the accomplishment of a given task measured against present known standards of accuracy, completeness, cost and speed. In a contract, performance is deemed to be the fulfillment of an obligation in a manner that releases the performer from all liabilities under the contract. Performance measurement is defined as the process of quantifying the efficiency and effectiveness of action. Performance measurement system is the set of metrics used to quantify both the efficiency and effectiveness of actions (Neely et al, 2003).

However, increasing numbers of companies have been measuring customer loyalty, innovation, market share, quality, sales growth; demand forecast, employee's satisfaction and other performance areas that are not financial based but believed they ultimately affect profitability. Doing so can offer several benefits, manager can get a glimpse of business progress well before a financial verdict is pronounced and the soundness of their financial investment.

Measurement of Business Performance

Performance measure is quantifiable expression of the amount, cost, or result of activities that indicate how much, how well and at what level, products or services are provided to customers during a given period of time (Washington Office of Financial Management (2009). It is a numeric description of an agency's work and the results of that work. They are based on data, and tell a story about whether an organization or activity is achieving its objectives and if progress is being made towards attaining policy or organizational goals (Nwanro, 2013).

Measuring performance is crucial for an organization since it helps assess achievements and sets future strategies to reach a stable long term growth path and success. Hence, the disagreement on which indicators should be used to increase organizational performance causes some concern. The analysis made by KHPI (2013) as cited by Nwanro (2013) suggests that there is no single dominant performance measure because each has advantages and disadvantages and gives a different perception on performance. Based on the above view, the use of multiple measures in this research work is desirable to provide a broader picture of the performance of oil and gas companies and to balance weakness and strength of each measure. Hence, the adoption of demand forecasting, market share and sales growth are used as key performance measures in this research work by the researcher.

Sales Growth

Sales growth is a metric that measures the ability of your sales team to increase revenue over a fixed period of time. Without revenue growth, businesses are at risk of being overtaken by competitors and stagnating. Sales growth is a strategic indicator that is used in decision making by executives and the board of directors, and influences the formulation and execution of business strategy (Kipfolia, 2019).

According to Didia and Nwokah (2015) sales growth is desired as a very strong indicator of marketing and hereby business performance. The competitiveness of business organizations are evaluated by the rate of sales growth. Innovations or inventions impact on profits positively via sales growth. Sales growth therefore is meaningful indicator of financial performance of a firm. Sales growth is achieved by annual addition to previous sales figures.

Sales growth targets play a major role in the perceptions of tops managers. Brush, Bromiley and Hendrick (2000) Hubard and Bromiley (1994) find out that sale is the most common objective mentioned by senior managers. Eliasson (1976)as cited by Brush et al; (2000) reports that planning systems generally begins with sales targets. An emphasis on sales growth also provides a useful and visible benchmark to motivate managers.

The mount of a company driver from sales compared to a previous corresponding period of time in which the letter, sales exceed the former. However, this increment may or may not be equally. In a general note how, it indicates a relative measure of changes in sales over recorder periods. These periods are either affected by price or volume or both. Other controllable or uncontrollable factors may affect variation in sales figures e.g. seasonal variations, income level, quality changes in taste, changes in technology, company's values etc.

Market Share

Market share is the percentage or proportion of the total available market or market segment. That is being served by a company (Didia and Nwokah, 2015). The market share and underlying

market characteristics such as economics of scale, confer competitive advantage (Gale, 1972; Buzzell et al; 1975; Henderson, 1980) as cited by Brush et al; (2008). In order words, do firms with high market share have higher returns than those with low market share? Maneke (1974) as cited by Brush et al; (2002) suggest the market share benefits may come from unobserved variables that create a spurious relation. The market share literature primarily investigates the competitive aspect of sales growth – how investment in market share strengthens the product market position of the firm.

O'Regan (2002) as cited by Lyndon et al; (2016) Defines market share as a company's sales in relations to total industry sales for a certain period. Pearce and Robinson (2003) as cited by Lyndon et al; (2016) also ascertain that market share is sales relative to those of other competitors in the market. Market share is usually used to express competitive position. It is also generally accepted that increased market share can be equated with success whereas decrease market share is a manifestation of unfavourable actions by firms and usually equated with failure. Buzzle et al (1975) as cited Lyndon et al; (2016) sees market share as determinant of return on investment and therefore an increase in market share will lead to an increase in profitability. Pearce and Robinson (2003) also see market share as sales relative to those of other competitors in the market. Market share is usually used to express competitive position. It is also generally accepted that increased market share can be equated with success, whereas decreased market share is manifestation of unfavorable actions by firm and usually equated with failure. However, high market share has been associated with organization planning which lead to higher profits.

Demand forecasting

Demand forecasting asks how much of a good or service would be bought, consumed or otherwise experienced in the future given marketing actions, and industry and market conditions (Scott and Kesten (2017)). Demand forecasting can involve forecasting influences on demand, such as changes in product design, price advertising, or taste, seasonality, the actions of competitors and regulators, and changes in the economics environment.

Supply chain management software (SCMS) comes packed with tools that help optimize supply chains. But not all tools are made equal, and some specific tools are required for supply chains that need to scale (Tran, 2019). For flexible supply chains, demand forecasting tools could be most important tools of all supply chain managers use multiple types of demand forecasting tools together, business can run a lean, scalable supply chain keeps costs low and profit high.

According to Tran (2019) demand forecasting is the result of a predictive analysis to determine what demand will be at a given point in the future. Forecasts are determined with complex algorithms that analyze past trends, historic sales data, and potential events or changes that could be factors in the future (Tran, 2019).

Multiple parts of any supply chain can benefit from demand forecasting. One example is inventory, and specifically lean inventory warehouse cost can run high when goods and materials are sitting on the warehouse floor. Lean inventory keeps the minimum amount of that good or material in stock, without running the risk of having too little of it available (Tran, 2019).

With demand forecasting, third-party logistics providers (3 pls) can analyze past trends to design an effective lean inventory model for the future. Multiple factors are taken into account at any given moment, and the SCMS can adjust the minimum required inventory as necessary. Other

parts of the supply chain that can benefit from demand forecasting includes: scheduling, staffing and distribution planning.

Many 3pls use SCMS to forecast supply chain, but supply chain managers are trained to use other methods as well. Any number of factors can influence a business, and no two industries are the same. While some of these demand forecasting methods don't require SCMS, most integrate well with the software to ensure an efficient supply chain from top to bottom. When done correctly, demand forecasting can maximize your profits by reaching the highest number of buyers. But making money is not the only reason to adopt demand forecasting tools. Other advantages include the following:

Reduce Inventory Cost: Static inventory, or inventory that is not moving out of your warehouse, eats up cost and drive up costs. In fact, holding onto inventory for 12 months could increase the cost of that item by as much as 60%. The less time an item spends in a warehouse, the better.

Better Supplier Relationship: 3pls work closely with your supplier to ensure that good and materials are being sent in a timely manner. Purchasing manager can use demand forecasting information to show suppliers how much more or (less) of that good or material will be needed for a period of time. This level of transparency is great for business and keeps suppliers happy.

Increased Customer Satisfaction: When talking about demand forecasting, it can be easy to forget about the only factor that really affects demand. Customers know what they want, and the sooner they can get it, the better. Demand forecasting keeps your warehouse ready for changes in demand, so when a sudden spike in interest comes, you'll be there to provide a quick, reliable solution for customers. This makes customer very happy, and it can lead to higher customer retention, and valuable online reviews. (Tran, 2019).

Better Performance: Efficiency is at the heart of every supply chain, and demand forecasting increases efficiency. Every step of the supply chain from staffing the right number of warehouse workers to making sure too many items are not clogging a warehouse – benefits from demand forecasting.

Some of the ways to forecast supply chain activities are seasonal planning, buyers trend analysis, demand exception management and intuitive planning.

THEORETICAL REVIEW

Game Theory

Game theory is a mathematical theory that deals with general features of competitive situation in a formal abstract way. The purpose of game theory is to determine the strategy that is most likely to succeed in dealings between two or more competitors by maximizing gain and minimizing loss. In that respect, game theory is a guide for developing business strategy (Etuk, 2008).

Queuing or Waiting Line Theory

Queuing or waiting line theory is a mathematical technique for solving problems caused by queuing or waiting lines as commonly experienced in banks, petrol stations, retail stores, restaurants and ports where ships are loaded and unloaded.

Queuing problems can affect operating costs significantly because a very small change in either arrival intervals or service time can cause abrupt shifts in the problem; it is necessary to estimate

the average waiting time (AWT) and then endeavour to reduce it. One method for doing this is a simulation technique known as the Monte Carlo Method which selects events randomly and simulates them to determine if new facilities are in fact needed. Through such simulation, waiting time or service cost can be reduced without any disruption to the actual process (Etuk, 2008).

Simulation Theory

Simulation theory has become one of the most valuable tools for operations research experimentation. It involves the construction of mathematical model which uses the case study approach to evaluate various strategically alternatives by studying one case at a time and noting the interactional effects of the variable with variables in the system. It is thus a technique of performing sampling experiments on the models of a system (such as business firm, a production department, or selected market) rather than on the real system itself. Simulation is virtually impossible without the aid of a computer as tens of thousands of sets of calculations in one experimental trial are not uncommon. Thus without a high speed computer simulation cannot be carried out (Etuk, 2008).

The most widespread use of simulation is the business game which is used in management training programmes for decision making exercise. Such games have evolved from a combination of games theory and computer technology and are especially useful for training managers in corporate decision making (Etuk, 2008).

Linear Programming Theory

Linear programming theory is a mathematical technique the assists the manager in determining the optimal allocation of his firms scarce resources including money, capital equipment, raw materials, and human resources; it seeks to find alternative solutions that make the best use of the resources to reach a defined goal (Etuk, 2008). In a linear programming problem, all the relationships are expressed as linear or straight line functions.

Linear programming is especially useful in solving two types of decision problems namely; the transportation problem and the assignment problem. The transportation problem is concerned with shipping goods to and from customers, suppliers, or warehouses. Central to such a problem is the decision concerning the choice of warehouse-plant combinations that will give the lowest total shipping cost. The assignment problem is similar to the transportation problem except that its objective might be to choose the best site for locating warehouses from a number of possible alternative sites.

Market Power Theory

Market Share and Profitability can be expressed as market power advantages. Market power is present when a firm is able to raise its prices or offer inferior products because its rivals are not able to offer customers a reasonable alternative (Jacobson, 1988) as cited by Lyndon et al; (2016). Therefore, it is now obvious that market power would enable a company to make higher profits as they are able to charge a premium for their products.

Production Quality Assessment

Another explanation linking market share and sales growth is that customers use market share as a signal of product quality. Therefore, a high market share product provides a level of customer confidence in as environment of uncertainty and imperfect information about product

performance. As a result, these products are able to command high prices and therefore receive higher returns (Jacobson, 1988).

Efficiency Theory

The rational most commonly given to explain the association is that higher market share enables companies to utilize economies of scale to reduce costs and give companies market power (Jacobson, 1988). Jacobson and Aaker (1985); Rumelt and Wensly (1981) and Buzze et al; (1975) as cited by Lyndon et al; (2016) also identified possible reasons why larger market share leads to higher sales growth. They suggest that the observed positive relationship between market share, sales growth and demand forecasting which will lead to quality planning and management. Superior planning causes firms to operate at a higher level of effectiveness and efficiency which include the capability to design and execute better strategies and plans, better control of costs, maintain efficient operations, having innovative products and market strategies, meeting customer needs better than competitors as well as the ability to achieve higher productivity through training and motivation of employees.

Firms with large market share and constants sales growth can exploit increasing economies of scales from different areas such as procurement, manufacturing, marketing, research and development.

Strategic Management Theory

According to Weetman (2010) as cited by Lyndon et al;(2016) the sales growth and accurate demand forecasting of a business including profitability and market share depends on having a successful business strategy. He further argued that if the business strategy gives the firm its competitor's edge, then the market share, sales growth, accurate demand forecasting should reflect that strategy adopted by the firm clearly. This traditionally laid emphasis on profitability and market share. Norreklit and Mitchell (2007) as cited by Lyndon (2016) agreed that a satisfactory financial result may be obtained by first supplying a good product at low prices, making customer very satisfied and gaining a market share, market prospect, etc. That is an increase in sales growth, market share and accurate demand forecasting will lead to higher profits of organizations. Business strategy usually includes planning to achieve a better performance than competitors.

Contribution Theory

The contribution theory could be traced to the works of Weetman (2006) he posited that beyond the break-even point of a business entry the sales of further units of products as a result of the business strategy adopted would make a contribution to profit. This implies that the higher the contribution per unit of a product sold, the greater the profit generated by the firm from particular level of activity (Lyndon et al; 2016). Thus the expansion of market share and sales growth beyond the break-even level of sales would increase the profit of the firm.

From the foregoing, this study considers linear programming theory, game theory, simulation theory, queuing theory, market power theory, product quality assessment theory, efficiency theory, strategic management theory and contribution theory as the cornerstone of utilizing the resources related to the study of the relationship between supply chain planning and business performance of Nigeria oil and gas industry.

EMPIRICAL REVIEW OF LITERATURE

The study of Ely and Beheregaray (2014) results indicates that supply chain planning is positively related to business performance. More specifically, the result suggest that, by gathering buyer and supplier information, and using this information to develop a supply chain plan, the focal company can foster trust among its buyers and supplier.

Based on their findings, they argued that companies in the sample developed supply chain partnerships seeking a more integrated supply chain based on organizational trust and planning. The companies aimed at establishing formal processes such as supply chain planning, demand forecasting, method of chain planning market share and sales growth improving market share and sales growth which is based on objective measures, the buyer is able to manage the supply chain according to more precise information because trust is based on perception of people involved in relationship, values, beliefs, and legal and competitive constrains may drive the perception of such people (Sako, 1992, Cannon et al, (2010) as cited by Ely and Beheregaray (2014). Therefore companies operating in a global scale may not be able to afford such perceptions to influence performance of suppliers and may need also objective indicators to drive their business. Their result also suggest that when a buyer combines formal processes like planning with trust based relationship in its supply chain, operational performance is higher.

The study of (Taiwo and Olufunke, 2007) concluded that there is a link between supply chain planning and business performance including organizations survival, using their respondents responses.

The study of Mousa et al; (2011) revealed that supply chain planning provides a framework for steering operations in the desired direction over the future and it is often used as a way to introduce a period of change, assessment and self-identified.

Jayant (2014) study shows that sales and marketing implementation capabilities were identified as influential to business performance; Investment in skill development of salesperson helps firms to understand product and customer more closely. Not only this, it also help sales persons to move from learning curve to experience curve at a faster pace.

Solmaz and Mehdi (2015) study findings revealed that growth potential has a positive and significant impact on the quality of corporate financial reporting.

Lyndon et al; (2016) carried out a study on market share and profitability relationship. The results of the study supports both theoretical and empirical evidence of prior studies that returns generated from deposits bank customers (market share) impact positively on the profitability of banks in Nigeria. The findings revealed that market share, sales growth, demand forecasting has statistically positive relationship with supply chain planning and profitability.

The study of Didia and Nwokoh (2015) on supply chain integration and business performance, the results of the study reported therein, show that supply chain integration associates with business performance in the Nigerian telecommunication firms.

RESEARCH METHODOLOGY

The purpose of this research work was to investigate the relationship between supply chain planning and business performance of Nigeria oil and gas industry. Questionnaire method was employed as a source of data collection for the study.

The study adopted non-experimental research, specifically correctional research design as a useful mean of measuring and assessing the relationship between the variables with little or no effort to control variables that are extraneous in nature.

The population of the study constitutes ten registered oil and gas companies in Nigeria which includes: Exxon Mobil, Chevron, Statoil, Shell, Nigerian Agip Oil Company Limited, Total, Hardy Oil and Gas Plc, Nexen Inc and Addax Petroleum. One hundred copies of questionnaire were distributed to these ten oil companies supply chain managers, marketing managers, procurement managers, distribution managers and sales officers.

The study used two methods of data analysis which is descriptive and inferential statistics. Pearson product moment correlations were used in measuring and assessing the relationship between the predictors and outcome variable. In analyzing the data, SPSS version 20 was used.

To determine the reliability of the instrument, 30 copies of the instruments was administered to 30 respondents who will not take part of the main study but were of the population. The data obtained were analyzed using Cronbach Alpha Statistical Tool. Results yielded reliability coefficients of 0.87 which implies that the instrument is reliable. Result of the reliability is presented in Table 2.1.

TABLE 3.1: CRONBACH ALPHA RELIABILITY FOR THE INSTRUMENT

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.880	.878	33

4. DATA PRESENTATION, ANALYSIS AND FINDINGS

This section represents the result of data analysis using frequency, percentage and Pearson Product Moment Correlation (PPMC). The demographics of the respondents were analysed using frequency and simple percentages while hypotheses were tested using Pearson Product Moment Correlation. Out of the 100 copies of the questionnaire administered, 98 copies representing 98% of the administered questionnaire were retrieved and found useable while 2% of the questionnaire was not retrieved. Hence, the result of data analysis was based on the 98 respondents.

4.1 Presentation of Data

Data on the research variables supply chain planning, market share, sales growth, and demand forecasting as obtained from the questionnaire are presented as followed.

4.2 Demographic Variables of the Respondents

TABLE 4.1: DISTRIBUTION OF THE RESPONDENTS BY GENDER

Sex	No. of Respondents	Percentage (%)
Male	58	59%
Female	40	41%
Total	98	100%

Source: Field Survey (2019)

From the above Table 4.1, 210 respondents representing 54.4% were male while 176 respondents representing 45.6% were female. Result in Table 4.1 reveals that more than half of the respondents were male (54.4%).

TABLE 4.2: DISTRIBUTION OF THE RESPONDENTS BY AGE

Age (years)	No. of Respondnets	Percentage (%)
11-20 years	8	8
21-30 years	35	36
31-40 years	40	41
41 and above years	15	15
Total	98	100.0

Source: Field Survey (2019)

Result presented in Table 4.2 reveals that 8 respondents representing 8% were between ages 11-20 years, 35 respondents representing 36% were between age group 21-30 years while 40 respondents(41%) and 15 respondents representing 15% were of 51 and above years respectively. The result indicates that the majority of the respondents were between 31-40 years (41%).

TABLE 4.3: DISTRIBUTION OF THE RESPONDENTS BY EDUCATIONAL QUALIFICATION

Educational quaification	No. of Respondnets	Percentage (%)
SSCE/OND	25	26
HND/B.Sc	58	59
MBA/M.Sc	15	15
Total	98	100.0

Source: Field Survey (2019)

Result in Table 4.3 reveals that 26% of the respondents were SSCE/OND holders, 59% were HND/B.Sc holders while 15% of the respondents were MBA/M.Sc holders. The result shows that that the majority of the respondents were HND/B.Sc holders (59%).

4.3. Test of Hypotheses

Hypothesis One

Ho₁: There is no significant positive relationship between supply chain planning and market share.

TABLE 4.4: PEARSON PRODUCT MOMENT CORRELATION SHOWING RELATIONSHIP BETWEEN SUPPLY CHAIN PLANNING AND MARKET SHARE

		Supply chain planning	Market share
Supply chain planning	Pearson Correlation	1	.136*
	Sig. (2-tailed)		.013
	N	98	98
Market share	Pearson Correlation	.136*	1
	Sig. (2-tailed)	.013	
	N	98	98

** Correlation is significant at the 0.05 level (2-tailed). Source: Researcher's Computation Using SPSS version 20.0*

Result in Table 4.4 shows correlation coefficient of 0.136 and P-value of 0.013 (P-value = 0.013). The correlation coefficient of 0.136 implies that there is a positive relationship between supply chain planning and market share. The result yielded P-value of 0.013 which is less than 0.05 indicates that there is a significant relationship between supply chain planning and market share. The null hypothesis is rejected. Hence, there is a significant positive relationship between supply chain planning and market share.

Hypothesis Two

Ho₂: There is no significant positive relationship between supply chain planning and sales growth.

TABLE 4.5: PEARSON PRODUCT MOMENT CORRELATION SHOWING RELATIONSHIP BETWEEN SUPPLY CHAIN PLANNING AND SALES GROWTH.

		Supply chain planning	Sales growth
Supply chain planning	Pearson Correlation	1	.245**
	Sig. (2-tailed)		.000
	N	98	98
Sales growth	Pearson Correlation	.245**	1
	Sig. (2-tailed)	.000	
	N	98	98

*** Correlation is significant at the 0.01 level (2-tailed). Source: Researcher's Computation Using SPSS version 20.0*

Result displayed in Table 4.5 reveals correlation coefficient of 0.245 and a P-value of 0.000 (P-value = 0.000). The correlation coefficient of 0.245 means that there is a positive relationship between supply chain planning and sales growth. The result also show probability value of 0.000 which is less than 0.05 (P<0.05) meaning that there is a significant positive relationship between supply chain planning and sales growth. The null hypothesis is therefore rejected. Hence, there is a significant positive relationship between supply chain planning and sales growth.

Hypothesis Three

Ho₃: There is no significant positive relationship between supply chain planning and demand forecasting

TABLE 4.6: PEARSON PRODUCT MOMENT CORRELATION SHOWING RELATIONSHIP BETWEEN SUPPLY CHAIN PLANNING AND DEMAND FORECASTING

		Supply chain planning	Demand forecasting
Supply chain planning	Pearson Correlation	1	.449**
	Sig. (2-tailed)		.000
	N	98	98
Demand forecasting	Pearson Correlation	.449**	1
	Sig. (2-tailed)	.000	
	N	98	98

****.** Correlation is significant at the 0.01 level (2-tailed). Source: Researcher's Computation Using SPSS version 20.0

Result in Table 4.6 shows correlation coefficient of 0.449 and a P-value of 0.000 (P-value = 0.000). The correlation coefficient of 0.449 implies that there is a positive relationship between supply chain planning and demand forecasting. The result also shows probability value of 0.000 which is less than 0.05 ($P < 0.05$) meaning that there is a significant positive relationship between supply chain planning and demand forecasting. The null hypothesis is therefore rejected. Hence, there is a significant positive relationship between supply chain planning and demand forecasting.

DISCUSSIONS OF FINDINGS

The test of hypothesis one (H_{01}) shows that supply chain planning has a positive significant relationship with market share as shown by the correlation coefficient (0.136 and the p-value of 0.013) in tables 4.4. This implies that increase in supply chain planning activities, would bring about increase in market share.

These assertions are supported by the study of Lyndon et al; (2016), which sees market share as a determinant of return on investment and therefore an increase in market share will lead to an increase in profitability.

The result of hypothesis two (H_{02}) in table 4.5 shows that there is a positive significant relationship between supply chain planning and sales growth as shown by the correlation coefficient of (0.245 and p-value of 0.000). The outcome of the results is supported by the study of Klipfolio (2019) that planning systems generally begin with sales targets. The competitiveness of business organization is evaluated by the rate of sales growth.

The result of the test of hypothesis three (H_{03}) in tables 4.6 shows that there is a positive significant relationship between supply chain planning and demand forecasting as shown by the correlation coefficient of (0.449 and p-value of 0.000) which is less than 0.005 ($p < 0.05$).

The outcome of the result is that increase in supply chain planning will lead to a corresponding increase in demand forecasting. These propositions are supported by the study of Scott and Kesten (2017) efficiency is at the heart of every supply chain, and demand forecasting increases efficiency.

CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

Based on the findings above, the study concluded that supply chain planning has a positive significant relationship with business performance.

Supply chain planning will bring about efficiency in the use of organizational resources and improvement in marketing performance.

RECOMMENDATIONS

Based on the findings of this study, the following recommendations are put forward.

- a. Managers should take into consideration appraisals of company's strengths and weaknesses.
- b. The development of master plan is needful in order to achieve organizational goals and objectives.
- c. The plan should involve integration of the various departmental plans into unified system.
- d. The plan should be able to address the issue of channel conflict and channel cooperation.

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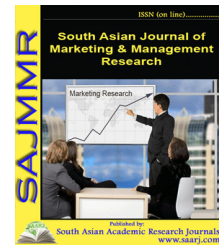
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PROSPECTS FOR DEVELOPMENT OF SERVICES IN ENSURING MACROECONOMIC SUSTAINABILITY OF THE NEW UZBEKISTAN ECONOMY

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ABSTRACT

In this article author analyzed the trend of development of services in Uzbekistan, discussed the factors that led to the development of services and presented a proposal for the further development of this sector.

KEYWORDS: *Services; Types of Traditional Services; Export Services; High-Tech Service Industries; Service Prospects*

INTRODUCTION

Today, the share of the service sector in GDP in developed countries exceeds 70%. The principles of sustainable development show that the growth of the service sector is the result of its proportional impact on the development of other sectors of the economy and regions [4]. Therefore, in order to ensure the stability of the economy of New Uzbekistan, the growth of services will be accompanied by qualitative structural changes not only in the service sector, but also in other important sectors of the economy - industry and agriculture.

LITERATURE REVIEW

There are various opinions in the economic literature about the importance and boundaries of the service sector. Including the introduction of various services in this area, such as consumer services, passenger transport services, communications, housing and communal services, education, culture, tourism, physical culture and sports, health care services, legal services, etc. is based on a number of functions that are identical in their socio-economic content.

The question of the application of market elements in the characteristics of the commodity form of labor results in the field of services needs special analysis. The economic literature for a relatively long time provides for the calculation of the sum of the results of the activities of all gross workers of society (including the service sector), as well as the product of material

production. These proposals have begun to be implemented in accounting and reporting practices.

RESEARCH METHODOLOGY

Economic statistics on the development of the services sector in our country were analyzed. The activities of the services sector were closely studied and a database was compiled. Based on the collected data, methods such as observation and comparison of economic analysis, systematic approach and logical approach were used effectively.

Analysis and results

Currently, in addition to traditional services, industries such as pharmaceuticals, specialized electronics, telecommunications, computer technology, mining, petro-chemistry and new technologies for agribusiness are developing. Business and professional services are the most lucrative services, and knowledge remains a source for their development. Informatization of society, knowledge and innovation is becoming a catalyst for economic growth, and human capital is becoming the most important source for the formation of a new Uzbekistan. As a result, such growth will help to expand the population, increase income and quality of life, and most importantly, reduce poverty.

New innovative sectors of the service sector still occupy an insignificant share in the GDP of Uzbekistan, but are accelerating the current growth trends in services, which indicate the need to build on existing capacity and further stimulate the development of new services.

Based on the analysis of macroeconomic conditions and regional development, the following can be said about the development trends of the services sector in Uzbekistan:

- The implementation of a number of documents on the development of the service sector has allowed enlarge the contribution of this sector to ensure economic growth of the country and quality structural changes in the services sector.
- Tax and customs benefits provided to businesses in the framework of programs for the development of the service sector, including tourism and hotel activities in accordance with the Decree of the President "On additional measures to support the population, industries and businesses during the coronavirus pandemic." Entrepreneurs will be exempted from paying land and property taxes until the end of 2020, as well as the social tax rate will increase from the current 12% to 1%. down [1], the business environment, provision of services in the field of small business development in the country, the creation of new jobs and the conditions necessary to increase the income of the population. The steady growth of incomes has ensured the ability of the population to pay for services.
- Interregional stratification of production and consumption of services is gradually declining, which is associated with the implementation of regional programs for the development of services, the creation of favorable conditions for small business development and improving the infrastructure in rural areas.

The analysis of the situation revealed a number of problems:

- Slow dynamics of structural changes in the service sector. The annual growth of services is mainly due to traditional services of transport, trade and catering. The share of communication and information services, finance, credit, insurance, trade services in the

formation of GDP is still insignificant. Although tourism is a priority sector of economic development, it does not yet have a significant impact on economic growth.

- The weak link between production growth and employment conditionally indicates a high level of informal activity in construction, trade, and other services. The share of high-productivity industries in the service sector is about 40%. Therefore, jobs created in the service sector are more volatile and inefficient.
- Although there is a growing trend in the services sector in GDP and exports, the share of Uzbekistan in the world market of services is still small.
- The structure of domestic trade in services has the following characteristics typical of a developing country: "traditional" types of services - tourism and transport - predominate, and in developed countries - information and communication services, insurance, finance, business, construction and others.
- There are regional differences related to the underdevelopment and location of industrial production, as well as production and social infrastructure. Insufficient development of transport and water infrastructure in rural, mountainous and foothill areas can lead to social inequality in society.

The following are the priorities for the development of the service sector in the medium term, based on the Action Strategy for the five priority areas of development of Uzbekistan in 2017-2021 and the latest policy documents of the Government:

1. Ensuring the balance and stability of the national economy, increasing the share of industry, services, small business and private entrepreneurship in its structure;
2. Rapid development of the service sector, increasing the role and share of services in GDP, radically changing the structure of services, primarily through modern high-tech services;
3. Liberalization and simplification of export activities, diversification of export structure and geography;
4. Further development of road and transport infrastructure, introduction of information and communication technologies in the economy, social sphere and management system.

It should be noted that the long-term strategy is aimed at sustainable development of the service sector, which provides not only economic growth, but also the creation of productive jobs and improving the quality of life of the population.

Thus, it is possible to determine the strategic priorities for sustainable development of the service sector until 2030 [2]:

1. Accelerated development of high-tech services. The main focus is on the technological structure (information and Internet technologies, computer technology and intelligent systems in economics, medicine, biology, social sphere, public administration, defense, education, transport, etc.), as well as high-tech and science-intensive industries (communication and information services, such as computer programming, repair and maintenance of process equipment).

In this case, the process of modernization of traditional types of services - trade, transport, consumer services using information and communication technologies, innovative design, logistics, etc. will be carried out.

2. Improving the macroeconomic and business environment, the development of small business in the service sector, which includes improving the quality of public services, improving financial capacity, improving tax policy and infrastructure in the service sector.

3. Diversification of services and expansion of exports of services through the effective use of existing and potential competitive advantages of Uzbekistan.

The task of increasing foreign exchange earnings involves the development of new markets for services by domestic producers, the rapid expansion of exports of services, as well as increasing exports of goods and services through financial and institutional support for exports.

4. Development of professional training (managers and workers in the service sector). One of the key components of efficiency growth in the service sector is the skills, health and labor activity of the population. Therefore, it is necessary to create a flexible system of education, increase the educational and creative activity of young people, creating effective mechanisms for improving health and shaping a healthy lifestyle.

The medium-term outlook for the development of the service sector is related to the prospects for the development of other sectors of the economy - industry and agriculture. Thus, taking into account cross-sectoral relations in 2017-2020, it is estimated that the annual growth of industry will contribute at least 7.7%, and the growth of agriculture by 6.6% will contribute to the growth of services by an average of 12.5% per year [3].

The dynamics and structure of the service sector were determined using data from the assessment of the prospects for the development of sectors of the economy until 2030. Thus, it is estimated that the growth rate of industry by an average of 8.9% per year and agriculture by 6.0% per year will contribute to the growth of the service sector by 13.5% per year. Such growth rates of the economy will lead to an average annual GDP growth of 8.6%, and by 2030 the structure of GDP will be as follows: industry - 36.8%, agriculture - 8.3% and services - 49.9% [2].

CONCLUSIONS AND SUGGESTIONS

Taking into account the forecasts of the main factors of development of the service sector in the country, we can say that the number of people employed in the economy, investment in fixed assets, export of services and income growth is the forecast for 2030 for each region. At the same time, the dynamic growth rates of the service sector are observed in the regions with the lowest level of per capita service.

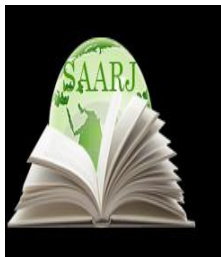
The expected results in the implementation of the strategy in the context of sustainable development of the service sector are:

- increasing the share of high-tech services in the service sector;
- increasing in research and development costs;
- increase labor productivity in the service sector;
- increasing in the share of small and medium-sized businesses in the service sector;
- creating sustainable and efficient jobs and reducing informal services;
- decreasing interregional stratification of services use;
- Increasing the contribution of the service sector to the income of low-income households.

Taking into account the fact that our country is becoming a full member of the world community, it is through the development of the service sector and the effective use of human capital in this area that the national economy of New Uzbekistan will develop to new heights.

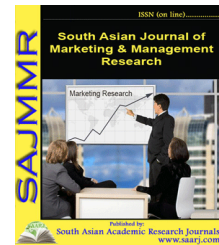
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FINANCIAL INCLUSION, DEEPENING, DUALISM, AND GROWTH NEXUS IN NIGERIA (1981-2015): AN EMPIRICAL ANALYSIS

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ABSTRACTS

The study examines the short-run and long-run interrelationships in addition to the direction of causality between financial inclusion, deepening, dualism, and real growth rate in Nigeria. The Augmented Dickey Fuller (ADF) and Phillips-Peron (PP) Tests; Johansen's Co-integration test; Error Correction model and Standard Pair-Wise Granger Causality Test were employed on time series data spanning the period 1981 – 2015 on the study variables of financial inclusion, financial deepening, financial dualism proxies by growth rate of informal financial sector, and real interest rate as reported in the Central Bank of Nigeria Statistical Bulletin. Results revealed an empirical evidence of long-run Co-integration but prevalence of no causality between the study variables. The study concludes that even if most of the changes in real GDP growth is attributed to adjustments in the permanent components, the dynamic impact of study variables (except real interest rate) on gross domestic product growth rate does not hold in short run. However, by the study variables can explain Nigeria's long-run growth rate of gross domestic product. Specifically, ECM suggests about 70 percent of the disequilibrium in the growth of Nigeria's gross domestic product is duly offset annually by long-run adjustments in financial inclusiveness, financial deepening scale, growth rate of informal sector and real interest rate of the economy. In view of the above, sound monetary and fiscal policies especially as it relates to financial deepening and inclusiveness and ample actions towards integrating the dual financial system is recommended to enhance growth and development.

KEYWORDS: *Financial Inclusion, Deepening, Dualism, Innovation and Economic Growth.*

1. INTRODUCTION

Savings growth rate has been said to be critical to a nation's development given the important role of domestic savings in strengthening of the savings-investment-growth process which enhances capital accumulation thus leading to accelerated economic growth and development. Nwachukwu, (2011) Notes that developing economies, domestic savings is of critical value in fueling and strengthening of the savings-investment-growth process. Therefore, a saving nation with deep financial system tend to grow faster as long as such increasing savings are directed to productive investment that are cardinal to accelerating economic growth and development (World Bank, 1989; United Nations, 2005).

The Nigerian financial system is bi-sectoral (formal and informal) in nature with different level of development, participants/operators and pricing but without any strong linkage. While the formal sector is operated by formal financial institutions such as deposit money banks (DMBs), Insurance companies, fund managers etc. who engages in deposit mobilization deposit and credit creation under the direct supervision/regulations of the government, the operators of informal sector merely exist to satisfy particular financial desires of the group which are un-captured by the government. Savings mobilization in Nigeria is mainly carried out by the formal sector (financial institutions).

The Nigerian growth story has been a mixed one though steadily coming of age with performance that is of global interest. The Nigerian growth anecdote has been refers to in virtually all world size and growth ranking. The recently released economic size ranking from IMF has placed Nigeria economy as the biggest in Africa. These developments which are further indication that Nigeria is on a soaring economic growth corridor could not have been possible without financial innovations and deepening. However, a critical concern in the growth process is that of financial inclusion. Nigeria's savings rate growth has been weak and ineffective over the years due to the growing activities of the informal (Parallel) sector who conducts its transaction on cash basis shielding it from regulation (Oduhet' *al*, 2008; Ariyo&Bekoe, 2012; Ogbuabor&Malaolu, 2013; Buehn& Schneider, 2008).

To address the negative impact of the informal finance sector on Nigeria's growth effort, several strategies and programs (Peoples bank and Community banks in the rural areas of the country, the Agricultural credit Guarantee Scheme, the Better Life for Rural Women (BLP), the Family Economic Advancement Programme (FEAP), National poverty eradication program (NAPEP) and recently the Micro finance Banking strategy) were initiated to integrate the informal sector transactions into the formal system for rapid and sustainable economic development. The Government, over the years through these initiatives has demonstrated willingness to ensure the development process tackle overall inclusion. Similarly, Central Bank of Nigeria (CBN) has consistently focus on growth by embarking on agenda of creating access to a well structured and organized financial system to a greater number of the citizens because a vast number of citizens, prospective entrepreneurs, small and medium enterprises (SMEs) and others, is believed are operating outside the formal financial sector, as such they are financially excluded, marginalized and denied the opportunity to grow and prosper.

Despite these efforts by Government, the activities of the informal sector seem difficult to coordinate and regulate. However, an improved supervision of the operation of the formal financial system might have linkage effects on the informal sector especially on the part of the clientele, which account for the enormous informal transactions (Ifionu&Ibe, 2015). Instructively

therefore, financial inclusion apart from its implications for citizens welfare is also a fundamental strategy for faster and more inclusive economic growth (Mohan, 2006).

Contextually, financial inclusion is amid deepening and growth because the more the depth of finance, the more the inclusiveness thus growth of the economy but the big question is how effective, integrative and inclusive is financial deepening, innovation, dualism and growth in Nigeria. Despite the fact that previous studies (Aluko, 1980; Chandanvaker, 1985; Falegan, 1987; Akanji, 1994; and Ifionu&Ibe, 2015) have address some of these issues one way or another; their findings are still unconvincing and necessitate further examination using more recent data. Undoubtedly, the relationship between financial dualism, innovation, inclusion and deepening and its contribution to economic growth in Nigeria remains unanswered. Answering this question will through empirical study symbolize a practical move toward support for integrative and enhanced financial inclusiveness and economic growth. In this, is the motivation for examining empirically the financial deepening and economic growth relationship over the period 1981–2015. Additionally, our understanding of the phenomenon called financial deepening, dualism, inclusion and their role in promoting savings-investments-economic growth nexus in Nigeria will deepened through this study.

The paper is organized as follows; firstly, financial deepening and economic growth process in Nigeria is addressed followed by theoretical/conceptual aspects and empirical evidences of financial inclusion. Thirdly, methodological issues is address were we interlink financial inclusion relevance to economic growth. Fourthly, empirical results are presented while the last section focuses on concluding thoughts on financial inclusion and growth.

2. LITERATURE REVIEW

The review of literature is done under the following headings: conceptual framework, Review of theories and empirical review.

2.1 Conceptual Framework

2.1.1 Financial Dualism. Financial dualism relates to the operation of dual financial sector (formal and informal). The formal financial sector are those within the regulatory space while the informal financial sector are those activities that outside the immediate control of government regulatory space. The Nigerian financial system is characterized by the coexistence of two seemingly parallel financial sectors with little or weak linkage sharing the market in a manner similar to that of oligopolistic competition (Ifionu & Ibe, 2015). Pronounced dualistic financial systems occasioned by less financial deepening requires higher level of financial exclusiveness.

2.1.2 Financial Inclusion. Financial Inclusion entails greater number of the populace having access to a well-structured and organized financial system. Lack of access organized and low cost financial products are detrimental to growth. This means there are some society segment are excluded from formal financial system as such relies on the informal sector. Some segment of society not having access to proper, low-priced, just and safe financial services and products from conventional suppliers signifies financial exclusion (Mohan, 2006). The resultant effect of financial exclusion is increase in informal sector activities as those excluded from the financial system will have no option than to fall back to non-formal lenders (Esusu and money lenders) for their savings and credit needs.

There are dire consequences of financial exclusion ranging from complications in daily cash flow management of households, and micro and small enterprises occasioned by their cash-based-transactions in the informal sector which is vulnerable to uneven cash flows, hence financial forecast deficiency and protection giving inability to access banking services as well as other savings opportunities for the rainy day by people in the informal sector. The provision of rural infrastructure like electricity, roads and telecommunication will enhance agricultural value addition (through enhance productivity and better value-chain supply) thus greater demand for banking services which is beneficial to all the economic units and the country at large. This is particularly so because, rapid growth in the economy will induce the rate of financial intermediation thereby impacting on the whole stability of the financial system.

2.1.3 Financial Deepening. Financial deepening signifies the depth of penetration of financial services and measures how developed a financial system is. It also relates to the link between innovation and access to formal financial services and or offerings. The more developed (higher the depth of) a financial system, the greater the access to fund (inclusiveness) and the lower the dualistic nature of the financial market and increase in economic growth. Theoretically, there are two hypothesis to finance and growth nexus namely supply leading and demand following. From the supply leading hypothesis, development in finance spurs growth while the demand following hypothesis suggests that growth generates demand for financial products thus development in finance. Empirically, although the issue of direction of causality has remained controversial, there are tremendous agreements on the contribution of development of the financial system to economic growth (King & Levine, 1993; Levine & Zervos, 1998; Rajan & Zingales, 1998; Rajan & Zingales, 2003; Aghion & Hewitt, 1998 and 2005).

However, the major concerns on deepening is that financial inclusion which is an obvious step to deepening is seemingly on the decline due to rise in informal sector activities and steady fall of agricultural production growth rate particularly that of food grains production. This has further been of more concern as Nigeria banks have been mainly focused on financing consumption and unproductive sectors of the economy at the expense of industries and agro loans which has the potential to enhance growth through development of rural economy.

2.1.4 Financial Innovation. Financial innovation involves changes in product and organizational structure of financial services/providers, which enhances service improvement, reduces risk or cost for banks in particular or for the whole finance sector (ECB, 2003). According to Gardner, (2009), the industry wide impact of innovation can either be a radical one, or revolutionary one or incremental in nature. Innovation impacts radically when it occurs occasionally and changes the entire sector especially in banking. Radical innovations are basically breakthroughs and are very risky and profitable. Revolutionary innovations occurs periodically and likely less risky in comparison to radical innovations (breakthroughs) although lower profitability where as Incremental impact of innovation is more common and frequent than radical and revolutionary innovations. An incremental innovation entails modifications (minor improvement) of something already in existence and is relatively less risky with positive benefits.

Conceptually, Tufano (2003), while quoting Frame and White (2004) employs some key concepts, like perfecting imperfect markets, overcoming the problems associated with agency and information asymmetries, reducing costs, responding to changes in tax rules and linking to global world, risks and changes in technology in defining innovation. Combining two or more of the above-mentioned factors leads to financial innovation (Tufano, 2003). Financial innovation can also be considered as the financial institution's break off with what use to be, tangible

enhancement in-services to clients, and improvement of organizational profit, as reaction to external economic shocks (Llewellyn, 2009; and Silber, 1983). Instructively therefore, the process of innovation is subjugated by service providers with minor modification (adding of financial content) by users to suit their needs. For example, the mobile money revolution in the banking industry is dominated by Telecom mobile service providers with minor modification of the financial content by the banks. Therefore what drives innovation in finance is financial technology advancement as defined by Frame and White, 2012 and Wall, 2014.

2.2 Review of Theories

2.2.1 Keynesian Theory: Following McKinnon (1973) and Shaw (1973) seminar works, which brought into limelight financial deepening concepts, Keynesian theories also, reveals financial deepening. Keynes theorized that expansion in government expenditure enhances financial deepening since increasing government spending raises total demand and earnings, thus raising money demand. Therefore dropping in private investments due to high interest rates is what resolves this disequilibrium. Given that higher rates of interest lowers private investments, increasing government spending encourages savings and decreases private investments concomitantly (Dornbusch and Fischer 1978, Chap.4).

McKinnon and Shaw put forward contrary hypothesis portraying positive link connecting interest rate to financial deepening. They believe that emergent countries growth is limited due to interest rates ceiling and credit availability restrictions which repress their economies. The Post-Keynesians have developed a sequential finance-investment-saving-funding analysis making savings appears an outcome of the income creation process. They set up the sequence finance-investment-saving-funding to show how investment logically relates savings as well as to build up a surrogate perspective to banks, savings and financial markets roles in the process of growth (Chick, 1983 & 1998; Davidson, 1986)

2.2.2 Economic Theory. Economic theory suggests information and transaction costs frictions to be the main motivation for financial markets and intermediaries. In response to this two frictions, financial markets and intermediaries develops to perform several functions like asset trading, hedging, diversification, and pooling of risk; monitoring managers and promoting corporate control and governance; financial intermediation; providing insurance services; and payments system to facilitates exchange of goods and services. Therefore, economic theory suggests the alleviation costs of information and transaction as the rationale for the existence of strong institutional environment.

2.2.3 Endogenous Growth Theory. Endogenous Growth Theory suggests the nexus between economic growth and financial expansion through technology, innovation and income distribution. It reveals how growth in economic correlates with innovations, financial development, technological advancement, and income distribution (Caporale et al, 2005). Endogenous growth theory as model by Greenwood and Jovanovic (1990) also presumes a positive mutual contributory link connecting financial development to economic growth. King and Levine (1993) argues that efficacy in funds allocation to entrepreneurs by financial intermediaries lowers the cost of investment thus stimulate growth. Therefore financial deepening through innovation and inclusiveness is the key driver of growth through enhancement of productivity.

2.3 Empirical Review

Ifionu and Ibe (2015) empirically observe how the informal financial sector affects economic growth in Nigeria over a 32 year period (1981-2013) and found that informal financial sector and the degree of financial depth impacts negatively on gross domestic product per-capita in Nigeria. They recommended full elimination of dualistic financial market by enhancing the linkage between the formal and informal sectors in Nigeria through policies aimed at on-boarding the unbanked segments of the populace, (especially the rural households) to deepen the financial sector to assist in mobilizing the much needed savings that will engender investment and growth of the economy.

Using a 13 years quarterly data (2000 to 2013), Bakang (2015) examine effects of financial deepening variables of ratio of Liquid Liabilities (LL), credit to the private sector (CPS), commercial bank assets plus central bank assets (CCBA), and commercial bank deposits (CBD) all as a ratio to nominal GDP on real GDP (proxy for economic growth) in the Kenyan banking sector. The result showed evidence of long-run connection among real GDP and financial deepening indicators. The empirical fallout specifically discloses all the study financial deepening variables positively and significantly affects real GDP. The study recommends policies that will induce more savings, borrowing and investment (inclusion) through improved access and usage of formal banking services and lowered transaction costs of banking services.

Gichungu and Oloko (2015) studied descriptively how banks innovations affect the performance of Kenya's commercial Banks' financials from 2009 to 2013. Result shows positive impact of banking innovations variables of Mobile, Online, Agency and ATM banking services on Kenya's commercial banks' financial performance for the study period. They recommends strong partnership between the Government, banks' management, and telecommunication companies in Kenya for synergy in expansion and acceleration of the innovative banking services adoption for improves financial performance.

Investigating the supply-leading Hypothesis using a multiple Regression Model (MRM), Onwumere, et al (2012) scrutinized how financial deepening variables of velocity of broad money supply, diversification in money stock, volatility in the economy, capitalization of the market as well as liquidity of the market impacts economic growth (GDP growth rate) in Nigerian for the period (1992-2008). Result shows velocity in broad money with market liquidity prop up Nigeria's economic growth where as capitalization of the market, diversification in money stock, and volatility of the economy all retarded growth within the same period.

Nzotta and Okereke (2009) empirically studied financial deepening (proxy by ratio of money supply to GDP) and Nigeria's economic development variables represented by ratio of Cheques value cleared to GDP, ratio of value of Cheques to Money supply, private sector credit as ratio of GDP, ratio of savings to GDP, inflation rate, real rates of lending, ratio of assets of deposit money bank to GDP and currency outside banks as a ratio of money supply for the period 1986-2007. Study outcome indicates a low financial deepening index in Nigeria over the period; however lending rates, Savings ratio, Cheques/GDP ratio and the ratio of deposit money banks/GDP significantly relates to the depth of finance. They conclude Nigeria financial system had not promoted persistent and successful intermediation activity in the economy.

Mbutor and Uba(2013) investigate financial inclusion impacts monetary policy in Nigeria from 1980 to 2012. They found increasing financial inclusion improves monetary policy effectiveness and blamed the coefficient of the number of bank branches wrong sign on under-utilized cluster of branches at the several locations leaving out locations not favorable for balance sheets under-branched due banks profits motives in opening branches instead of financial inclusion policy objective.

3. METHODOLOGY

3.1 Model Specification

This study adopts the endogenous growth model, specifically as proposed by Bakang (2015) based on the “AK” model, which suggest aggregate output toequaltotal capital stock ($Y_t = AK_t$) with slight modification. Capital accumulation is capable of increasing the trend in economic growth rate in the long-run (Pagano, 1993). Nevertheless, it is essential to enhance the savings ratios to allow for capital accumulation (Bakang, 2015). Therefore, an effective financial system encourages technological innovation, narrows financial dualism, and promotes financial inclusiveness thus financial deepening which encourages investment that ultimately leads to economic growth through savings. Importantly, when the rate of depreciation is assumed to be constant, economic growth depends on financial deepening.

Therefore in line with Bakang (2015), this study hypothesize that there is a link connecting the dependent variable of GDP growth rate (GDPGR) with the independent variables of financial inclusion (FINCL), financial deepening (FDEP), growth rate of informal sector (INFSGR) and real interest rate (RINTR).

$$Y_t = \beta_0 + \beta_1 \ln St/Y_{it} + U_t \quad (1)$$

Where Y_t is the natural logarithm of real GDP and $\ln St/Y_{it}$ the natural logarithm of savings to nominal GDP that proxies financial deepening ($\ln St/Y_{it} = FD$). β_0 is the intercept, β_1 is the coefficient that gives the financial development shocks on economic growth while U_t is error term. We therefore modify equation (1) above as:

$$Y_t = \beta_0 + \beta_1 \ln St/Y_{it} + \beta_2 \ln M2t/Y_{it} + \beta_3 \ln IFSGR + \beta_4 \ln RINTR + U_t \quad (2)$$

Where,

Y_t = the Nigeria's natural logarithm of real GDPGR, $\ln St/Y_{it}$ = Natural logarithm of financial inclusion proxies by total savings to real GDP, $\ln M2t/Y_{it}$ = Natural logarithm of broad money supply to real GDP that proxies financial deepening, $\ln IFSGR$ = informal sector growth rate, $\ln RINTR$ = Natural logarithm of real interest rate, β_0 = is the slope and $\beta_1, \beta_2, \beta_3, \beta_4$ = are the coefficients while U_t = is the stochastic error term.

Therefore, generically the model estimate is given as:

$$GDPGR = \beta_0 + \beta_1 \ln FINCL_{it} + \beta_2 \ln FDEP_{it} + \beta_3 \ln IFSGR_{it} + \beta_4 \ln RINTR_{it} + U_t \quad (3)$$

A priori expectations, $\beta_1, \beta_2, \beta_3 > 0, \beta_4 < 0$

4. Presentation and Discussion of Results

4.1 Stationary (Unit Root) Test Results

The results of stationary test of the study variables are presented in table below:

TABLE 1A: RESULTS OF STATIONARITY (UNIT ROOT) ADF TEST

Different Variables	ADF Test Statistic	Mckinnon's Critical Value			Order of Integration	Probabilities
		1%	5%	10%		
D(GDPGR)	-6.589478	-3.646342	-2.954021	-2.615817	I(1)	0.0000
D(FINCL)	-6.255641	-3.646342	-2.954021	-2.615817	I(1)	0.0000
D(FDEP)	-5.471094	-3.646342	-2.954021	-2.615817	I(1)	0.0001
D(INFSGR)	-4.865383	-3.639407	-2.951125	-2.614300	I(1)	0.0004
D(RINTR)	-5.711991	-3.653730	-2.957110	-2.617434	I(1)	0.0000

Source: Authors computation using E-VIEWS 8

TABLE 1B: RESULTS OF STATIONARY (UNIT ROOT) PHILLIPS-PERRON TEST

Different Variables	Phillips-Perron test statistic	Mckinnon's Critical Values			Order of Integration	Probabilities
		1%	5%	10%		
D(GDPGR)	-9.882613	-3.646342	-2.954021	-2.615817	I(1)	0.0000
D(FINCL)	-7.073388	-3.646342	-2.954021	-2.615817	I(1)	0.0000
D(FDEP)	-6.006235	-3.646342	-2.954021	-2.615817	I(1)	0.0000
D(INFSGR)	-5.203139	-3.639407	-2.951125	-2.614300	I(1)	0.0001
D(RINTR)	-9.255316	-3.646342	-2.954021	-2.615817	I(1)	0.0000

Source: Authors computation using E-VIEWS 8

The stationary test results captured in table 1a and 1b above indicate that the absolute values of ADF and PP Tests statistics for all study variables are high in comparison with the absolute values of all their corresponding McKinnon critical values at the respective levels of 1%, 5% and 10%. Consequently, in line with the decision rules for this tool, all-time series variables employed for this study are accordingly confirms first difference stationary thus integrated at order I(1) at 5% levels therefore fit for employment in econometric estimate.

4.2 Results of Johansson's Co-integration Test

The results of Johansson's Co integration tests of all study series variables hereby presented in table 3 and 4 below:

TABLE 2A: UNRESTRICTED CO INTEGRATION RANK TEST (TRACE)

Observations	Series	Hypothesized No. of CE(s)	Eigen value	Trace Statistic	0.05 Critical Value	Prob.**
33	D(GDPGR) D(FINCL) D(FDEP) D(INFSGR) D(RINTR)	None *	0.697044	93.67250	69.81889	0.0002
		At most 1 *	0.492565	54.26493	47.85613	0.0111
		At most 2 *	0.428953	31.87819	29.79707	0.0284
		At most 3	0.217138	13.38883	15.49471	0.1013
		At most 4 *	0.148643	5.310468	3.841466	0.0212

Trace test indicates 3 cointegrating eqn(s) at the 0.05% level

*denotes rejection of the hypothesis at the 0.05% level

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

Source: Authors computation using E-VIEWS 8

TABLE 2B: UNRESTRICTED COINTEGRATION RANK TEST (MAXIMUM EIGEN VALUE)

Observations	Series	Hypothesized No. of CE(s)	Eigen value	Max- Eigen Statistic	0.05 Critical Value	Prob.**
33	D(GDPGR) D(FINCL) D(FDEP) D(INFSGR) D(RINTR)	None *	0.697044	39.40758	33.87687	0.0099
		At most 1	0.492565	22.38674	27.58434	0.2012
		At most 2	0.428953	18.48935	21.13162	0.1126
		At most 3	0.217138	8.078365	14.26460	0.3708
		At most 4 *	0.148643	5.310468	3.841466	0.0212

Max-eigen value test indicates 1 co integrating eqn(s) at the 0.05% level

*denotes rejection of the hypothesis at the 0.05% level

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

Source: Authors computation using E-views 8

The Johansson's Co integration test results shown in table 2a and 2b above are indicative of a rejection of the null hypotheses of no co-integrating equation among the study variables. Accordingly, the results confirm that GDPGR, and the variables of FINCL, FDEP, INFSGR and RINTR relates significantly in the long-run. This is because both the trace test statistic and maximum-eigen test statistic indicates at least 1 co integrating equation at 5% level. Furthermore, since the co integration results does not indicate a full-rank condition (i.e. a situation where the number of co integrating equations is equal to the number of study variables), it suggests the non-existence of the problem of multicollinearity among the study variables.

4.3 Short Run Relationship between GDPGR, FINCL, FDEP, and RINTR

The study employed the equation estimation method to estimate the short-run relationship between GDPGR, FINCL, FDEP, INFSGR, and RINTR. The result is summarized on Table 3.

TABLE 3: EQUATION ESTIMATION RESULT

Dependent Variable: GDPGR

Method: Least Squares

Sample: 1981 2015

Included observations: 35

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	10.78387	6.636820	1.624855	0.1147
FINCL	-0.203968	0.416548	-0.489664	0.6279

FDEP	0.254398	0.273372	0.930590	0.3595
INFSGR	-0.083334	0.112336	-0.741821	0.4640
RINTR	-0.148489	0.131243	-1.131402	0.2668
R-squared	0.115244	Mean dependent var		5.426000
Adjusted R-squared	-0.002723	S.D. dependent var		3.473200
S.E. of regression	3.477926	Akaike info criterion		5.462313
Sum squared resid	362.8790	Schwarz criterion		5.684505
Log likelihood	-90.59047	Hannan-Quinn criter.		5.539014
F-statistic	0.976918	Durbin-Watson stat		1.500418
Prob(F-statistic)	0.434810			

Source: Authors computation using E-views 8

From the table 3 above, the beta coefficient representing the relationship between GDPGR and FINCL after adjustments is -0.203968 while the observed t-statistics of -0.489664 is not significant at 5% (prob. 0.6279). Therefore we do not reject the null hypothesis suggesting insignificant connection linking GDPGR and FINCL in the short run. The relationship is negative contrary to a priori expectation. The relationship between GDPGR and FDEP is 0.254398, while observed t-statistic is 0.930590 with probability value of 0.3595 which is not significant at 5% level. As such, we accept the null hypothesis of no significant relationship between GDPGR and FDEP in the short run. However, the observed relationship is positive, and so agrees with a priori expectation.

Again, the relationship between GDPGR and INFSGR is -0.083334, with t-statistics of -0.741821 and probability value of 0.4640. The implication of this is that though the relationship between GDPGR and INFSGR is negative, statistically therefore it is insignificant at 5% significant level hence we do not reject the null hypothesis of no significant relationship between GDPGR and INFSGR in the short run. The relationship between GDPGR and RINTR as represented by the beta coefficient of -0.148489 with t-statistics of -1.131402 and probability value of 0.2668 is not statistically significant as such; we do not reject the null hypothesis of insignificant relationship between GDPGR and RINTR in the short run. However, relationship is negative and insignificant which is in disagreement with a priori expectation.

The overall fit of the regression line, (the fraction of the variance of the dependent variable (GDPGR) explained by the regression) R^2 is 0.115244 indicating a not too good fit with the data. The Durbin-Watson 1.500418 is within the acceptance region of approximately 2.0 indicating the possibility of no serial auto correlation.

4.4 Long Run Relationship between GDPGR, FINCL, FDEP, and RINTR

The long-run interrelationship between GDPGR, FINCL, FDEP, INFSGR, and RINTR is estimated through Normalized co integrating coefficients. The result is summarized on Table 4.

TABLE 4: NORMALIZED CO INTEGRATING COEFFICIENTS (STD ERROR IN PARENTHESES)

1 Co integrating Equation(s): Log likelihood -387.3245

GDPDR	FINCL	FDEP	INFSGR	RINTR
1.000000	12.37628	-18.78928	34.98157	27.80136
	(16.3526)	(9.95916)	(5.26422)	(5.36975)

Source: Authors computation using E-VIEWS 8

Table 4 depicts the long run co integration equation showing the nature and magnitude of observed relationships in the long run. The equation is normalized for GDPGR – the dependent variable with the normalized beta coefficient representing the long run relative statistical relationship with all the study explanatory variables. GDPGR and FINCL shows beta coefficient to be 12.37628 and Standard error of 16.3526, suggesting a t-statistic of 1.32 which is insignificant at 5% level. The implication statistically is that GDPGR and FINCL relationship is positive but insignificant. The positive relationship agrees with a priori expectation.

On the other hand the normalized beta coefficient representing the long run relative statistical relationship between the GDPGR and FDEP is calculated to be -18.78928 with a standard error of 9.95916 (t-statistic = 0.35) which is insignificant at 5% significant level. Thus, the relationship between GDPGR and FDEP is not significant statistically at the conventional 5% level and also negative which is in disagreement with a priori expectation. The GDPGR and INFSGR long-run relative statistical relationship (normalized beta coefficient) is calculated to be 34.98157 with a standard error of 5.26422 (t-statistics = 0.15) which is not significant at 5% significant level. This is positive but insignificant which is in disagreement with our a priori expectation.

Similarly, the normalized beta coefficient representing the long run relative statistical relationship between GDPGR and RINTR is calculated to be 27.80136 with a standard error of 5.36975 (t-statistics = 0.193) is insignificant at 5% significance level. Thus, the relationship between GDPGR and RINTR is positive and insignificant and in agreement with our a priori expectation.

4.5 Presentation of Error Correction Model Estimates

The connection linking Short-run and long-run Relationship among GDPGR, FINCL, FDEP, and RINTR is therefore provided by the error correction model (ECM). The Error (Equilibrium) Correction Model estimates are summarized on Table 5.

TABLE 5: ERROR CORRECTION MODEL ESTIMATES DEPENDENT VARIABLE GDPGR

Variable	Coefficient	Std. Error	t-Statistic	Probability
D(FINCL)	0.195228	0.568425	0.343454	0.7337
D(FDEP)	-0.185763	0.395973	-0.469131	0.6425
D(FDUL)	0.032214	0.086437	0.372684	0.7121
D(RINTR)	-0.079050	0.138068	-0.572545	0.5714
ECM(-1)	-0.699461	0.180218	-3.881188	0.0006

R-squared
0.358116
Adjusted R-squared
0.269581
Durbin-Watson stat
1.787950

Source: Authors computation using E-VIEWS 8

The Error Correction Model estimates reported in table 5 above show an overall coefficient of determination (R^2) 0.358116 indicative of 36 percent of the variations in the growth of Nigeria's gross domestic Product (GDPGR) is due to the level of financial inclusiveness (FINCL), the degree of financial Deepening (FDEP), informal sector growth rate (INFSGR) and real interest rate (RINTR) jointly and adjusted (R^2) of 0.269581 provide evidence that removing the influence of the independent variables, the dependent variable is still explained by the equation with 27 percent whereas the remaining 73 percent attributed to other factors not included in the model although covered by the error terms.

The ECM therefore shows sensitivities of the nations' GDP growth to variations in financial inclusiveness (FINCL), the degree of financial Deepening (FDEP), informal sector growth rate (INFSGR) and real interest rate (RINTR) as 0.195228, -0.185763, 0.032214, and -0.079050 with probability values of 0.7337, 0.6425, 0.7121 and 0.5714 respectively. Furthermore, the value of ECM -0.699461 has a probability value of 0.0006 which is significant at 0.05% level.

Specifically, the Durbin-Watson statistic of 1.787950 (Approximately 2) is within acceptable range and means a seemingly minimal degree of serial autocorrelation of first order which is better than the static regression analysis; therefore our analysis is based on this. According to the rule of thumb, computed DW that is up to 2 is suggesting an apparently less degree of serial autocorrelation therefore further suggests nonexistence of first order serial autocorrelation, therefore, the absolute value of ECM 0.699461 percent implies that about 70 percent of the disequilibrium in the growth of Nigeria's gross domestic product (GDPGR) is duly offset by long-run adjustments in financial inclusiveness (FINCL), the degree of financial Deepening (FDEP), informal sector growth rate (INFSGR) and real interest rate (RINTR) of the economy annually.

4.6 Standard Pair-Wise Granger Causality Results

Granger causality is used in determining the forecasting power of one time series on another unlike regression which is a mere correlation. The Pair-Wise Granger Causality Tests results are presented below.

TABLE 6: PAIR-WISE GRANGER CAUSALITY TESTS RESULTS

Sample: 1981 2015

Lag 2

Null Hypothesis	Obs	F-Statistic	Prob.
FINCL do not Granger Cause GDPGR	33	0.42055	0.6608
GDPGR do not Granger Cause FINCL		0.82591	0.4482
FDEP do not Granger Cause GDPDR	33	0.75060	0.4813
GDPGR do not Granger Cause FDEP		0.37839	0.6884

INFSGR do not Granger Cause GDPGR	33	0.79179	0.4629
GDPGR do not Granger Cause INFSGR		0.06323	0.9389
RINTR do not Granger Cause GDPGR		3.60026	0.0406
GDPGR do not Granger Cause RINTR	33	2.56807	0.0946
FDEP do not Granger Cause FINCL		2.14637	0.1358
FINCL do not Granger Cause FDEP	33	1.25688	0.3001
INFSGR do not Granger Cause FINCL		2.66683	0.0871
FINCL do not Granger Cause INFSGR	33	3.91164	0.0318
RINTR do not Granger Cause FINCL		0.94815	0.3995
FINCL do not Granger Cause RINTR	33	0.08306	0.9205
INFSGR do not Granger Cause FDEP		1.21553	0.3117
FDEP do not Granger Cause INFSGR	33	2.92093	0.0704
RINTR do not Granger Cause FDEP		0.66563	0.5219
FDEP do not Granger Cause RINTR	33	1.07561	0.3548
RINTR do not Granger Cause INFSGR		0.23748	0.7902
INFSGR do not Granger Cause RINTR	33	0.68038	0.5146

Source: Authors computation using E-VIEWS 8

The Pair-wise Granger Causality test results presented in table 6 above indicate predominantly that all of the explanatory variables of the level of financial inclusion (FINCL), degree of financial deepening (FDEP), and informal sector growth rate (INFSGR) does not granger causes the gross domestic product growth rate(GDPGR) except real interest rate (RINTR). However, financial inclusion (FINCL) granger causes informal sector growth rate(INFSGR). The implication of these results is that the level of financial inclusion (FINCL), degree of financial deepening (FDEP), and informal sector growth rate (INFSGR) do not promote nor support the Nigeria's growth rate of gross domestic product (GDPGR). Instructively, even though financial inclusion (FINCL) granger causes growth rate of informal sector (INFSGR), the growth rate of informal sector (INFSGR) does not promote the growth rate of gross domestic product (GDPGR) in Nigeria. The policy implication is that gross domestic product growth rate (GDPGR) in Nigeria cannot be explained by the level of financial inclusion (FINCL), degree of financial deepening (FDEP), and informal sector growth rate (INFSGR) probably due to the disconnect between the informal and formal financial market.

5. CONCLUSION

Given that the Nigerian economy growth has been taunted and unimpressive given the level of financial inclusion, depth of financial deepening and dualistic nature of the financial market, this study aimed at examining the dynamic relationship between financial inclusion, deepening, dualism, real interest rate and GDP growth in Nigeria. The study outcome indicates that despite the fact that most of the variations in real GDP growth is as a result of changes in the permanent components, the dynamic impact of study variables (except real interest rate) on GDP growth rate does not hold in short run. This probably is because most transactions in the economy may not be capture and transmit to the GDP growth straight forwardly in the short-run given the low level of financial inclusion, shallow depth of financial deepening and huge disconnect between the formal and informal financial sectors.

Therefore, Nigeria's GDP growth rate cannot be explained by the level of financial inclusiveness, degree of financial deepening, and the dualistic financial market. The lesson therefore is that consistent growth in GDP should be the focus in fashioning out monetary and

fiscal policies especially as it relates to financial deepening and inclusiveness. Additionally, ample actions should be taken towards integrating the dual financial system because the informal sector harbors a huge chunk of resources that can enhance growth and development.

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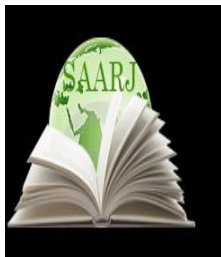
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Appendix

Data Proxy	Real GDP	TNS/GDP	M2/GDP	IFSGR	Real INT
YEAR	GDPGR	FINCL	FDEP	FDUL	RINTR
1981	7.01	6.96	15.3	54.41	7.75
1982	7.08	7.44	15.6	62.73	10.25
1983	8.96	8.58	16.1	54.97	10.00
1984	15.76	9.45	17.3	55.43	12.50
1985	11.33	9.30	16.6	68.39	9.25
1986	1.89	10.35	17.7	67.58	10.50
1987	-0.69	9.67	14.3	66.08	17.50
1988	7.58	8.83	14.6	66.20	16.50
1989	7.15	6.23	12.0	63.50	26.80
1990	11.36	6.27	11.2	63.12	25.50
1991	0.01	6.92	13.8	58.92	20.01
1992	2.63	6.30	12.7	66.23	29.80
1993	1.56	7.80	15.2	67.54	18.32
1994	0.78	7.93	16.5	69.80	21.00
1995	2.15	3.73	9.9	59.14	20.18
1996	4.13	3.34	8.6	55.64	19.74
1997	2.89	4.24	9.9	53.62	13.54
1998	2.82	5.01	12.2	63.12	18.29
1999	1.19	5.93	13.4	70.83	21.32
2000	4.89	5.74	13.1	67.01	17.98
2001	4.72	7.08	18.4	63.38	18.29
2002	4.63	7.60	19.3	57.90	24.85
2003	9.57	6.61	19.7	72.40	20.71
2004	6.58	6.99	18.7	73.09	19.18
2005	6.51	9.01	18.1	55.95	17.95
2006	6.03	9.37	20.5	61.03	17.26
2007	6.45	13.04	24.8	62.14	16.94
2008	5.98	16.95	33.0	73.77	15.14

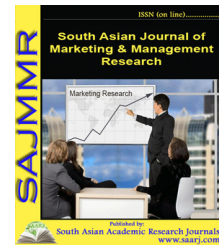
2009	6.96	23.25	38.0	65.98	18.99
2010	7.98	10.90	20.2	71.18	17.59
2011	5.31	10.37	19.3	62.14	16.02
2012	4.21	11.24	19.4	61.03	16.79
2013	5.49	10.81	18.9	73.77	16.72
2014	6.22	13.49	19.9	65.65	16.55
2015	2.79	12.13	20.1	66.82	16.85

Data on gross domestic product growth rate (GDPGR), financial inclusion (FINC), financial deepening (FDEP), financial dualism (FDUL), real interest rate (RINTR)



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LABOR FORCE COMPETITION IN UZBEKISTAN

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ABSTRACT

Today, having a skilled workforce is a prerequisite for the country's competitiveness, such as the introduction of new technologies, the rapid development of demanding brands, the use of modern marketing services. The activity of the domestic labor market is inextricably linked with the development of intangible forms of capital: social, organizational, corporate, human, intellectual and others. In view of the above, this article discusses the role of human capital development and labor market formation, employment and unemployment in Uzbekistan.

KEYWORDS: *Competitiveness, Labor Force Competitiveness, Human Capital, Labor Market*

INTRODUCTION

In the context of modernization of the economy, the solution of socio-economic problems requires a radical change and improvement of living standards. These issues require the improvement of employment of the able-bodied population, mechanisms for creating new jobs, methods of assessing new forms of employment in the regions. In the Address of the President of the Republic of Uzbekistan ShavkatMirziyoyev to the OliyMajlis, it was noted that employment is still a topical issue: "... The issue of creating new jobs, which is very important for us during the year has been the focus of our constant attention. In other words, it was emphasized that the definition of clear quality indicators of results is a priority.

THE MAIN RESULTS AND FINDINGS

In the early 1990s, the basic principles, goals and objectives of the state, including employment policy, were implemented and did not meet modern requirements. During the transition to a market economy, the main goal of the state was to prevent mass unemployment and re-employ workers laid off from reorganized and bankrupt enterprises.

Over the past 25 years, a large part of the economically active population of the country (94-95%) was employed, and a large part of employment was in the informal sector of the economy

and external labor migration. In other words, after our country gained independence, informal employment and external labor migration from the early 1990s to the present will be necessary to keep the overall unemployment rate at 4-5% and improve living and living conditions for many. It gave the opportunity to receive the desired income. Today, Uzbekistan is a country with an average level of development. At the same time, the creation of decent and permanent jobs, the end of forced labor and child labor have become urgent issues.

The problem of attracting about 300,000 young people to the labor market for the first time every year and the return of 100,000-120,000 labor migrants requires special attention. In addition, the issues of increasing the economic activity of women and reducing informal employment are still pending. With at least 2 million people in need of employment and an increasing workforce of 350,000 to 370,000 each year, it is necessary to accelerate the process of creating sustainable and productive new jobs. However, government employment programs, which have been adopted and implemented for many years, do not solve the problem of expanding high productivity.

About three-quarters of jobs are created due to the rapid development of small business, private and sole proprietorship, home-based work and all forms of self-employment.

Those workers in the informal sector, including informal labor migrants, are not provided with quality working conditions, social insurance and are at risk of falling into the category of the poor in old age. It is no secret that young people and women engaged in the economy are at risk of becoming unemployed.

Thus, it can be concluded that the bulk of employment (those working in the informal sector, informal labor migrants, young people and women employed in the economy) is unsustainable, i.e., even if the same number of employees are provided with temporary income, does not guarantee benefits in the near future, such as job stability, job retention, re-employment in case of job loss, decent working conditions, career growth. Therefore, at a time when our country aims to rapidly move to a group of countries whose incomes are above average, the problem of reducing informal employment is very relevant, because this goal can be achieved only when labor productivity and real incomes of the population provide inclusive growth, when the middle class of the population expands.

Since the appointment of Sh.M.Mirziyoyev as the President of the Republic of Uzbekistan in 2016, serious measures have been taken to achieve this goal.

In particular, the development of the social sphere has been identified as one of the important areas in the framework of the " Strategy of Actions" for the five priority areas of development of the Republic of Uzbekistan in 2017-2021. It aims to increase employment by creating new sustainable jobs.

Currently, significant changes are taking place in the system of state employment management in the Republic of Uzbekistan. The administrative reform of this system is aimed at horizontal and vertical optimization of the functions of the Ministry of Employment and Labor Relations, which is responsible for public employment policy.

At present, along with the organizational structure of labor bodies, the legal framework for state regulation of employment, methodological improvement of labor statistics, the whole system of public service is being improved. However, as the above reforms have not yet been completed, a number of problems remain, including sustainable employment of women and youth, reduction of informal employment, and informal external labor migration.

In the process of reforming the existing labor market, new innovative approaches to social and labor relations are required, taking into account the specifics of the Uzbek economy.

Innovative strategies for employment development require not only the postulates of the neoclassical paradigm, but also theoretical and methodological analysis and systematization of new phenomena, as well as a qualitative change in the traditional directions of the employment management system facing new challenges of our time.

As the President of the Republic of Uzbekistan Sh. Mirziyoyev noted: "In developed countries, great attention is paid to investing in the full cycle of education, allocating funds for the education of children aged 3 to 22. In the future. Such investments will be repaid in the amount of 15-17 times ... We need to pay more attention to human capital, use all opportunities to realize the potential of our youth.

Today, new jobs are being created in previously non-existent specialties and professions, so many of the skills previously learned are outdated (e.g., with the introduction of computers, typewriters, and the writing profession with the skills to work on them). Thus, in the context of the development of digital technologies and other innovations, it is important to adapt to change due to retraining in order to acquire new knowledge and skills needed to provide people with decent jobs. However, the creation of human capital requires large investments for its development, so the development of new and effective strategies and approaches that provide comprehensive coverage and optimization of financial resources for social protection, as well as the development of health and education requires.

Therefore, in the current conditions of the labor market, the development of competitive advantages on the basis of intangible forms of capital: social, corporate, organizational, human, intellectual, etc., remains relevant.

The competitiveness of human capital is ensured by the main factors that determine the potential and actual labor productivity, as well as the willingness and need of employers to accept labor and the quality of work, the market demand for skilled labor skills.

The process of continuous training ensures the competitiveness of human capital of the employee - training and retraining allows him not only to adapt to new requirements in the field of knowledge, but also to develop areas of intelligence, skills, knowledge, worldview, application of new knowledge and skills.

The advantages of the training (retraining) program for the enterprise (organization) are obvious, and it is effective only if the following conditions are met: first, to encourage employees to constantly improve their skills; second, to provide them with effective assistance in achieving this goal. The first task involves the development of the necessary professional skills, as well as the adoption of the necessary financial and moral measures to not only improve the skills of the employee, but also to form a socially validated model of corporate behavior. The second problem is related not only to the expenditure of material and financial resources, but also to certain organizational efforts.

Given the above, it can be said that in the current situation, the need to maintain, increase and use the existing labor potential in the country is growing day by day. The process of creating an innovative form of employment has begun in Uzbekistan, but enclave and natural institutionalization mechanisms and special incentives are needed to move quickly and effectively to the next level. As the main condition for the country's competitiveness is a highly

qualified, creative, enterprising and dynamic workforce, we can be sure that by implementing these measures, our country will develop further and play a greater role in the system of international economic relations.

CONCLUSION

One of the factors in ensuring socio-economic development is the creation of new jobs in entrepreneurship, improvement of investment, tax, monetary and scientific and technical policies, the implementation of innovative structural changes in the network structure of market services. The provision of these services will further improve the living standards and quality of life of the population.

In addition, the expansion of the production of services by small businesses and private entrepreneurs provides rapid development of the industry. Targeted soft loans will increase the total volume of market services of small business not only in urban but also in rural areas, create a modern infrastructure and a competitive environment in the market of employment services, increase employment. plays a practical role in radically increasing the efficiency of labor bodies.

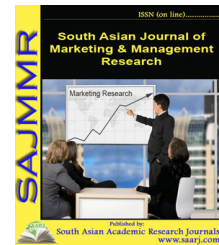
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INFLUENCE OF BUSINESS ENVIRONMENT ON SMALL AND MEDIUM SCALE ENTERPRISES IN OSUN STATE

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ABSTRACT

Despite the implementation of several strategies and tactics by most enterprises to maximize profits, only few enterprises achieve desired results. The objective of this study is to determine whether poor financing constitute a major challenge in the performance of SMEs. For this study, survey research method was used by utilizing structured questionnaires. 80 questionnaires were hand delivered; using purposive sampling methods while the method of analysis was basically descriptive. The hypotheses were formulated. The major findings of the study are (i) Poor financing constitute a major challenge in the performance of SMEs in Osun State.(ii) Inadequate social infrastructures constitute a major challenge in the performance of SMEs in Osun State. The paper recommends that poor financing constitute challenge in the performance of SMEs and inadequate social infrastructures constitute a major challenge in the performance of SMEs in Osun State.

KEYWORD: *Business Environment, Small and Medium Scale Enterprises, Efficiency, Effectiveness, Productivity, Profitability,*

INTRODUCTION

The present day business environment is marked by different dynamic features such as global competition, information technology, quality service revolution and corporate social responsibility which are compelling managers to think and reshape their approach to their various operation responsibilities. Due to this paradigm shift, new firms are emerging that are more responsive to both their internal and external environments (Luthans, 1995).

The internal factors exist within the operational base of an organization and directly affect the different aspect of business. These internal factors include Firms mission, resistance to change, poor quality staff, lapses in internal control, bad resource and financial management, operational weaknesses, high staff turnover and over-leveraging while the external factors include

government regulation, economic recession, political turmoil, low cost competitors, changes in customer behavior, environmental/health issues, technological changes, natural disasters, change in input supply, changes in macro-economic variables and terrorist attacks. Hence, it is important for a business to keep pace with the various changes in the environment in order to survive in the long run.

Similarly, every business settings often bring in new way of thinking about the business environment and new ways of acting (Buhalis, 1993). Hence, coping with these multitude of challenges require a firm that can easily adapt to change. This makes the small and medium scale enterprises (SMEs) the driving force in economic growth and job creation in both developed and developing countries due to their ability to experiment new approach at minimum cost and create a standardized product/services that can meet the needs of a large target market (Sunter, 2000). However, more than half of newly established businesses survive beyond five years. Hence, the identification of those factors which empirically lead to entrepreneurial success/failure would assist in equipping small business owners with the necessary managerial skills to survive in today's competitive environment as well as exploit several strategies that will improve their operational efficiencies.

According to Ciano (2011), business is a series of collisions with the future while its present day challenges include convergence, corporate governance, corporate reporting, fraud, operating globally, improving business performance, managing assets, change and people, mergers and acquisitions, risk management, shareholder's values and sustainability. He opined that since it is neither the strongest of the species that survives, nor the most intelligent; it is the one that is most adaptable to change; hence companies that make up the industry have faced the need for equivalent of self-administered surgery with no insurance, no aesthetic, and no assurance of long-term health. Thus, the success of every business depends on adapting itself to the environment within which it functions. Hence, the term business environment represents all forces, factors and institutions that are beyond the control of the business and affect the functioning of a business enterprise. These include customers, competitors, suppliers, government, and the social, political, legal and technological factors etc. While some of these factors or forces may have direct influence over the business firm, others may operate indirectly (Duncan, 1972). Thus, business environment may be defined as the total surroundings, which have a direct or indirect bearing on the functioning of business. It may also be defined as the set of external factors, such as economic factors, social factors, political and legal factors, demographic factors, technical factors etc., which are uncontrollable in nature and affect the business decisions of a firm.

According to Adebayo, Ogunyomi, and Ojodu, (2005) business environment can be broadly categorized into internal and external environment with the former comprising variables or factors within the control and manipulation of the firm to attain set objective while the latter encompasses factors that are outside the control and manipulation of the firm. Hence, firm must develop a plan that will help it to cope with the various environmental forces (Oluremi and Gbenga, 2011).

Similarly, the nature of business environment are said to be classified as dynamic, stable and unstable which often help a firm in the selection of appropriate strategies (Ibidun and Ogundele, 2013). Adeoye (2012) opined that in order for business to cope with the dynamic and rapidly changing business environment, there is a need to develop and implement appropriate strategies that would safeguard their operations and yield the desired results. Similarly, Ogundele

(2005) added that a firm perception of the nature of the business environment is a function of its size and industry.

Business survival is the ability of a firm to continuously be in operation despite various challenges i.e. the managerial process of directing the affairs of a firm regularly on a going concern basis and meets the needs of all stakeholders (Akindele,2012). Dunand Bradstreet (1979) viewed business failures as a situation where a business go into bankruptcy or cease operations which results in losses and failure to meet its various financial commitment to creditors. In order to survive, firms always keep a close tab on the various activities that determine their continuity. Adeoye (2012) suggested that the present form of complexities facing firms include leadership styles, changes uncertainty, conflict, culture, technology, structure, competitive market, profitability and workplace motivation. Hence, firms must develop a strategically plan and tactical procedure that is appropriate and adaptive to the present business environment that will aid its optimum resources utilization and attainment of set goals.

Statement of the Problem

Most SMEs in Nigeria die within their first five years of existence, a smaller percentage goes into extinction between the sixth and tenth year while only about five to ten percent survive, thrive and grow to maturity. Many factors have been identified contributing to this premature death of SMEs. Key among them include: insufficient capital, irregular power supply, infrastructural inadequacies (water, roads etc.), lack of focus, inadequate market research, over-concentration on one or two markets for finished products, lack of succession plan, inexperience, lack of proper book keeping, lack of proper records or lack of any records at all, inability to separate business and family or personal finances, lack of business strategy, inability to distinguish between revenue and profit, inability to procure the right plant and machinery, inability to engage or employ the right caliber of staff, cut-throat competition Beckman contend that most of the problems of SMEs are external to it, among them are those related to capital shortage, taxation and regulations, product liability patent and franchising abuses. The internal problems of SMEs in Nigeria include: inadequate working capital, stiff competition from larger companies, difficulties in sourcing raw materials, low capacity utilization, lack of management strategies, poor educational background of operators, and huge financial problems while the external problems include: policy inconsistencies, multiple taxation, harsh regulatory requirements and trade groups. There are a lot of problems which this research work seeks to address. It is in agreement with certain experiences that the inability of the management of the small scale businesses to determine causes of failure may have led to unproductively. Also it is perceived that the inability of the management to develop policies for solving the problem of small scale businesses may have reduced the profitability of such enterprises. Indeed, nothing weakens organization more than when management develops poor attitude to personnel training. Experiences show that the poor attitude of the government to creation of conducive environments for business may have reduced the chances of survival of small scale enterprises. The inability of works to implement management policies just as experiences have shown, may have led to un-productivity.

Again poor financial management strategies may have aggravated the situation just as the perceived inability of management to employ competent personnel may have led to unproductively. Above all, the poor marketing strategies of most organizations just as experience can show may not have helped matters. It is in view of this problem that this research work is conducted.

The research objectives are to:

1. Determine whether poor financing constitute a major challenge in the performance of SMEs in Osun State.
2. Ascertain whether inadequate social infrastructures constitute a major challenge in the performance of SMEs in Osun State.

Research Hypothesis

In view of the above research objectives, the following null hypotheses were formulated:

H₀: Poor financing does not constitute a major challenge in the performance of SMEs in Osun State.

H₀₂: Inadequate social infrastructures do not constitute a major challenge in the performance of SMEs in Osun State.

LITERATURE REVIEW**Concept of Small and Medium Scale Enterprises.**

There is no unique international or national identification of small-scale business. Therefore, the meaning of small-scale business varies from one country to another from one industry to another even within the same country. Accordingly some people undoubtedly consider all business that led no more than a specified number of employees of (5) or (10) to be small. Other believes that a small business is one that operates only in the local market area. Still others classify business as small by the kind of firm such as the local stores, dress shop, shoe makers at the corner of the street. Most people agree that the neighboring beer parlors and provision stores are small business while Bottling Company, UAC groups of companies and Nigeria Breweries Plc are big businesses. The above views of people gave rise to controversy as to where to draw the line between big and small businesses.

According to Cole (1971), small scale business “Is a business that is owned, managed, controlled by one or two persons, is firmly influenced in decision making, has an un-differentiated organizational structure, has a relatively small share of the market and employs less than 50 people. The small scale business Act 1953 (USA) provides that a small business concern is one which is independently owned and operated and dominant in its field of operation (Broom and Longnecker, 1986). The Committee on Economic Development of the United State of America offers a definition which states that a business will be classified as small if it meets two or more of the following criteria (Broom and Longnecker, 1986). They are:

1. Management is independent. Usually the managers are also owners.
2. Capital is supplied and ownership is held by an individual or a small group.
3. The area of operation is mainly local workers and owners are in one home or community, markets used not be local.
4. The size of the firm is small relative to industry.

In Nigeria, the Nigerian Bank for Commerce and Industry (NBCI) defines small scale business as one with total capital not exceeding N750,000, excluding cost of land but including working capital. Only one common term-number of employees is common in all the above definitions. While other definitions in the industrialized nations emphasize the term –annual turnover-

measuring earned income, the Nigerian definition emphasize the term capital invested. This shows the trend of government effort in making only capital or fund available to small scale business in Nigeria to the neglect of other vital complementary environmental factors.

Economic Contributions of Small and Medium Scale Businesses

Copious literature exists on Small and Medium Enterprises (SMEs) written by various authors and in different languages and for various purposes. This fact underscores the essence, importance and relevance of this sub-sector in the development of any given economy. The experiences of developed economies in relation to the roles played by SMEs buttresses the fact that the relevance of SMEs cannot be overemphasized especially among the Less Developed Countries (LDCs) or rather Developing Countries.

In order to highlight the significance of SMEs in relation to the growth and development of a given economy, SMEs have been variously referred to as the “engine of growth”. This stems from the fact that almost all countries that have focused on the SMEs sector and ensures its vibrancy have ended up succeeding in the significant reduction and its attendant enhancement in the quality and standard of living, reduction in crime rate, increase in per capita income as well as rapid growth in GDP among other salutary effects. There is a consensus that if all stakeholders are to show serious commitment to the development of the SMEs sub-sector, it follows that the economy must necessarily witness meaningful transformation and prosperity. A dynamic SME sub-sector is vital and imperative for the overall economic development of the country. Aside from providing opportunities for employment generation, SMEs help to provide effective means of curtailing rural-urban migration and resource utilization. By largely producing intermediate products for use in large-scale companies, SMEs contribute to the strengthening of industrial inter-linkages and integration. A vibrant, efficient and effective SME sub-sector generates many resultant benefits for stakeholders, employees, customers, employers as well as the entire economy’s benefits.

Employees require new skills and knowledge to improve their performance on the job and to compete with their counterparts in other parts of the world. Customers on their part tend to enjoy personalized service and attention because of the keen competition, focus and innovation, which characterize the operations of SMEs. Employers or rather SME entrepreneurs on the other hand are either motivated or compelled by competition to learn and broaden their knowledge and skills in order to meet up with the challenges of maintaining good relationship with their financiers (banks and other financial institutions), auditors, regulators and even their competitors.

They achieve this by belonging to and participating actively in the activities of appropriate chambers of commerce, trade groups, various for a, exhibitions, etc where ideas, new concepts and knowledge are shared and discussed. The bottom line of all these is that the relevant SME would remain efficient and profitable and hence contribute to the growth and development of the entire economy. SMEs have no doubt been indeed recognized as the main engine of economic growth and development, a major variable for promoting private sector, development and partnership. Various governments, development agencies and experts as well as multilateral institutions do appreciate this fact such that they positively respond to any occasion and situations, which could permit their contributing to or creating opportunities for promoting the lot of SMEs.

Concept of Business Environment

A business concern cannot operate in isolation; there are forces that shape every business. There are factors that a business concern can control and some he cannot control. Those factors that a business man cannot control are called external or macro factors to a business man, try to look at the environment and operate his business within the limit of this environment. For instance, if sharia do not allow selling of alcohol in a particular state, and your interest is to sell alcohol in that state, you look at the environment and see where you can take advantage for instance in Niger state alcohol can only be sold in Barracks, if that is the case, your interest of selling alcohol in Niger State, will be limited to Barracks (Diko, 2009).

Micro factors, which you can refer to as controllable factor, are those factors that you can manipulate to your advantage. They include employees, managers, owner, financial institution, suppliers, consumers, government agencies, competitors, and the public. The factors that cannot easily be changed, which are referred to as macro environment include the following: - Demography,- Economy,- Social and cultural factors,- Political and legal forces.- Technology, Competition (Onikoyi, 2017)

Economy

The economic environment consists of factors that affect businesses; these factors may be those factors that affect consumers in terms of purchasing power and patterns, because at the end of the day, consumers' action affects business either to buy or not buy. The purchasing power of a consumer depends on Income, Prices, Savings. Credit companies must be aware of major trends in income and of the changing consumer spending patterns. Attention should be based on the following.

(a) Changes in Income- real income per capital are affected by inflation, high unemployment and increase taxes. These reduce the amount of money people have to spend. If this happen, you will turn to more cautious buying. Many companies will introduce economy versions of their products and will use price appeals in their advertising. Some people will postpone purchases of durable products while others will purchase them out of fear that prices may increase in the future. Many families will begin to feel that a large home, two cars, foreign trips and a private higher education are beyond their reach.

(b) Changing Consumers Spending Patterns- consumers spending on major goods and services categories has seen changing over the years, food, housing, household operations and transportation consumes two third of their one's personal income, i.e. two third of one's personal income is expended on these items.

(c) Low Rate of Savings and High Debt - Consumer expenditures are affected by consumer's savings and the amount of money owned (debt) other people. Your savings are a major source of financing your purchases. You can increase your purchasing power through borrowing. Your credit has been a major contribution to the rapid growth of the economy in some countries. It enables people to buy more than their current income and savings can allow this(Fred, 2010).

Technology

Technology creates opportunities for a company to increase consumer satisfaction and thereby gain competitive advantage over others. Today, many products are available that were not in existence even a decade ago, for example computers, communication satellites, compact disc and

birth control pills often an improvement in a vital component of a product can make the difference that is needed to create large market opportunities and spur competition. Technology has been called the process to “creative distribution” in the sense that new development in technology not only creates new products and new markets but also destroy existing ones. For example, as colour TV sets are introduced, black and white sets have lost a substantial part of their market. Again a country’s economy growth rate is affected or influenced by how many major new technologies are discovered. Each new technology creates major long term consequences that are not always force able. The contraceptive or family planning pill, for example, has led to smaller families, more working wives and larger, discretionary incomes resulting in higher expenditures in convocation, travel, durable goods and other things. Technology has however got its limits. Technological improvement is limited by the laws of nature. The goal of technology management is to identify the limits of a given earlier technology so that a new technology can be developed to replace it. Businesses men need to understand the changing technological environment and how new technologies can serve human needs. They must be alert to the undesirable side-effects of any new technological innovation that might harm the users and create consumers distrust and opposition.

Politics and the Law

Political environment could be looked at from the point of view of the type of leadership in the nation. What are the policies of the leaders a times? How peaceful is the nation under the leadership? In Nigeria 1993, we had three different Head of State within six months with the annulment of June 12 election, the political situation in the country was dicey, foreign investors were repatriating their investment. Nigerians were not sure of what will happen in the next minute. Easterners were relocating from north to the east and vice versa. There is no doubt that this political situation must have affected company’s strategies. Nigeria leadership under the ruling party of PDP (People Democratic Party) is dispose to privatization, deregulation and commercialization. This style of leadership or this idea will in no small way affect business. Benue cement Gboko is a good example because of privatization; the company was closed down for over one year because of the resistance from the Benue people. Legislation are promulgated to regulate business activities just as citizens are responsible for knowing and obeying the laws of the land, businesses must be aware of the laws and regulation affecting their activities because violations of such laws and regulation not only subject the company to prosecution but they are also costly in terms of the bad publicity the company receives as a result. Reasons for Government Laws: (i) To protect businesses from each other (ii) To protect consumers from unfair business practices (iii) To protect the interest of the society against unofficial business behavior. In addition to the laws themselves companies must be aware of regulating agencies because the impact of legislation depends largely on how companies and the court interpret the laws and how they are enforced. Examples of Government law enforcement agencies in Nigeria that regulate businesses:

1. Standard organization of Nigeria- (SON) 1971
2. National Agency far ford and Drug administration and control (NAFDAC)-1993
3. Drugs and Related products-1992
4. Environmental impact regulation

5. Trade malpractice (miscellaneous offences) Decree 1992
6. Consumer protection council
7. Nigeria investment promotion council 1995
8. Foreign exchange (monitoring and miscellaneous provisions) 1995
9. Immigration Act 1963
10. Dumped and subsidize at Act No 9 of 1955
11. Customs duty drawback regulation 1958
12. Privatization and commercialization Dec 1988 etc.

Culture and Society

The socio-cultural environment consists of institutions and people that make up a social grouping. A company's environment scanning must focus on the beliefs, value and norms of behaviour that are learned and shared by the people in that social grouping, values are defined as the likes and dislike, the positive and negative feelings that colour a person's view of the word and influence his behaviour, clearly they are the source of consumers' needs and what that businesses must try to satisfy.

Demographic:

The demographic environment is essentially the descriptive element and measure of various characteristics of the people in the society such as the absolute size of the population, average age, birth rate, gender, family size, income, literacy level, occupation, total workforce available, relative level of skills possessed, the growth rate of population, and possible effects of future increase in population.

The businessman's analysis of the demographic environment should cover such demographic issues as: The Qualitative Changes in Population-- the current level of standards of living, and the possible future trends that will affect and change the average standard of living. The analysis must cover such things as possible tastes and preferences of the populace. The Occupational Distribution, of Population—the manager's analysis of occupational distribution of population will cover the predominant occupation such as white collar, blue collar, or self-employed.

Competitors:

The first element of the task environment to be considered is the competitor. Generally speaking, business competitors are other business organisations in the same industry that competes for resources and sells similar products or services to meet the same customers' needs. When organisations compete to satisfy the same customers and try to increase market share at the others' expense, all must react to and anticipate their competitors' action. The first step in understanding their competitive environment is that managers must identify their competitors. How big or strong they are relative to his own organisation, anticipating competitors move, determining competitors strengths and weaknesses and generally keeping close track of what their competitors are doing. This is called competitive analysis. This analysis may present opportunities that can be exploited as a result of weaknesses emanating from the competitors.

Once the competitors have been identified, the next step is to keep abreast of the nature of competition. Competitors use different tactics ranging from price reduction, new product introduction, offering the best product, to advertising campaigns in order to outdo their rivals.

Customers:

These are also a crucial part of the task environment. Without them no business can survive or thrive. It was observed that all organisations and businessmen rely on customers for their survival. Drucker (1982) aptly said the primary purpose of a business is to create customers. Business customers are those individuals and corporate bodies that purchase its products and/or services. The influence of customers in organisations of today cannot be over-emphasized. Customers influence the organisation by choosing whether or not to accept the organisation's goods and/or services. Customers affect an industry through their ability to force down prices, bargain for higher quality, or better services and can even play competitors against each other by comparing prices and sales benefits and requesting for better deal or use that information to negotiate for the best price. Customers' attitudes, preferences and complaints should be understood and attended to promptly. Therefore monitoring customers' changing needs and wants is crucial to business success. In all businesses as well as in all organisations, whether services or manufacturing, strategies that focus on good customer service provide an important competitive advantage.

Suppliers:

Every organisation has a set of suppliers that provides it with the needed materials and other resources to work with. An organisation's suppliers are those individuals and organisations that provide the materials and other resources needed by the organisation to conduct its operations. Examples of resources provided by suppliers include equipment, raw materials, services, finances, and labour. However, the importance of suppliers to an organisation goes beyond the resources they provide. Suppliers can affect a business through their ability to raise price or reduce the quality of goods and services provided. In other words, powerful suppliers can reduce organisation profits, especially if the organisation cannot pass on price increases to its customers. In general, the greater the power of suppliers, the lower the business profits.

Provan (1993) says a key factor influencing the relationship between companies and their suppliers is how independent they are on each other. This can easily lead to opportunistic behaviour, in which one party gains at the expense of the other. What need to be done is to set up buyer-supplier transactions to emphasize relationship behaviour, which will focus on mutually beneficial, long-term relationship between buyers and suppliers. In spite of this, a manager must position himself and the business properly so that the organisation performs better than the competitors.

Stakeholders:

In recent times and in many organisations, stakeholders have become a major concern and their importance cannot be over-emphasized. This is especially true of the stakeholders who hold large blocks of stock of any particular organisation. These stakeholders include government, unions, local communities, creditors (if they are separate from suppliers), trade associations, special interest group and stockholders. However, the importance of these stakeholders varies from industry to industry.

Materials and Methods

In this paper, the Survey research was used to conduct the research. The population of this study was (120) one hundred and twenty entrepreneurs in Olorunda Local Government Area of Osun State, Nigeria. The study used Purposive sampling to select some traditional occupations in Osun State, Nigeria. The researcher determined the sample size using the YaroYamane's formula (1967) cited by Khong (2005). The formula is stated below:

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

Where n is the sample size and 1 is the number of items in the population. The square of maximum allowance for sampling error or level of significance is 5%. It is represented by e. Therefore, n can be determined thus,

$$n = \frac{120}{1+120(0.05)^2}$$

$$n = \frac{120}{1+120(0.025)}$$

$$n = \frac{120}{1.5}$$

$$n = 80$$

The hypothesis were tested using regression analysis.. The formular of regression analysis is stated below:

$$Y = a + bx$$

Where:

Y= dependent variable i.e small and medium enterprises

a= constant variable

b= the regression co-efficient

x= independent variable i.e influence of business environment

Testing of Research Hypothesis

Research hypothesis are statement or assumption about a population parameter and such a statement should be subjected to a test. Using regression technique to test the hypotheses, the results and interpretations are as follows;

Hypothesis 1

H₀: Poor financing does not constitute a major challenge in the performance of SMEs in Osun State.

TABLE 1: MODEL SUMMARY

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.802 ^a	.644	.639	.825

a. Predictors: (Constant), Poor Financing

TABLE 2: COEFFICIENTS

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	95.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
1 (Constant)	1.818	.303		2.697	.009	1.421	-.214
Poor Financing	2.079	.175	.802	11.877	.000	1.730	2.427

a. Dependent Variable: Performance of SMEs

Source: Computed by Author using SPSS (2019)

Estimated Regression Equation (ERE) = Performance of SMEs (PS) = 1.818 + 2.079 Poor Financing (PF)

Student's test (t^c) = 11.877

Table value (t_t) = 2.68

Probability value (p) = 0.05

Coefficient of multiple determination (R square) = 0.644

The estimated regression equation above (PS = 1.818 + 2.079 PF) shows that performance of SMEs will be 1.818% if poor financing increase by 2.079%. This function can also better be explained that changes in poor performance by 2% will directly lead to variations in SMEs performance by 1%. This simply implies that both variables have a direct positive relationship.

The R square (R^2) of 0.644 implies that approximately 64% of variations in SMEs performance are explained by changes in poor performance. This analysis above means that Poor financing constitute a major challenge in the performance of SMEs in Osun State.

Student's Test (t- test)

The researcher calculated the coefficient of the variables using t-test with n-k degree of freedom at 5% level of significant in a one tailed test.

The number of observations in the sample (n) = 80

The number of parameter coefficient (k) = 2

The level of significant (α) = 5%

The degree of freedom (n-k) = 78

Therefore, t –tabulated value = 2.64

Since $t^c > t_t$ (i.e. 11.877 > 2.68) H_0 is rejected while H_1 is accepted which means that "Poor financing constitute a major challenge in the performance of SMEs in Osun State".

Hypothesis 2

H₀: Inadequate social infrastructures do not constitute a major challenge in the performance of SMEs in Osun State.

TABLE 3: MODEL SUMMARY

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.769 ^a	.591	.585	.713

a. Predictors: (Constant), Inadequate Social Infrastructure

TABLE 4: COEFFICIENTS^A

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	1.139	.303		3.759	.000	1.742	-.536
	Inadequate Social Infrastructure	2.819	.266	.769	10.611	.000	2.290	3.348

a. Dependent Variable: Performance of SMEs

Source: Computed by Author using SPSS (2019)

Estimated Regression Equation (ERE) = Performance of SMEs (PS) = 1.139+ 2.819 Inadequate Social Infrastructure (II)

Student's test (t^c) = 3.759

Table value (t_t) = 2.68

Probability value (p) = 0.05

Coefficient of multiple determination (R square) = 0.591

The estimated regression equation above (PS = 1.139+ 2.819 II) shows that performance of SMEs will be 1.139% if inadequate social infrastructure increase by 2.819%. This function can also better be explained that changes in inadequate social infrastructure by 2% will directly lead to variations SMEs performance by 1%. This simply implies that both variables have a direct positive relationship. The R square (R^2) of 0.591 implies that approximately 59% of variations in SMEs performance are explained by changes in inadequate social infrastructure. This analysis above means that inadequate social infrastructures constitute a major challenge in the performance of SMEs in Osun State.

Student's Test (t- test)

The researcher calculated the coefficient of the variables using t-test with n-k degree of freedom at 5% level of significant in a one tailed test.

The number of observations in the sample (n) = 80

The number of parameter coefficient (k) = 2

The level of significant (α) = 5%

The degree of freedom (n-k) = 78

Therefore, t –tabulated value= 2.64

Since $t^c > t_t$ (i.e. $3.759 > 2.68$) H_0 is rejected while H_1 is accepted which means that “Inadequate social infrastructures constitute a major challenge in the performance of SMEs in Osun State”.

CONCLUSION

The experiences of developed economies in relation to the roles played by SMEs buttresses the fact that the relevance of SMEs cannot be overemphasized especially among the Less Developed Countries (LDCs) or rather Developing Countries. Therefore, a dynamic SME sub-sector is vital and imperative for the overall economic development of the country. However, this section presents the conclusions drawn from the findings that emerged after data analysis and the test of hypotheses. The study concludes as follows:

- Poor financing constitute a major challenge in the performance of SMEs in Osun State”.
- Inadequate social infrastructures constitute a major challenge in the performance of SMEs in Osun State”

Recommendations

A high performing SMEs is beneficial to all stakeholders and the nation in general. The contributions that SMEs offers are achievable only when there is conducive business environment. In view of the findings that emerged from this study, and the conclusion drawn, we recommend:

1. That in order to achieved significant positive contribution of SMEs sector to economic development, government should create enabling environment for both existing and potential investors in the sector, this can be done through improvement of infrastructural facilities and formulation of policies favourable to SMEs.
2. Government and other stakeholders should find a means through which owners and managers of SSBs get adequate managerial skills to run their business effectively and efficiently. This can be done through entrepreneurship development programmes and orientation, seminars, workshops, etc. in order to minimize managerial problems.
3. Adequate and proper record keeping of all business transactions by SSBs, in order to be able to track all the activities and transaction of the business. This can be achieved through training and re-training of staffs in the area of record keeping.
4. SMEs should always make proper planning for all the activities of the business in order to achieve the desired performance. Planning is one of the functions of management team of an organization; it can also be achieved through regular meetings, training and development.
5. SMEs should develop proper marketing strategies, and make adequate marketing research through proper formulation and implementation of marketing mix (product, price, promotion & placement) strategies as well as market and consumer research in order to improve their sales volume.
6. The problem of inadequate infrastructural facilities such as access road, water and power supply should be properly addressed by the government in order to ease the operational problems experience by SMEs in the two states and the country at large. The costs that SMEs incur in provision of infrastructures definitely increases their total cost of production, thereby raising their prices to the extent that it will reduce the demand for their products and services, which will result in decreasing their profitability. The power holding company of Nigeria (PHCN) and Nigerian electricity regulatory commission (NERC) should be reorganized in order to increase its operational efficiency. In the area of road and transportation, government should increase efforts at rehabilitating Nigerian road which are presently in bad shape. It's

also recommended that other means of transport like railway should be enhanced. Government should also intensify effort in providing good and sufficient water supply. These recommendations were given with considering the fact that high performance cannot be achieved by Nigerian SSBs without adequate supply of infrastructural facilities.

7. SMEs owners/managers and government should join hands to addresses the problem of competition, in order to enhance the competitive advantage of SMEs.

The problem of financial inadequacy such as lack of access to external funds, high interest rate, and lack of collaterals should be properly addressed by the government and relevant stakeholders in order to ease the financial problems experience by SSBs in Kano and Sokoto states and the country at large. Government should provide simple and affordable credit facilities to SMEs through microfinance institutions as well as grants. Government should also formulate fiscal and monetary policies that are favorable to SMEs; this will also address the problem of high interest rate. It's also recommended that banks should emphasize on goodwill rather than collateral. This would likely reduce asymmetric information as goodwill becomes the prominent acceptable factor

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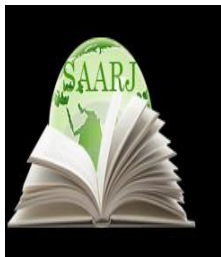
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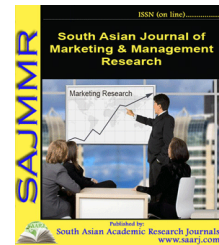
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ROLE OF FASHION INDUSTRY IN THE DEVELOPMENT OF MARKET ACTIVITY OF TEXTILE COMPANIES IN UZBEKISTAN

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ABSTRACT

The aim of the study was to examine the fashion marketing strategy of medium and large textile companies in Uzbekistan. The textile industry was the focus of this study. A qualitative research approach was used with case study design to achieve the stated objective. Cases were chosen on the basis of two criteria; production of finished textile products and work in local and global markets. Accordingly, companies qualified these criteria and all of them were used as circumstances. The activities of "Asror Textile Industry" LLC are studied and summarized scientifically.

KEYWORDS: *Marketing Strategy, Fashion, Brand, Product, Industry*

INTRODUCTION

Textile companies is one of the strategic sectors in the economy of Uzbekistan. It promotes the increase of industrial production, increase of the export potential, to the harmonious development of the regions, employment of the population. Achieving an increase in the share of the production of sewing products in the gross national product and increasing competitiveness in the world markets is the main factor in ensuring that the light industry of Uzbekistan takes place among the rising countries.

The Action Strategy for the five priority areas of development of the Republic of Uzbekistan for 2017-2021, approved by Presidential Decree No. 4947 of February 7, 2017 [1], states that "the development of fundamentally new products and technologies and thus ensuring the competitiveness of national goods in domestic and foreign markets".

One of the important tasks is to develop marketing strategies for the development of the fashion industry of the textile and clothing industry. This industry is especially important due to its large target audience, competitiveness and the presence of constantly changing differential tastes.

Knowledge of the current state of the textile and clothing industry in Uzbekistan, search for promising areas, identification of key revenue segments, analysis of market supply and demand, evaluation of product range and pricing policy, formation of brands and brands in the fashion market and increase their competitiveness requires in-depth study of issues related to.

“Asror Textile Industry” LLC is one of the leading manufacturers of garments and their successful export in Uzbekistan. In the design department together with the Turkish experts, they will produce suits in line with world fashion trends. Asror textile Industry LLC operates successfully in clothing manufacturers in Uzbekistan. The company produces its products under the following brands: D. MARETTI, MICHEL DELGADO, PIERRE LOTTI, ROYMAN, and M. POLAT. Company called D`Maretti

The focus of this thesis will be on D`Maretti (“Asror textile sanoat” LLC), the clothing company, which differentiates itself in many areas. D`Maretti is part of the group Inditex, which is the Uzbekistan`s second largest clothing retailer. The group improved its position on the market thanks to its incredible business model, based on innovation and differentiation. Thanks to its innovative approach towards the business development, company succeeded in a very fast international expansion. It is now present in 5 countries, including 21 D`Maretti stores in Uzbekistan and central Asia. Nowadays D`Maretti has managed to differentiate its image as a brand from its competitors, and has also become one of the most recognized apparel brands Centrl Asia and Russia. The clothing has spread its high-fashion/low-cost product message far and wide by establishing some unique and effective practices. The stores are stocked by new designs twice a week, collections are small to create the impression of exclusivity, and therefore often sold out. Unlike most clothing retailers who relocate their plants, two-third of D`Maretti`s designs are produced in Uzbekistan to reduce the time to transport goods to stores, in order to stay at the forefront of fashion. D`Maretti succeeded so well in fast fashion and luring high-paying customers that even luxury fashion brands as Uzbekistan "Ideal", "Imir", Europe and Turkey companies have changed their own practices for D`Maretti`s ones!

The enterprise allocates more money to advertising in order to turn its products into a brand level. For example, advertising published spent 15 thousand dollors in 2017 year, decreased to 10 thousand dollors in 2018 year. Telegramm Instagram, Facebook` advertisements 7 thousand dollor in 2017 year, 17 thousand dollor increased in 2018. Websites` advertisements 11 thousand dollor in 2017 year, 25 thousand dollor increased in 2018 year. The most money 62 thousand dollors allocated to Tv advertisements in 2018 year, and in 2017 year this indicator amounted to 50 thousand dollors. Chart 1

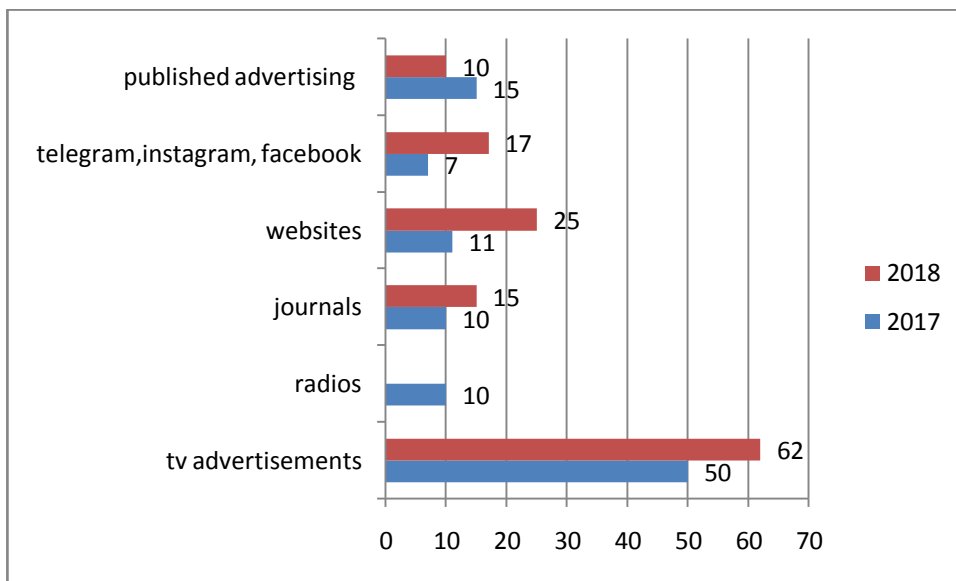


Chart 1. The enterprise allocates money to advertisements

The production of the enterprise is located in Namangan. In 2019 year, The company exported own products to Russia 5,2 billion dollars, 0,52 billion dollars to Kazakhstan, 0,3 billion dollars to Kyrgyzstan, 0,2 billion dollars to Tajikistan, 1,9 billion dollars to Turkey. it sold 0.9 billion dollar products to the domestic market.. Chart 2

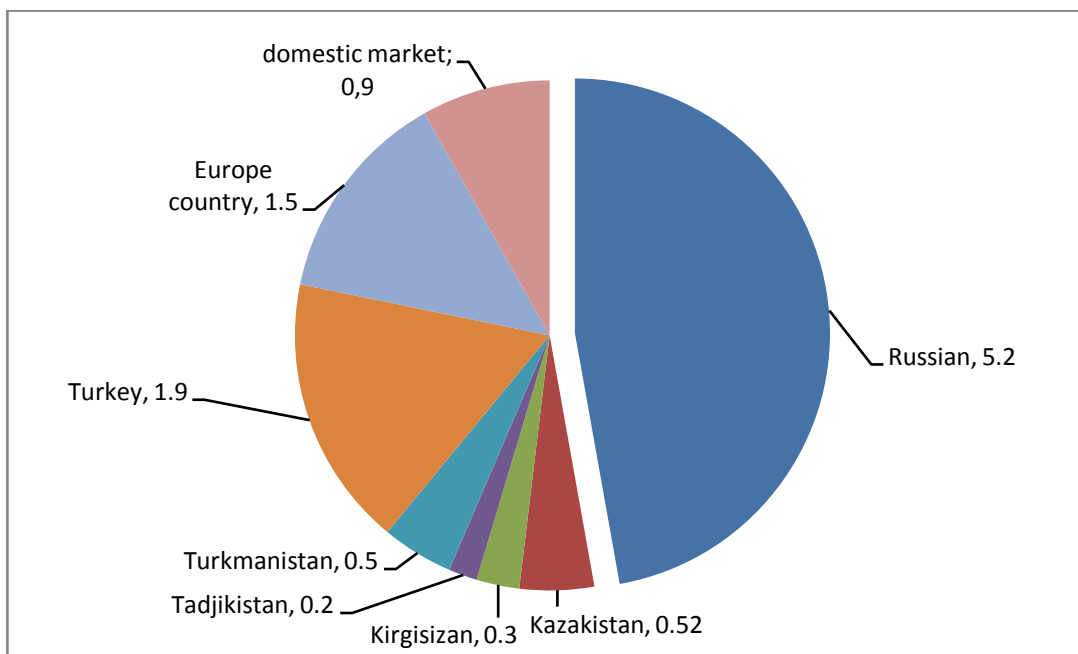


Chart 2. Export area of Company

When We research fashion industry textile products in Uzbekistan, We will found D`Maretti as strong textile company. Leading textile Company in Uzbekistan – D`Maretti is the undisputed global market leader in clothing in cloud textile. Its commercial cloud Suit, Jacket, Coat, Twis, Trousers, Shirt generated annual revenue of 11,02 billion dollar in 2019. Uzbekistan's middle Company with dominant market share– D`Maretti ranks 3 th with a market value of 0,9 billion

dollar in the Uzbekistan's largest companies in 2019. It also owns the largest market share with a 3% point gain among the five largest cloud company (Ideal, Imir, Amir)

Analysis of the assortment of products produced by the Enterprise shows that in 2018 year on the basis of market requirements, the enterprise produces 25 kinds of suits by color, 25 types of trousers, 12 types of shirts by color. The company has produced uniforms and pattern-type clothing of its 24 types of Suits, 20 types of jackets, 26 types of trousers, 15 types of shirts. These pointers were produced 40 different colors and 42 mixture of shapes and pattern type of suit on account of the attraction of new designers by 2019 year. Production of coats was launched at the enterprise and new types of shirts and trousers were also produced. Table 1

TABLE 1 D'MARETTI ' ASSORTMENT DESIGN CHANGE

№	Products	2018 y		2019 y	
		By color type	mixture of shapes and pattern type	By color type	mixture of shapes and pattern type
1	Suit	25	24	40	42
2	Jacket	20	21	30	21
3	Coat	-	-	7	7
4	Trousers	25	26	30	35
5	Shirt	12	15	20	21

Source: Research store of company on September 2018 y

The Enterprise produce products in colors and sells shapes and patterns come out of market demand. Company sold the color of the products 2,5 thousand dollar, 8,2 thousand dollar brand from a mixture of shapes and patterns on it red in 2018 year. The enterprise sold a maximum of 2,5 billion dollar, 2,9 billion dollar from a mixture of shapes and patterns on it black colored wares in 2018.

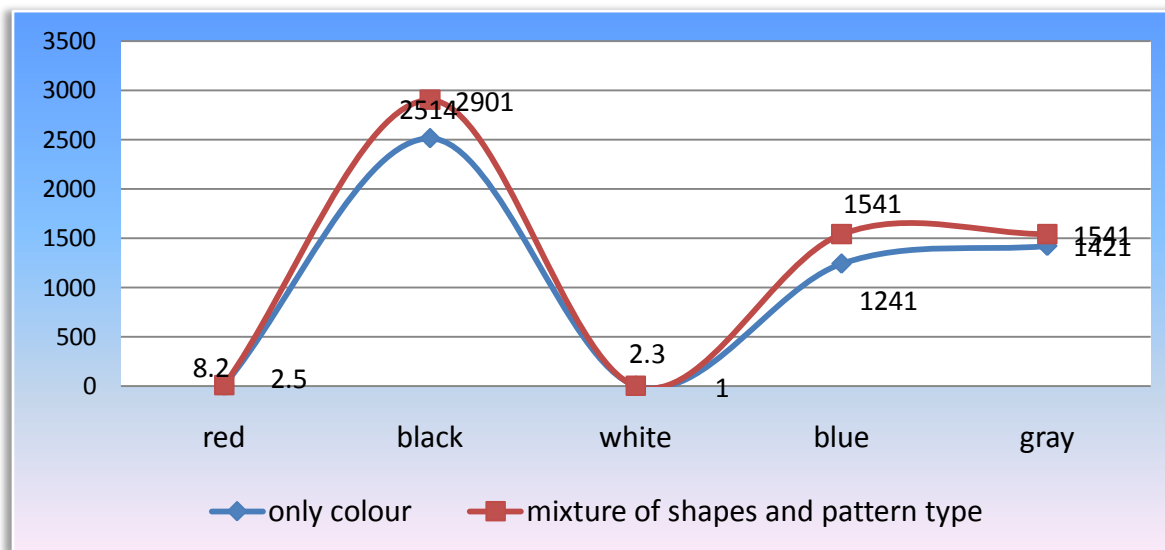


Chart 2. Products color and shapes of Company sales 2019 year

Asian market reach – D`Maretti sells in more than 5 countries in Asia. Constant growth – The latest earning results of D`Maretti clearly demonstrate its strong growth in the cloud business. Reputed Brand with superior customer loyalty – D`Maretti has 21 shop more than 50 commercial customers. Effective Advertising platform – With its strong and effective marketing strategies, D`Maretti has influenced people all over the world. Brand reputation – D`Maretti was ranked 4th by Interbrand as the Uzbekistan's most valuable brand with the highest brand strength and brand equity in the textile industry.

To better understand what differentiation strategies means some concepts will be defined in the theoretical part. Differentiation strategies exist in order to bring the companies competitive advantage. In order to understand why they should differentiate themselves, it is important to understand what competitive advantage is. The purpose of differentiation strategies is to attract new customers and retain the current ones. To build differentiation strategies which will bring the largest number of customers, the companies have to first know who their strategic customers are, and understand when and how differentiation influences their decision-making process. Differentiation is also the fact that a company wants to distinguish itself from its competitors. Hence, it is important for the company to find out who its key competitors are, and what it means.

The research area within marketing strategies and consumer behavior is really wide, that is the reason to the focus on differentiation strategies. To limit the research area the focus is on the fashion industry. The authors wondered what, in the actual world where consumers can find every kind of different clothes, made them choose more one company than another. They wanted to focus only on the company's point of view and not on the consumers one. Thus they decided to choose one company as an example to explain the theories.

This company is D`Maretti, a clothing brand which opens a new store somewhere in the world every week, and which has a lot of differentiation strategies. The focus of the paper will only be on D`Maretti's current differentiation strategies, and what they should improve to make them more efficient.

How D`Maretti is different from the others fashion retailers by showing the differences but not explaining how they work (As an example, D`Maretti needs only two weeks to produce a new design, this is their difference, but it won't be explained in this paper how do they do to be able to produce a new design so fast). The result of the study will be explained for that company but can also be applied for all the fashion companies in general.

CONCLUSION

Today's fashion shoppers are more informed and, aware of companies' practices—and more demanding too. Facing this challenging demand, fashion managers use different elements in their marketing mix to stimulate these shoppers' appetites and convince them to purchase the items produced by their fashion brands.

Research has shown that while researching the quality and criteria of the tokens, it is attracting 80% of buyers. Consumers of the enterprise's products are primarily aimed at buyers who have the following demographic characteristics: children and men over the age of 10, literacy, income level is medium and high, focused on the stratum of the employed population. The enterprise is organizing production in the case of using the innovations of the fashion industry, which gives the enterprise a competitive advantage.

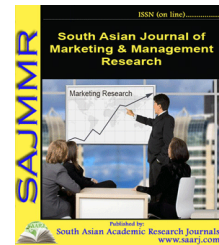
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VARIOUS WAYS TO ACHIEVE EFFICIENCY IN MANAGEMENT BY USING MOTIVATIONAL MECHANISMS IN ORGANIZATIONS FOR YOUTH

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ABSTRACT

Staff turnover is high and work efficiency is significantly lower in an organization where motivation is not effectively organized. Today, it is impossible to direct employees to the highest goals of the organization without encouraging them, especially young, talented and qualified personnel. In this paper, the issues of strengthening the connection between the employee and the organization in the youth organization through motivational mechanisms are examined. Important aspects of motivation for the organization and the employee were also studied, and relevant conclusions and recommendations were developed.

KEYWORDS: *Organizations For Youth, Motivation, Motivational Mechanism, Personnel Management, Efficiency*

INTRODUCTION

In the world, only 13 percent of the total workforce is employed. In other words, one in eight employees takes their job seriously and contributes to the development of the organization. That is about 180 million employees. In addition, the majority of employees(63%) are not encouraged. They do not serve wholeheartedly for the purposes or development of the organization [1].

That kind of situation is evidence of the fact that the process of motivation in the organization is not properly organized and motivational mechanisms are not effectively organized. Because one of the most important tools in ensuring the effectiveness of the organization is the power motivation that constantly moves employees keeps them active, motivates them to innovate. In particular, the process of motivation is a vital necessity in social sphere organizations.

The process of motivation in an organization for youth is directly related to the problems of increasing its efficiency and profitability through the maximum use of available labor resources. At the same time, due to the lack of research on motivational mechanisms in the process of personnel management in youth organizations, the level of work efficiency and employee loyalty to their work will not be high. In addition, the lack of understanding of the crucial role of motivational mechanisms in the context of the implemented reforms and the lack of a systematic approach to effective organization mean that this topic is even more relevant.

LITERATURE REVIEW

At the heart of motivation theory is the state of motivating people to do something. By the study of motivation, it will be possible to observe the conflict of interests of the employer and the employee as a result of achieving increased work efficiency by meeting the needs of employees in the organization. This is directly proportional to the development of the organization. Furthermore, the famous scientists A. Maslov's hierarchy of needs, K. Alderfer's theory of ERG - existence, dependence and growth, D. McKelland's theory of acquired needs, F. Gertsberg's two-factor theory, V. Wroome's expectation theory and the fundamental of the motivational process through Porter-Lauler models foundations are created and addressed directly in their study. Although the theoretical basis of our study was irrigated by the theories of these leading scientists, it was not singled out because it was known to many. Therefore, it was decided to focus on the views of modern researchers of motivation.

In particular, Bartol and Martin argue that motivation is a force that strengthens, directs, and motivates action. T. Mitchell considers motivation as a psychological process that motivates a person to action, provides a certain direction and a constant goal [3]. V. Gordeeva also supports this idea, describing it as motivation to motivate someone to take action to achieve personal goals or goals of the organization [4].

According to V. Antropov and L. Zelenskaya, motivation is an important internal feature of man, which determines the formation, strengthening and implementation of motives - the driving forces that arise under the influence of internal and external factors [5].

To the opinion of Stephen Robbins, motivation is understood as the willingness (desire) of people to do a certain job by satisfying one or another need [6].

Konyukhin argues that motivation is a set of driving forces that motivate a person to work with a specific purpose [7]. It can be seen that in almost all of the literature analyzed, we can see that it is expressed by scientists as a driving force in the process of motivation.

Hence, there is no complete and absolute definition of motivation as a result of the study of ideas cited by scientists and researchers in the studied literature. Therefore, in our opinion, motivation is a factor that positively influences a person to engage in this or that activity and motivates him to achieve the goal.

RESULTS AND DISCUSSIONS

Today in Uzbekistan, young people aged 15 to 30 make up 26% of the total population, including 13.4%, ie 50% of the total youth aged 15 to 30 [8]. This figure shows that the number of young people in the population of Uzbekistan is significant compared to many developed countries.

Recently, the leadership of the Youth Union of Uzbekistan has analyzed the staff of 20 ministries in Uzbekistan [9]. According to them, a total of 3,322 employees work in selected ministries, 849 of them, or 25.6%, are young people. The highest rate is observed in the Ministry of Investment and Foreign Trade (31.3%) and the lowest in the Ministry of Health (4.9%).

121 (14.3%) of the 849 active youth, held responsible (managerial) positions. The head, heads of departments and divisions and their deputies were taken into account. In this regard, the highest rate is observed in the Ministry of Investment and Foreign Trade (47.3%) and the lowest rate is in the Ministry of Health (0%) and the Ministry of Foreign Affairs (0%).

On the issue of gender equality, attention was also paid to the analysis of young women under the age of 30. According to it, out of 849 young people who are working, 210 (24.7%) of them are young women. The highest rate of gender equality is 50.0% in the Ministry of Water Resources, not in education, medicine or other social sectors, indicating that the ministry is working in tandem with today's reforms. The lowest share of young women in the total number of employees is observed in the Ministry of Economy and Industry at 4.3%, the Ministry of Foreign Affairs at 4.8%, the Ministry of Physical Culture and Sports at 6.7%, and the Ministry of Agriculture at 6.9%.

The conducted analysis shows that it will be possible to implement new innovative ideas in the ministries by supporting young staff, ensuring their career growth and setting the motivation process in the right direction.

Today, the motivational model of personnel management in youth organizations serves the effective use of labor potential, the generalization of employees' goals with the goals of the organization, the wider mobilization of physical and mental potential.

As a result of the analysis of the motivation process in the youth organization, a number of advantages were found. In particular, if the motivation process is carried out taking into account the mutual interests of the organization and employees, both parties will achieve the expected result. The organization needs qualified professionals to achieve high efficiency. It is necessary to constantly "keep" qualified specialists in the organization, to provide them with sufficient opportunities to work on themselves and to create effective motivational mechanisms. If an employee feels the opportunity for professional growth, without any hesitation, a sense of aspiration and commitment to initiative and innovation will be increased by working tirelessly on himself, eventually there will be an opportunity to implement organizational strategy, positive change and development will grow significantly. Therefore, when managers motivate employees in a youth organization and motivate them to act effectively, they should realize that this is also beneficial for the organization (Figure 1).

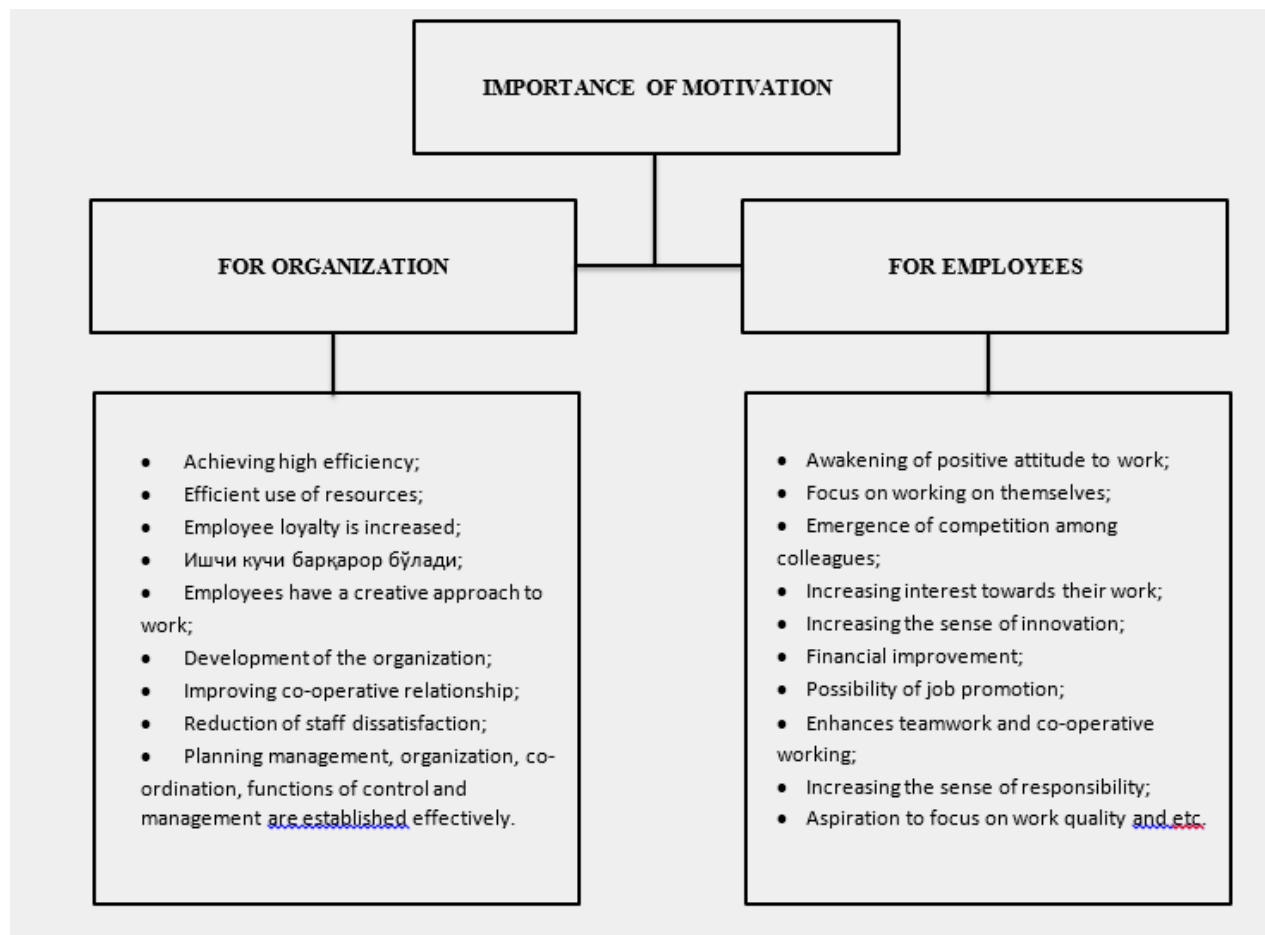


Figure 1. The importance of using a motivational process in an organization.

It is known that the main purpose of youth organizations is to deepen the democratic, political and economic reforms in the country, strengthen peace and harmony in society, ensure effective protection of the rights, freedoms and legitimate interests of the younger generation, raise their spiritual and professional level. is to help realize its potential. Therefore, youth organizations unite young people around themselves by giving them spiritual motivation. However, in addition to moral incentives, financial incentives are also required for employees in the system to achieve organizational goals. This is one of the primary factors that propagate ideology in organizations and the main contingent of it is young people.

It is known that young people are always inquisitive, enterprising and creative of new ideas. A special motivational mechanism is required to enhance the image and reputation of the organization by ensuring the consistency of these actions. In particular, an organization must constantly evolve in order to be competitive as long as it exists. This development is directly related to the knowledge, experience and ability of the leader. A manager is a person who influences an employee to act to meet his or her needs, constantly giving him or her a boost. The manager therefore acts by aligning the employee's goal with the organization's goal, and both parties achieve development as a result of the intersection of the interests of both the employee and the organization (Figure 2).

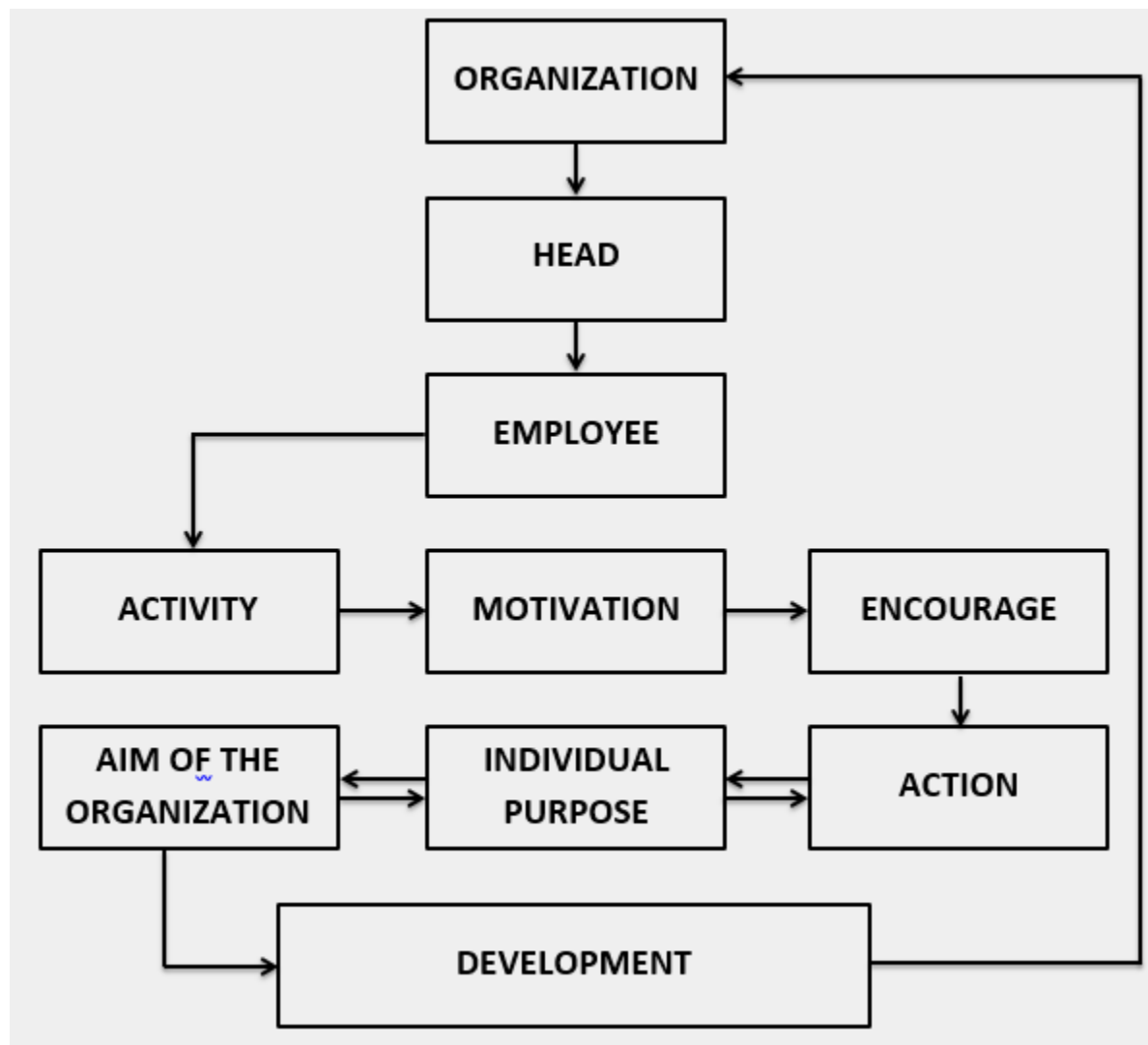


Figure 2. Mechanism of employee incentives in organizations for youth. Author's project.

For every employee, financial incentives may not be a factor in ensuring that they are in constant motion. This is because in some organizations, although wages are the mainstay of labor, for many workers, a sense of respect and gratitude in the workplace is more important[10]. More than expected results can be achieved by constantly inspiring such employees and influencing their behavior.

It is no coincidence that the statistics of young staff in several ministries and departments in Uzbekistan have not been analyzed in vain. Because if young people are motivated for career growth, finding their place in life, personal and professional growth, they will certainly become the future of the enterprises and organizations in which they operate.

CONCLUSION

The motivational mechanism developed in the effective management of staff in the youth organization is not limited to the development of this area. This mechanism can also be used in the effective organization of personnel management in the social sphere and the activities of non-governmental organizations.

It is also necessary to take into account the following aspects in order to achieve effectiveness in management through motivational mechanisms in youth organizations:

First, in an effective organization of staff in a youth organization, the focus should not be on financial incentives. An individual approach to employees is required, depending on the situation. In many cases, intangible incentive methods also help achieve high results.

Second, the process of organizing charitable and public events, which is one of the main tasks of a youth organization, is a very arduous and responsible process. Therefore, the involvement of employees in such public events, taking into account their age and experience, is also a positive aspect of personnel management. Therefore, in the selection of staff in the youth organization is required to hire people under 35 years of age. Because while employees of this age are more interested in intangible incentive methods, employees over the age of 35 are more interested in financial benefits.

Third, to determine the level of employee satisfaction with the organization, it is necessary to conduct sociological research to determine the level and methods of motivation. Because motivational mechanisms cannot be implemented without determining the interests of employees and the effectiveness of activities in the organization.

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