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**Editors**

**C. Jayachandran, Gouher Ahmed, Naseem Abidi,  
Silvio Cardinali, Devon Johnson**

## PREFACE

### The 19th International Conference of the AGBRP

The 19th International Conference of the Academy of Global Business Research and Practice (AGBRP) was held from January 8–10, 2025, at the JW Marriott Marina, Dubai, UAE. The theme of this year's conference, "*Sustainability: Perspectives of Policy, Business, Technology, AI, and Education*", reflects our collective commitment to addressing global challenges through academic inquiry, innovation, and collaboration.

The proceedings presented here feature a carefully selected set of peer-reviewed papers and abstracts that explore a wide spectrum of sustainability issues. The topics include public policy, responsible business practices, renewable energy, technological advances, artificial intelligence, and the role of education in shaping a sustainable future. Together, these contributions highlight the multidisciplinary nature of sustainability and the importance of global dialogue in advancing solutions to sustainability challenges.

This year, the conference attracted more than 100 participants from 26 countries, a testament to the AGBRP's international reach and the universal relevance of the issues under discussion. Dubai, with its reputation for bold innovation and cosmopolitan spirit, provided an ideal backdrop for this global gathering.

We sincerely appreciate the conference organizing committee, peer reviewers, and academic and corporate partners specially to the *NTPC Business School, India, Academy of Renewable Energy, Environment, Management and Sustainability, India and Societa Italiana di Management, Newcastle Australia Institute of Higher Education (Singapore)/The University of Newcastle Australia* for their dedication and support. Above all, we thank the scholars and contributors whose work forms the foundation for this conference. Their research advances academic knowledge and informs practice and policy across borders.

We hope that the insights shared during the conference and contained in these proceedings will inspire further collaboration and innovation, contributing to sustainable growth and development in business, education, and society at large.

#### Editors

**Prof. C. Jayachandran** – President, AGBRP, USA; Montclair State University, USA

**Prof. Gouher Ahmed** – Vice President, AGBRP, USA; Horizon University College, UAE

**Prof. Naseem Abidi** – Board Member, AGBRP; Dy. Vice Chancellor, Horizon University College, UAE

**Prof. Silvio Cardinali** – Board Member, AGBRP; Università Politecnica delle Marche, Italy

**Prof. Devon Johnson** – Board Member, AGBRP; Montclair State University, USA

## AWARDS

The following research papers of the 19th AGBRP International Conference were judged and given best paper awards in different domains.

[1]. **Gouher Ahmed** (Horizon University College, UAE), **Calvin Chong Kun Lee** (CQUniversity, Melbourne, Australia), **Prof. Naseem Abidi** (Horizon University College, UAE), and **C. Jayachandran** (Montclair State University, USA) for their impactful paper, *"Geopolitics of Cold War 2.0 and Collaborative Strategies in the Indo-Pacific of AUKUS Pillar I and Pillar II Nations in Key Industries and Technologies."*

[2]. A collaborative effort led by **Karina Burgdorff Jensen** (University College of Northern Denmark, Denmark), **Charlotte Bruun** (University College of Northern Denmark, Denmark), **Simone Severini** (Università degli studi di Macerata, Italy), **Silvio Cardinali** (Politecnica delle Marche University, Italy), **Christian Stadlmann** (University of Applied Sciences Upper Austria, Austria), **Andrea Holzinger** (University of Applied Sciences Upper Austria, Austria), **Pia Hautamäki** (Tampere University of Applied Sciences, Finland), **Maciej Pietrzykowski** (Poznań University of Economics and Business, Poland), and **Pauliina Airaksinen-Aminoff** (Applied Research Center, Finland), presenting *"Inside Sales in the B2B Environment: Skills and Requirements."*

[3]. **Sivakumar Venkataramany** (Ashland University, USA) & **Daniel Fox** (Ashland University, USA) for their critical analysis in *"Pitfalls of Unrealized Capital Gains Tax Policy."*

[4]. **Karina Burgdorff Jensen** (University College of Northern Denmark, Denmark) for the paper titled *"Managing the Balance Between Wellbeing and Performance in Inside Sales."*

[5]. **Simone Severini** (Università degli studi di Macerata, Italy) & **Alessandro Romoli** (University of International Studies of Rome, Italy) for their insightful work, *"The Happy Seller: How Job Satisfaction Bridges Life Happiness and Sales Success."*

Each of these contributions exemplifies the spirit of innovation, rigorous research, and global collaboration that Academy of Global Business Research and Practice (AGBRP) stands for.

## SUPPORTING JOURNALS

*FIIB Business Review* (Scopus Q1- 7.2, WoS - 2.5, ABS & ABDC), Editor-in-Chief, Dr. Sudhir Rana, College of Healthcare Management & Economics, Gulf Medical University, UAE

*Review of Management Literature* (Scopus 3.5); Editor-in-Chief, Dr. Sudhir Rana, College of Healthcare Management & Economics, Gulf Medical University, UAE

*Journal of Global Business Research and Practice*, Editor-in-chief, Prof. Arvinder P. S. Loomba, San Jose State University, California, USA.

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### Referencing

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	<b>TABLE OF CONTENTS</b>	<b>Page</b>
<b>Preface</b>	The 19th International Conference of the AGBRP	2
<b>Awards</b>	The 19 <sup>th</sup> AGBRP International Conference Awards	3
<b>Journals</b>	Supporting Journals and Book Series	4
<b>PAPER IDs</b>	<b>TITLE</b>	<b>PAGE</b>
<b>ID:1</b>	<b>Geopolitics of Cold War 2.0 and Collaborative Strategies in the Indo- Pacific of AUKUS Pillar I and Pillar II Nations in Key Industries. and Technologies.</b> Gouher Ahmed (Horizon University College, UAE) Calvin Lee (CQ University Australia) C. Jayachandran (Montclair State University, USA) Naseem Abidi (Horizon University College, UAE)	11-14
<b>ID:8</b>	<b>The empirical effect of demographic characteristics on proactivity and subjective norms of undergraduate students.</b> Mbulaheni Mavhungu (Tshwane University of Technology)	15-31
<b>ID:9</b>	<b>Tesla’s Marketing and Branding Strategy Analysis.</b> Natalie Chen (Cambridge Centre for International Research)	32-32
<b>ID:10</b>	<b>An Analysis Of South Africa’s Entrepreneurship Policy Environment in Fostering Youth Entrepreneurship Development</b> Marcia Lebambo (Tshwane University of Technology)	33-33
<b>ID:14</b>	<b>A Study on Sustainability Practices in MSME Sector in India – Policy Imperatives.</b> Sridhar (Indian Institute of Management Indore) Neha Singh (Utkal University Odisha)	34-37
<b>ID:17</b>	<b>R&amp;D investment of Insolvent Biotech Firms in Coronavirus Shock.</b> Takao Fujiwara (Toyohashi University of Technology)	38-39
<b>ID:18</b>	<b>A Philosophical Discourse on Metaphysics and Ethics of Finance-Management from Thiruvakural of Thiruvalluvar.</b> Dheeraj Shringi (Career Point University, Kota)	40-40
<b>ID:19</b>	<b>Navigating Food Safety Risks: A Quality-Driven Approach to Supply Chain</b>	41-41

	Rizwan Ahmad (University of Canterbury) Muhammad Umar (Lincoln University) Mesbahuddin Chowdhury (University of Canterbury) John Varg (University of Canterbury)	
<b>ID:22</b>	<b>Designing Transformational Products: Elaboration Of Four Necessary Sub- Systems</b> Saeed Shobeiri, Associate Professor of Marketing, (Teluq University)	42-42
<b>ID:23</b>	<b>Guiding the Way: How Tour Guides Elevate the Museum Visitor Experience.</b> Maria Della Lucia (University of Trento) Rana Muhammad Umar (University of Trento)	43-52
<b>ID:25</b>	<b>Professional Development in Museum Education: Insights from a Multi- Case Analysis.</b> Maria Della Lucia (University of Trento) Giulia Dore (University of Trento) and Michele Tamma (Università CaFoscari)	53-62
<b>ID:26</b>	<b>Analysing the Transition to Localized Supply Chains Amid Geopolitical Tensions and Global Disruptions: Insights from India</b> Aastha Sawhney (IPEM Group of Institutions, Ghaziabad) Geeti Sharma (IPEM Group of Institutions, Ghaziabad)	63-69
<b>ID:27</b>	<b>Exploring the Role of Social Media Content Framework for Digital Marketing Strategy: An Empirical Study of Indian Banks</b> Aastha Sawhney (IPEM Group of Institutions, Ghaziabad) Geeti Sharma (IPEM Group of Institutions, Ghaziabad)	70-76
<b>ID:28</b>	<b>Tacit Knowledge and Competitiveness in Mexican Higher Education Institutions (HEI)</b> Manuel Alfredo Ortiz-Barrera (University of Guadalajara) Jose Sanchez-Gutierrez (University of Guadalajara)	77-83
<b>ID:29</b>	<b>The Role of Transitioning to Cleaner Production Processes in Green Product Development: A Study of the UAE, India, Qatar, and Saudi Arabia.</b> Seyyedmilad Talebzadehosseini (University of Northern Colorado) Shammi Gandhi (University of Northern Colorado) Isaac Wanasika (University of Northern Colorado)	84-86

<b>ID:30</b>	<b>Internationalization of Selected European Business Schools and Blended Learning International Cooperation: Enhancing Student Engagement Through Responsible Education.</b> Juergen Bleicher (Duale Hochschule Baden- Wurttemberg VS) Emil Velinov (RISEBA University of Applied Sciences) Sunday Adebola (Keele University)	87-87
<b>ID:31</b>	<b>Embracing the Digital Wave: Navigating Emotional Dynamics in B2B Relationship-Building</b> Anja Schiller (Interhyp Gruppe) Piotr Kwiatek (University of Applied Sciences Upper Austria)	88-97
<b>ID:33</b>	<b>Balancing Strategy and Governance in AI Implementation.</b> Isaac Wanasika (University of Northern Colorado)	98-98
<b>ID:34</b>	<b>Technological paradigm and sales funnel analytics.</b> Grażyna Golik-Górecka (University of Lodz, Faculty of Management)	99-99
<b>ID:35</b>	<b>Activities and Competences of Network-Marketers in the Digital Age</b> Susanne Jankovic (University of Applied Sciences Upper Austria) Christian Stadlmann (University of Applied Sciences Upper Austria)	100-107
<b>ID:36</b>	<b>Impact of Team Cohesiveness, Creativity and Enhanced Psychological Capital on Entrepreneurial Intentions.</b> Tiina Brandt (Haaga-Helia UAS) Isaac Wanasika (Monfort College of Business)	108-123
<b>ID:37</b>	<b>Psychological Capital and Adaptation to AI</b> Tiina Brandt (Haaga-Helia UAS) Isaac Wanasika, (Monfort College of Business) Minna Logemann (The City Univ. of New York, Baruch College)	124-133
<b>ID:38</b>	<b>Competing with multinationals: The interplay of partnerships, local knowledge, and financial resources in shaping competitive advantage</b> Triet Pham (Cambridge Centre for International Research)	134-157
<b>ID:39</b>	<b>Digital education ecosystem to empower transnational harmonized qualification in the IWT education</b> Anton Edtmeier (FHOO)	158-159

<b>ID:40</b>	<b>The Evolving Motivations and Business Development of Female Immigrant Entrepreneurs in Sweden.</b> Leena Gehlot, (MLSU Udaipur, India)	160-174
<b>ID:42</b>	<b>The Happy Seller: How Job Satisfaction Bridges Life Happiness and Sales Success</b> Simone Severini (University of Macerata) Alessandro Romoli (University of International Studies of Rome)	175-191
<b>ID:43</b>	<b>Managing the Balance Between Wellbeing and Performance in Inside Sales</b> Karina Burgdorff Jensen (University College of Northern Denmark)	192-200
<b>ID:44</b>	<b>Ideal Types of Environmental Disclosure: An Analysis from the Perspective of Ngos.</b> Renata Luiza De Castilho Rossoni (Escola Superior de Propaganda e Marketing – ESPM) Manolita Correia Lima (Escola Superior de Propaganda e Marketing – ESPM)	201-201
<b>ID:45</b>	<b>Diversification of socio-economic development in Poland in the light of European cohesion policy and sustainable development goals.</b> Maciej Pietrzykowski (Poznań University of Economics and Business)	202-202
<b>ID:46</b>	<b>Exchange Risk And Foreign Direct Investment In Public-Private Partnership Infrastructure Projects: A Mixed-Methods Approach In Developing Economies.</b> Jorge Santos Filho (Universidade Presbiteriana Mackenzie)	202-203
<b>ID:47</b>	<b>Seamless Integration: Exploring Omnichannel Marketing Communication Strategies in Emerging Markets</b> Emil Velinov (RISEBA University of Applied Sciences) Irina Sennikova (RISEBA University of Applied Sciences) Vasko Vassilev (Transport University in Sofia-Todor Kableshkov)	204-204
<b>ID:48</b>	<b>Investigating Consumer Decision-Making: From Fleeting Trends to Sustainable Practices.</b>	205-205

	<p>Laura Salciuviene (University of Birmingham Claudio)  De Mattos (University of Huddersfield)  Nitin Sanghavi (University of Manchester)</p>	
<b>ID:49</b>	<p><b>Inside Sales in the B2B Environment: Skills and Requirements</b>  Karina Burgdorff Jensen (University of Northern Denmark Charlotte)  Charlotte Bruun (University of Northern Denmark)  Simone Severini (Università degli studi di Macerata)  Silvio Cardinali (Politecnica delle Marche University)  Christian Stadlmann (University of Applied Sciences Upper Austria)  Andrea Holzinger (University of Applied Sciences Upper Austria)  Pia Hautamäki (Tampere University of Applied Sciences)  Maciej Pietrzykowski (Poznan University of Economics and Business) Pauliina Airaksinen-Aminoff (Applied Research Center)</p>	206-207
<b>ID:50</b>	<p><b>Activities and Performance Gaps of Sales Agents: Insights from B2B Customer and Principal Interactions.</b>  Deva Rangarajan (IESEG School of Management)  Alessandro Romoli (UNINT - Università degli studi Internazionali di Roma )  Silvio Cardinali (Università Politecnica delle Marche)  Christian Stadlmann (University of Applied Sciences Upper Austria) Simone Severini (University of Macerata - Faculty of Economic and Law)</p>	208-212
<b>ID:51</b>	<p><b>The Interaction between Human Development, Trade Openness and Economic Growth: A Study in Emerging Countries.</b>  Jorge Pelayo-Maciel (Universidad de Guadalajara)  Manuel Alfredo Ortiz-Barrera (Universidad de Guadalajara)</p>	213-221
<b>ID:53</b>	<p><b>Innovative Technologies and Sustainable Development: Bridging Strategy, Mindset, and Green Innovation.</b>  Samir Chatterjee (Curtin University)</p>	222-223
<b>ID:55</b>	<p><b>Examining the Relationship Between a Firm’s Knowledge Network Complexity and Integration: The Moderating Role of Knowledge Diversity.</b>  Michael Santomauro (Florida Tech)  Charles Bryant (Florida Tech)</p>	224-256

<b>ID:56</b>	<b>Pathways to Sustainability of Rural Communities Perspectives from Developing Countries.</b> Sivakumar Venkataramany (Ashland University) Jayachandran Chinnappa (Montclair State University)	257-257
<b>ID:57</b>	<b>Financial Distress Prediction Analysis for Banks using CAMEL Factors.</b> Sivakumar Venkataramany (Ashland University)	258-258
<b>ID:58</b>	<b>Pitfalls of Unrealized Capital Gains Tax Policy.</b> Sivakumar Venkataramany (Ashland University) Daniel Fox (Ashland University)	259-259
<b>ID:62</b>	<b>Does Audit Committee Quality Enhance Firm Performance?</b> Hamza Naim (Aligarh Muslim University) Lata Rani (Delhi Skill & Entrepreneurship University) Takrar Ahmad Yatto (K R Mangalam University) Mohd. Anas (K R Mangalam University) Mohammed Nizamuddin (K R Mangalam University) Gouher Ahmed (Horizon University College, Sharjah, UAE)	260-260
<b>ID:63</b>	<b>Bridging Financial Inclusion and Sustainable Development: The Role of Financial Innovations and ESG Frameworks in Achieving UN SDGs</b> Aqila Rafiuddin (BITS Pilani Dubai Campus) Aryan Satwani (BITS Pilani Dubai Campus) Rajesh Mohnot (Ajman University) Yuvraj Ganesan (Universiti Sains Malaysia)	261-261

**ID:1**

## **Geopolitics of Cold War 2.0 and Collaborative Strategies in the Indo-Pacific of AUKUS Pillar I and Pillar II Nations in Key Industries and Technologies**

**Gouher Ahmed**

Horizon University College, UAE  
[gouherahmed@gmail.com](mailto:gouherahmed@gmail.com)

**Calvin Chong Kun Lee**

CQUniversity, Melbourne, Australia  
[dr.calvin.lee@gmail.com](mailto:dr.calvin.lee@gmail.com)

**Naseem Abidi**

Horizon University College, UAE  
[drabidi@yahoo.com](mailto:drabidi@yahoo.com)

**C. Jayachandran**

Montclair State University, USA  
[cjpeniston7@gmail.com](mailto:cjpeniston7@gmail.com)

### **Abstract**

This paper examines the evolving geopolitical landscape of Cold War 2.0, focusing on the Indo-Pacific region and the collaborative strategies employed by AUKUS Pillar I and Pillar II nations. As tensions between major powers and their allies intensify, the Indo-Pacific has become a critical arena for strategic competition, including the South China Sea and Taiwan (Mearsheimer, 2001). This study analyzes the roles of Australia, the United Kingdom, and the United States (AUKUS) in enhancing regional stability and resilience through advanced defense and dual-purpose industrial capabilities and technological innovations. By leveraging key industries such as artificial intelligence, quantum computing, cyber technology, and undersea capabilities, AUKUS aims to counterbalance the growing influence and technological advancements of opposing nations (Takach, 2024).

The paper also explores the implications of these collaborative industrial strategies for regional security, economic development, and international relations, highlighting the importance of cooperative efforts in maintaining a balance of power in the Indo-Pacific (Rudd, 2023).

### **Theoretical Framework**

- Dialectical Historical Development (Hegel): Socialist Group of Nations (Taylor, 1975)

- The Great Rejuvenation of the Nation (Rudd): Analyzing China's strategic ambitions (Rudd, 2023)
- Theory of Offensive Realism (Mearsheimer): Explaining great power behavior in international relations (Mearsheimer, 2001)
- Confucian Humanism (Lee): A philosophical framework for understanding East Asian values (Lee, 2005)

### **Economic Profiles of Key Nations - AUKUS Members (Source: World Bank)**

#### United States:

- GDP: \$27.36 trillion (2023), Per Capita Income (PCI): \$76,400.
- Strengths: Technological leadership in AI and quantum computing, largest global defense budget.

#### United Kingdom:

- GDP: \$3.34 trillion (2023), PCI: \$46,300.
- Contributions: Astute-class submarines and nuclear propulsion systems by Rolls-Royce.

#### Australia:

- GDP: \$1.7 trillion (2023), PCI: \$66,900.
- Strengths: Strategic Indo-Pacific location, partnerships in Collins-class submarines.

### **Allied Nations (Pillar II)**

#### Japan:

- GDP: \$4.21 trillion (2023), PCI: \$39,300.
- Key Role: Frigate development by Mitsubishi Heavy Industries.

South Korea: GDP: \$1. trillion (2023), PCI: \$37,500.

- Contribution: Hanwha Ocean's advanced submarine technology.

Canada: GDP: \$2.14 trillion (2023), PCI: \$64,500.

Expertise: Simulation technologies and aviation defense systems by CAE.

### **Key Industries and Technologies of Pillar I and II Nations**

#### **1. Countries and Their Contributions:**

- **South Korea:** Hanwha Ocean – Conventional submarines (Takach, 2024).
- **Japan:** Mitsubishi Heavy Industries (MHI) – Frigates (Takach, 2024).

- **United Kingdom:**
  - BAE Systems – Astute-class submarines (Foucault, 2019).
  - Rolls-Royce – Nuclear propulsion systems (Foucault, 2019).

## 2. **Domains of Collaborative Key Industries and Technologies:**

- **Artificial Intelligence:** Collaborative AI research and development among universities and tech companies in AUKUS nations (Takach, 2024).
- **Quantum Technologies:** Joint quantum computing initiatives involving national labs and private-sector partners (Morgenthau, 1948).
- **Cyber Technology:** Shared cyber defense strategies and joint exercises to enhance cyber resilience (Takach, 2024).
- **Undersea Capabilities:** Development of advanced underwater drones and sensors for maritime surveillance (Takach, 2024).
- **Hypersonic Weapons:** Research and development of hypersonic missile technology to maintain a strategic advantage (Takach, 2024).

## **Policy Challenges**

### 1. **Industrial Security**

- Implementation of enhanced security protocols across shared facilities (Morgenthau, 1948).
- Development of common cybersecurity standards (Takach, 2024).
- Protection of sensitive technology and intellectual property (Foucault, 2019).
- Secure supply chain management systems (Mearsheimer, 2001).

### 2. **Regulatory Alignment**

- Harmonization of defense trade regulations (Rudd, 2023).
- Alignment of industrial standards and certifications (Takach, 2024).
- Development of common quality assurance frameworks (Morgenthau, 1948).
- Creation of shared intellectual property frameworks (Foucault, 2019).

### 3. **Resource Allocation**

- Distribution of manufacturing capabilities across nations (Morgenthau, 1948).
- Sharing of critical industrial resources (Takach, 2024).
- Management of skilled workforce availability (Rudd, 2023).

- Coordination of research and development funding (Takach, 2024).

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ID:8

## The Empirical Effect of Demographic Characteristics on Proactivity and Subjective Norms of Undergraduate Students

**Mbulaheni Lordwin Mavhungu**

Department of Management and Entrepreneurship,  
Tshwane University of Technology, Mbombela, South Africa

[mavhunguml@tut.ac.za](mailto:mavhunguml@tut.ac.za)

<https://orcid.org/0000-0002-8135-1093>

### Abstract

This study aimed to determine the effect of demographic characteristics on the proactivity level and subjective norms of undergraduate agricultural students. It attempts to determine how these students' proactivity levels and subjective norms are influenced by their gender, field of study, area of upbringing, and the status of their family owned businesses. The study adopted a self-administered questionnaire and a quantitative methodology. Structural equation modelling was used to analyze survey data gathered from 421 undergraduate agricultural students from several South African universities. The study confirms a statistically significant relationship between the area of upbringing and family business status, and the creativity level of undergraduate students, but not on gender and field of study. Furthermore, it was established that gender influences the subjective norms of these students, not the area of upbringing, field of study, or family business status. This implies that upbringing and family business status are reliable predictors of students' proactivity levels, while gender predicts their subjective norms. This study contributes to the body of knowledge regarding the influence of demographic characteristics on agriculture. It expands the knowledge of how these characteristics affect students' proactivity skills and their subjective norm outlook. The results emphasize the fundamentals of considering demographic characteristics (such as area of upbringing and family business status) when assessing the proactivity level of learners and gender when assessing their subjective norms.

**Keywords:** Demographic factors, entrepreneurship, gender, proactiveness subjective norms

## 1 Introduction

### 1.1 Background

Entrepreneurship is well known for its impact on a country's economic growth, job creation, creativity, and innovation (Cardella et al., 2020). According to Zachary and Mishra (2011), entrepreneurs are progressive and dynamic, and represent critical sparkplugs for economic vibrancy. They are presumed to possess a unique set of beliefs, attitudes, and personal characteristics, which act as motivators for enterprise development (Wong & Carducci, 2016). Van Ness, Seifert, Marler, Wales, and Hughes (2020)

maintained that proactive entrepreneurs are, based on their motivation and engagement commitment, considered to be at one extreme end of the spectrum while resolute individuals are at the opposite end. Furthermore, proactive personality are the two major determinants of career satisfaction and perceived insider status by the newcomers in the business world (Kim, Hon, & Crant, 2009). Proactiveness refers to an individual's ability to anticipate and take activities that impact oneself or their environment (Grant and Asgford, 2008). Past studies have also indicated that subjective norms are significantly related to entrepreneurial intention. Demographic factors such as age and gender may also influence subjective norms of individuals. Chang (1998); Shimp and Kavas (1984), and Tarkiainen and Sundqvist (2005) in their studies have found significant relationship between subjective norms and attitude leading toward behavior (intention to act in a particular manner). The study done by Thiam and Fog (2015) reflect that age and gender significantly influence the subjective norms and behavioural intention of students in Jordanian universities. According to Ajzen (1991) and O'Neal (2007) subjective norms relate to the perceived social influences/pressures to indulge or not to indulge in each behavior. The study by Koba, Eletter, Ramaiah and El Refae (2023) indicated statistically significant demographic differences in subjective norms and behavior intense knowledge-sharing behavior of non-academic staff from India and the UAE.

The study of Mavhungu (2024) investigated the influence of demographic factors (gender, status of family-owned business, field of study, and place of upbringing) on the motivation level of undergraduate agricultural students in South Africa. The study confirmed that the field of study (horticulture and animal production) and gender have significant effect on agricultural students' motivation levels. Seneldir, Burcu and Senol (2018) investigated the impact of demographic factors (gender, the status of the parents, the income level, the educational status of the parents, number of siblings and success status) on the university students' proactive personality from business administration program. The findings reflect that, demographic variables of these university students had no effect on their proactive personality and avoidance of uncertainty. Mavhungu (2024) underscores no significant influence of demographic influence on creative thinking. Proactive personality is associated with the individual's active endeavours to affect changes in his or her environment (Delle & Amadu, 2016).

## **1.2 Problem statement**

Demographic factors such as age and gender may also influence proactivity and subjective norms of individuals (Koba, et al 2023; Thiam & Fog, 2015). This study is addressing the recommendations by

Mavhungu (2024) for a comprehensive extension of investigation on the influence of demographic characteristics on other dimensions of entrepreneurship e.g. creativity, proactivity and risk taking. In this study, motivation is replaced by proactiveness, and subjective norm is considered as the additional dependent variable. Motivation and proactiveness are intrinsic business start-up factors, and they are amongst other dimensions of entrepreneurial intention while subjective norm is extrinsic in nature. Subjective norms according to Ajzen (1991) and O’Neal (2007) is associated to the perceived social influences/pressures to indulge or not to indulge in each behavior hence the factor is deemed necessary to be measured against the selected demographic characteristics to determine the influence thereof.

### **1.3 Research objective**

This study aims to understand how demographic characteristics (gender, field of study, place of upbringing and status of family-owned business) affect undergraduate agriculture students' proactivity thinking level and their subjective norms. Following this research objective, the paper presents a review of the literature is presented first, then, methodology, findings, discussion of findings and finally, the recommendations and conclusion.

## **2 Literature Review**

Proactive behaviour requires taking initiative and planning for future change. Other people's opinions of proactive behaviour are likely influenced by the personal traits of others and their associated expectations. Bohlman and Zacher (2020) alluded that proactive behaviour is more effective for older males than for younger once motivated by achievement, and proactive behaviour is more effective for younger women than for older women driven by achievement. According to Khan, Naseem, Nair, Lal, Chand, Nusair, Reddy and Kuma (2020) proactivity is described as a self-initiated, future-oriented action that seeks to change and improve a given condition and has been observed as a critical determinant of success across multiple domains, particularly work performance, career success, charismatic leadership, and academic achievement. Gender influences other evaluations of proactive behaviour. Analytics and experiments results revealed that proactivity levels do not differ by gender, at least in the South Pacific's particular surroundings. The results were linked to the Pacific way of life, as well as the South Pacific region's unique culture and traditions. Data suggests that females have a more proactive and cautious cognitive processing style, whereas males tend to be more reactive and rapid (Bianco, Berchicci, Quinzi, Perri, Spinelli & Di Russo, 2020). The findings of the study done by Maneiro, Cutrín and Gómez-Fraguela (2020) revealed that males outperform females in terms of proactivity.

There is a mixed reaction regarding the relationship between gender and subjective norms by different authors. The study done by Thiam and Fong (2015) reflect a significant relationship between subjective norm and gender of Jordanian Universities students. Results of the research by Ishrat, Rahman and Ur Rehman (2021) indicated that subjective norms have the important role in enhancing knowledge sharing from both male and female perspectives, as the results were in line with the acceptable ranges for male and female separate and collective models. Mohammed, Grada, Muneer, Akhtar, Khan and Zaid (2022) found no gender influence on subjective norms of university students at preparatory level in Saudi Arabia. Proactivity might also be predicted by individual field of study at the institution of higher learning. According to Su and Zhang (2020) proactive personality of graduate students could be positively influenced by the humanities and social sciences field of study. Results indicate that the intervention by institutions of higher learning in training increased students' proactivity and career adaptability resources essentially in the long run (Green, Noor & Hasheni, 2019). On the other hand, subjective norms, influence students' decision to avoid or choose a particular field of study. The study by Karlsson and Noela (2021) revealed than subjective norms, influence students' decision to avoid the accounting profession at Karlstad University in Sweden. Reason being that students find no personal interest in the field and consider it as a boring profession. The findings of study done by Muliadi and Mirawati (2020) reflect an influence of subjective norms toward the entrepreneurial interest of biology students at Mandalika Universitas of Education in Indonesia. While Mokhlis, Hussin, Nizam, and Noor (2021) further established that subjective norm, and knowledge significantly predicted students' intent to pursue a career in field of retailing.

Individual proactivity is influenced by area of upbringing. The study done by Wu, Zhang, Zhou, and Chen (2020) confirmed that proactivity of students from rural areas in China was low, therefore officials and staff of governments, universities, and industries should work together to develop proactive personality traits of these students. According to Ali, Sarker, Islam, Islam & Mahmud (2021), students from rural areas face numerous challenges to adapt to a diverse and unfamiliar cultural setting of an urban university dormitory. This set-up might influence their proactive thinking. Therefore, it would be useful for tertiary educational institutions to develop a support system that will help rural students better adapt to urban settings, which would positively contribute to their educational outcomes (Ali, et al 2021). In juxtaposition with urban citizens, rural residents were less likely to engage in preventive attitudes (subjective norms), had a negative attitude towards their effectiveness, and had less effective information appraisal abilities (Chen & Chen, 2020). The normative beliefs of family can affect

residents' subjective norm in both urban and rural in China (Lou, Wang, Chen & Niu, 2020).

Entrepreneurs owning family business prepare and train their children to take part in the business in the future and the second and the third generations prefer entrepreneurship rather than a risk-free and fixed-paying job (Diken & Erdirençelebi, 2016). Students with an entrepreneurial family background reported a higher entrepreneurial intention than those without such a background (Georgescu & Herman, 2020). Proactiveness is one of the dimensions of entrepreneurship and entrepreneurs are expected to be proactive in their operation to be successful. Kurma and Shukla (2023) confirmed that proactiveness predicts entrepreneurial intention. However, Mavhungu and Dhliwayo (2023) established that entrepreneurial intention is not predicted by proactiveness. Experiences from a family entrepreneurial background leave a very strong imprint on students' career plans (Gubik, 2021). According to Mthembu, Kriel, Marone, Mason and Zwane (2023) entrepreneurial knowledge and skills transmitted from parents to their children play a very crucial role in shaping and advancing their future entrepreneurial success. Therefore, entrepreneurs through informal education transfer skills and expertise to their children. The findings of the study done by Georgescu and Herman (2020) highlighted that the students with an entrepreneurial family background reported a higher entrepreneurial intention than those without such a background. Entrepreneurial intention is measured through the Theory of Planned Behaviour based of the following elements, attitude towards the behaviour, subjective norm, and perceived behavioural control. It is therefore hypothesised that:

- H1a: Gender influences the proactivity level of agricultural students.
- H1b: Gender influences subjective norms of agricultural students.
- H2a: The field of study (animal production, field crop, horticulture, and mixed farming) influence the proactivity level of agricultural students.
- H2b state: The field of study (animal production, field crop, horticulture, and mixed farming) influence the subjective norms of agricultural students.
- H3a states: The status of area of upbringing influences the proactivity level of agricultural students.
- H3b: The status of area of upbringing influences the subjective norms of agricultural students.
- H4a: The status of family-owned business influences the proactivity level of agricultural students.
- H4b: The status of family-owned business influences the subjective norms of agricultural students.

### 3 Methods

The study adopted a comparative cross-sectional quantitative which followed the descriptive research design to conduct empirical research using secondary sources (Struwig & Stead, 2013; Creswell & Creswell, 2017). In this study, a structured questionnaire was used to collect data among the undergraduate agricultural students in the selected universities. There were 1,123 agriculture students in these six participating universities. The questionnaires were personally presented to the participants by the researcher. Only 421 students completed the questionnaires, and this number was used in the analysis. The questionnaire questioned students about their demographic information, namely gender, status of family-owned business and field of study. Students' opinions about motivation level were assessed using a 7-point Likert scale (Struwig & Stead, 2013). Linkert scale ranging from 1 (strongly disagree) to 7 (strongly agree) to express the participant's opinion and is further analysed in the data analysis section. Data were analysed using SPSS version 29. Table 1 reflects factor loading after rotation. The following nine constructs were used to measure the proactivity of agricultural students. The factor loadings ranged from 0.32-0.73, indicating that the factors had a strong relationship and were essential to the factor motivation. The subscale has six items ( $\alpha=.651$ ), indicating a high level of internal consistency.

**Table 1. Factor loading after rotation**

Constructs	Factor loadings	Item-rest correlation	Cronbach's Alpha in the absence of the item	Cronbach' Alpha
<b>Proactivity</b>				
I place little value on developing new business ideas.	0.34	0.29	0.639	0,651
I rarely search for new business opportunities.	0.32	0.34	0.630	
I am not willing to invest time in identifying new farming-related business opportunities or markets to target now or when I complete my studies.	0.44	0.43	0.600	
It is unnecessary to continuously monitor any unarticulated or evolving needs when it comes to consumers.	0.73	0.45	0.591	
It is not important to proactively anticipate customer needs when considering products and services.	0.69	0.45	0.591	

I do not plan ahead when it comes to projects.	0.40	0.39	0.611	
I lack the ability to help people respond to challenges that already exist in their lives.	0.41	0.26	0.646	
I place little value on developing new business ideas.	0.34	0.29	0.639	
<b>Subjective norm</b>				
My friends will approve of a decision on my part to start a business.	0.56	0.24	0.547	
I can identify with the goals of the farming industry.	0.43	0.40	0.399	
I am inspired by role models in the industry to start a business.	0.38	0.33	0.426	0.517
My community will support any entrepreneurial activities in which I engage.	0.49	0.33	0.429	

## 4 Results

The purpose of this study is to find out the influence of demographic factors on the proactivity and subjective norms of undergraduate agricultural students. It seeks to understand how gender, field of study, area of upbringing and family-owned business affect the proactivity and subjective norms of these students at six selected institutions of higher learning in South Africa. This research addresses the following questions: Does gender have an influence on proactivity and subjective norms of undergraduate agricultural students? Is their level of proactivity and subjective norms affected by their field of study? Is their level of proactivity and subjective norms affected by their area of upbringing? How does the status of family-owned business impact their proactivity level and subjective norms? Of the total respondents (N=421), 223 (52.98%) were female and 198 (47.02%) were male. The results show that slightly more females (53%) than males (47%) took part in this study. This is an appropriate representation of the gender of the decomposition of agricultural students based on all respondents of the study. The study reveals no gender prejudice in agriculture programmes enrollment at South African educational institutions. According to the findings of the study, female students were more interested than male

students in pursuing agricultural-related qualifications. This is astonishing since men are more into agriculture-related enterprises than women in South Africa.

Agriculture is the foundation of most of the African economy. Agriculture and related sectors employed 748,113 people at the end of June 2017, up from 739,878 in June 2016, representing a 1.1% increase (Stats SA, 2023). Of the total number of respondents (N=421), 212 (50.36%) were enrolled for animal farming/production, 57 (13.54%) enrolled for field crops, 102 (24.23%) for horticulture, and 50 (11.86%) mixed farming. According to the findings, over fifty percent of the respondents (50.36%) were registered for animal farming/production, while the rest (11.89%) were registered for mixed farming.

72 (17.10%) of the total respondents (N=421) were raised in urban areas, 232 (55.11%) in rural areas, and 117 (27.79%) in semi-rural areas. More than half of the students (55.11%) grew up in rural areas, while 17.10% grew up in urban areas. Students raised in rural settings, as opposed to urban and semi-rural pupils, were introduced to agricultural-related activities at a young age, such as caring for livestock and ploughing maize and other vegetables in the fields or backyard. This may be the main reason why majority of them choose a career in agriculture. Of the total respondents (N=421), the families of 118 respondents (28.10%) own a business, whereas the families of 303 respondents (71.90%) do not. Majority of students who participated in the study come from families who do not have a business.

H<sub>1a</sub> states that: Gender influences the proactivity level of agricultural students. This hypothesis is rejected. According to Table 2, the relationship between gender and proactivity of agricultural students is not significant:  $b=0.80$ , 95% CI [-2.58; 0.58],  $p=0.214$ . The findings support the results of the study done by Khan, et al (2020) who found that proactivity levels do not differ by gender. However, the results are contrary to the findings of Bianco et al. (2020) who established that female are more proactive than males. Furthermore Maneiro et al. (2020) revealed that males outperform females in terms of proactivity. H<sub>1b</sub> states that: Gender influences subjective norms of agricultural students. The hypothesis is accepted. Table 3 reflects the relationship between gender and subjective norms of agricultural students. The relationship was found to be significant:  $b=0.552$ ; 95%

CI [0.414; 2.586];  $p=0.007$ . The results are in line with the findings of the study done by Thiam and Fong (2015) who established a significant relationship between subjective norm and gender of Jordanian Universities students. Mohammed et al. (2022) found no gender influence on subjective norms of university students at preparatory level in Saudi Arabia.

H<sub>2a</sub> state: The field of study (animal production, field crop, horticulture, and mixed farming) influence the proactivity level of agricultural students. This hypothesis is rejected. According to Table 2, the relationship between the field of study and the proactivity level of agricultural students is not significant, field crop:  $b=1.25$ , 95% CI [-1.46; 3.46],  $p=0.425$ ; horticulture:  $b=1.01$ ; 95% CI [-0.96; 2.96];  $p=0.316$ ; mixed farming:  $b=1.31$ ; 95% CI [-3.55; 1.55];  $p=0.441$ . The results

contradict the finding of the study done Su and Zhang (2020), and Green, et al (2019) who established that proactive personality of graduate students could be positively influenced by the humanities and social sciences field of study. H<sub>2b</sub> state: The field of study (animal production, field crop, horticulture, and mixed farming) influence the subjective norms of agricultural students. This hypothesis is rejected. According to Table 3, the relationship between the field of study and the subjective norms of agricultural students is not significant, field crop:  $b=0.857$ ; 95% CI [-3.184; 0.184];  $p=0.081$ ; horticulture:  $b=0.684$ ; 95% CI [-2.345; 0.345];  $p=0.145$ ; mixed farming:  $b=0.887$ ; 95% CI [-2.243; 1.243];  $p=0.573$ . The results contradict the findings of the study done by Karlsson and Noela (2021), Muliadi and Mirawati (2020), and Mokhlis (2021) revealed that subjective norms influence and predict students' intent to pursue a career in particular field.

H<sub>3a</sub> states: The status of area of upbringing influences the proactivity level of agricultural students. This hypothesis is accepted. According to Table 2, the relationship between the area of upbringing and the proactivity level of students is significant, rural:  $b=1.14$ ; 95% CI [0.76; 5.24];  $p=0.009$ ; semi-rural:  $b=1.24$ ; 95% CI [0.55; 5.45];  $p=0.016$ . the results support

the findings of the study done by Wu et al. (2020) who confirmed that in China proactivity of students is influenced by their area of upbringing. Ali et al. (2021), stated that students from rural areas face numerous challenges to adapt themselves to a diverse and unfamiliar cultural setting of an urban university dormitory. This set-up might influence their proactive thinking. In this study the results reflect that agricultural students from rural areas are proactive as compared to those from urban areas. Contrary to those who were raised in urban or semi-rural environments, those who were raised in rural areas were exposed to agriculturally related activities at a very young age, such as caring for animals (cows, goats, and sheep), and ploughing corn and other vegetables in the fields or the backyard. Naleway (2004) revealed that many children living in rural areas are exposed to agriculture or farming by residing, working, and playing in areas where agriculture-related activities take place. H<sub>3b</sub> states: The status of area of upbringing influences the subjective

norms of agricultural students. This hypothesis is rejected. According to Table 3, the relationship between the area of upbringing and the subjective norms of students is not significant, rural:  $b=0.781$ ; 95% CI [-2.036; 1.036];  $p=0.523$ ; semi-rural:  $b=0.853$ ; 95% CI [-2.176; 1.176];  $p=0.558$ . The findings

are in line with Lou et al. (2020) who established that the normative beliefs of family can affect residents' subjective norm in both urban and rural in China.

H<sub>4a</sub> states: The status of family-owned business influences the proactivity level of agricultural students. This hypothesis is accepted. According to Table 2, the relationship between the status of family-owned businesses and the proactivity level of students is significant:  $b=0.91$ ; 95% CI [0.20; 3.80];  $p=0.029$ . The results reflect a significant relationship between proactivity and status of family business of agricultural students from families not owning a business. These results are puzzling because students from family business backgrounds are expected to be proactive based on the exposure, they experience from parents of family members owning a business. The reason might be that students from families not owning a business might be motivated to start a business in the agricultural

sector as compared to those from families owning businesses. The results are contrary to the findings of the study done by Diken and Erdirençelebi, (2016) who established that entrepreneurs owning family business prepare and train their children to take part in the

business in the future. According to Mthembu et al. (2023) entrepreneurial knowledge and skills transmitted from parents to their children play a very crucial role in shaping and advancing their future entrepreneurial success. H<sub>4b</sub> states: The status of family-owned business influences the subjective norms of agricultural students. This hypothesis is rejected. According to Table 3, the relationship between the status of family-owned businesses and the proactivity level of students is not significant:  $b=0.629$ ; 95% CI  $[-1.736; 0.736]$ ;  $p=0.427$ . The results are contrary to the findings of the study done by Georgescu and Herman (2020) who established that students with an entrepreneurial family background have a higher entrepreneurial intention than those without such a background. Entrepreneurial intention is measured through the Theory of Planned Behaviour based on three elements, of which subjective norm is one of them.

Table 2. Demographic factor affecting proactiveness of undergraduate students

Proactiveness	Coefficient	Std. err	t	P> t	[95% conf]	Interval
Gender						
Female	-1	0.80	-1.24	0.214	-2.58	0.58
3	9	8.24	1.09	0.275	-7.19	25.19
Field of study						
Field crop	1	1.25	0.80	0.425	-1.46	3.46
Horticulture	1	1.01	1.00	0.316	-0.96	2.96
Mixed farm	-1	1.31	-0.77	0.441	-3.55	1.55
Area of upbringing						
Rural	3	1.14	2.63	0.009	0.76	5.24
Semi rural	3	1.24	2.41	0.016	0.55	5.45
Family business						
No	2	0.91	2.19	0.029	0.20	3.80
Cons	13	1.19	10.89	0.000	10.65	15.35

Source: Compiled by Author

Table 3. Demographic factor affecting subjective norms of undergraduate students

Subjective Norms	Coefficie	t	Std. err	t	P> t	[95% conf]	Interval
Gender							
Female	1.5		0.552	2.72	0.007	0.414	2.5856
3	3		5.636	0.53	0.595	-8.079	14.0791
Field of study							
Field crop	-1.5		0.857	-1.75	0.081	-3.184	0.1841
Horticulture	-1		0.684	-1.46	0.145	-2.345	0.3449
Mixed farm	-0.5		0.887	-0.56	0.573	-2.243	1.2433
Area of upbringing							
Rural	-5		0.781	-0.64	0.523	-2.036	1.0358
Semi rural	-5		0.853	-0.59	0.558	-2.176	1.1762
Farmily business							
No	-0.5		0.629	-0.80	0.427	-1.736	0.7362
Cons	22		0.818	26.9	0.000	20.392	23.6079

Source: Compiled by Author

## 5 CONCLUSION AND RECOMMENDATIONS

The purpose of this study is to ascertain the influence of demographic factors on the proactivity level and subjective norms of undergraduate agricultural students. It seeks to understand how gender, field of study, area of upbringing and family business status affect the proactivity level as well as subjective norms of these students. The study confirms a statistically significant relationship between area of upbringing and family business status, and creativity level of undergraduate students and not on gender and field of study. Furthermore, it was established that gender influences the subjective norms of these students, not the area of upbringing, field of study, or family business status. This implies that upbringing and family business status are reliable predictors of students' proactivity levels, while gender predicts their subjective norms. This study contributes to the body of knowledge on entrepreneurship on how demographic characteristics influence agriculture students' proactiveness level and their subjective norms. It expands the knowledge of how these characteristics affect students' proactivity skills and their subjective norm outlook. The results emphasise how fundamental it is to contemplate demographic characteristics (such as area of upbringing and family business status) when assessing proactivity level of learners and gender when assessing their subjective norms.

The findings of this study have practical implications for the institutions of higher education and policy makers. Firstly, addressing gender disparities in relation to subjective norms and its implications on undergraduate agricultural students need to be attended to. Females are strongly influenced by subjective norms to engage in entrepreneurial activities than their male counterpart.

Gender disparities is a concern and should be addressed by institutions of higher learning and policy makers. Secondly, students from urban areas are less proactive as compared to rural raised students. Therefore, entrepreneurial education is required to educate and inspire urban students about the importance of been proactive in entrepreneurship.

The research has shared important information associated with the influence of demographic factors on motivation level of undergraduate students. The limitation is that the study was cross-sectional. Those who did not take part in the study could have provided a different perspective on the study. The study was conducted at six selected universities in South Africa. Therefore, no

claim can be made for the generalisability of the findings. It would be necessary to consider a broader study to cover other universities offering agricultural programmes to get different perspectives. Another pertinent limitation is that the targeted population consisted of students who enrolled solely for agricultural programmes. To comprehensively examine the influence of demographic factors on proactivity and subjective norms, undergraduate students from other fields of study should be considered for future research.

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**ID:9**

## **Tesla's Marketing and Branding Strategy Analysis**

**Natalie Chen**

Cambridge Centre for International Research

United States

[chen.natalie.sy@gmail.com](mailto:chen.natalie.sy@gmail.com)

### **Abstract**

In recent years, heightened concerns over automobile sustainability have drastically increased interest in electrical vehicles (EV) in the market, with Tesla Motors at the forefront. Founded in 2003, Tesla Motors is a successful EV automaker headquartered in Austin, Texas, United States that revolutionized the EV industry with innovations demonstrated in models such as the Roadster and Model S. The company topped its earnings in 2023 with a net profit of nearly 15 billion USD. The paper primarily utilized case analysis and interviews to dissect and assess Tesla product marketing, branding strategies, and insufficiencies within its strategies. Tesla's brand identity is characterized by innovation and sustainability, targeting affluent, environmentally conscious consumers. An analysis of Tesla's segmentation reveals a focus on educated, middle-aged males, primarily residing in metropolitan areas conducive to EV use. The paper then examines Tesla's retail environment, pricing strategies, value proposition, and competition. Despite Tesla's success with direct-to-customer (DTC) distribution, social media marketing, and word-of-mouth marketing, the company faces new challenges as competition increases. In 2023, Tesla experienced a decline in its global EV market share, falling behind its number one rival, China's Build Your Dreams (BYD), by the end of the third quarter. This paper aims to analyze Tesla's current marketing strategy, identify factors contributing to its decline, and provide recommendations for future growth. The recommendations suggest Tesla diversify its marketing approaches by incorporating celebrity endorsements and reevaluating the direct-to-customer model by considering partnerships with franchised dealerships to support global expansion.

*Keywords: Tesla; electrical vehicles; market segmentation; direct-to-customer distribution model*

**ID: 10**

**An analysis of South Africa’s entrepreneurship policy environment in fostering youth entrepreneurship development**

**Marcia Lebambo**

Faculty of Management and Sciences  
Department of Management and Entrepreneurship  
Tshwane University of Technology  
Pretoria, South Africa  
[lebambomm@tut.ac.za](mailto:lebambomm@tut.ac.za)

**Abstract**

This paper comprehensively evaluates South Africa's entrepreneurship policies and development institutions over the past 30 years since the country's transition to a democratic state. Despite the strategic importance of entrepreneurship to the country's economy and the implementation of entrepreneurship policies and supporting institutions since 1994, South Africa still faces high unemployment, rising inequality, poverty levels, and low levels of entrepreneurship activities among the youth. The unemployment rate among young individuals (aged 15-34) stands at 45.5%, and South Africa's supportive environment for entrepreneurship is rated lower than global averages. This paper examined the effectiveness of the entrepreneurship policy environment in creating a supportive environment for youth-owned businesses to develop and thrive. The study followed a qualitative case study design, using in-depth interviews to collect data from two sets of participants: (1) youth entrepreneurs and (2) officials from government institutions that support entrepreneurship development. Within-case and cross-case analyses utilising ATLAS.ti analysis tools were conducted to generate themes that emerged from the data. The study concludes that while policy intentions and proclamations are positive, the lack of understanding of the unique challenges of youth-owned business environments makes implementing support institutions' programs and initiatives ineffective. Finally, the paper provides recommendations within academic and practical contexts.

**Keywords:** entrepreneurship policies, support institutions, government, youth entrepreneurs, business environment, South Africa

ID:14

## **A Study on Sustainability Practices in MSME Sector in India – Policy Imperatives**

**I. Sridhar**

Assistant Professor  
Indian Institute of Management Indore  
Email: [isridhar@iimidr.ac.in](mailto:isridhar@iimidr.ac.in)

**Neha Singh**

MA Sociology, Utkal University, Odisha. Email:  
[itsnehasingh25@gmail.com](mailto:itsnehasingh25@gmail.com)

### **Introduction**

MSME Sector in India contributes to nearly 1/3<sup>rd</sup> of employment in the organized sector (Dhir et al., 2018). Government of India has provided a major impetus to MSME Sector in the Budget – 2024, with major emphasis on job creation and to develop and improve skilled work force (Sankaran, 2022). A new centrally sponsored skill development scheme along with employment linked incentives in collaboration with state government can help foster upgradation of 1,000 Industrial Training Institute's which will additionally provide 4 crore job opportunities in the MSME Sector. Commendable steps were taken in the Budget in order to enhance Women's role in economic development, through setting up of working women hostels, women centric skilling programs in partnership with the industry (Mitra, 2024).

Therefore, this study is an attempt to empirically establish sustainable business practices that are taken up by MSME Sector and also to critically assess the implementation of various Government of India flagship schemes towards the sustainability of MSME sector (Hurdawaty & Tukiran, 2024). In fact, especially for a country like India, with many socio-economic- political challenges, large growing population, the focus on Sustainability should be first attempted at Agricultural level & MSME sector level; and subsequently at larger corporate level (Verma, 2019). This study can help sensitise the MSME sector towards achieving

sustainability standards and the intended benefits that accrue to the business units, in terms of minimizing cost of fund raising, utilizing renewal energy resources, expanding market opportunities, waste management etc.

**Key Words:** Sustainability, MSME, Policy & Governance

## **Objective**

To study the phenomenon of Sustainability Measures in MSME Sector in India and to design format suitable for MSME on the lines of BRSR Core. This enables, MSME sector in meeting with ESG compliance and thus achieve sustainable development goals.

In our study, we would also like to design a conceptual model to enhance MSME competitiveness through focus on Sustainability. In brief, we will be covering:

- A) Potential: Quality standards; Productivity
- B) Process: Human Resource; Customer Service
- C) Performance: Market share; Profitability

## **Methodology**

Secondary Data will be collected from Ministry of MSME Data Bank and Panel Data Regression Model will be implemented on the dataset.

## **Literature Review**

The role of MSME in the contribution towards business and employment is estimated to be around 50% of GDP worldwide based on UN General Assembly and it has further highlighted the contributions made by MSME in the achievement of Sustainable Development Goals (Dasaraju et.al., 2023). Traditionally, MSME sector is prone to various challenges in the form of market infrastructure, bank credit and skilled manpower etc. (Bisht & Singh, 2020). Against this backdrop, MSME also face challenges in containing, GHG emissions. Thus, it is imperative upon both the Central and State Government to devise programs and policies that go a long way in helping to curb GHG emissions and thus achieve sustainability development goals (Quelhas et.al., 2018). Therefore, our study provides a suggestion to provide Business Responsibility and Sustainability Reporting on the lines of Listed companies in simplified

format and structure, so that MSME can have a common frame work in order to meet sustainable targets.

An enterprise is categorized as a Micro, Small, Medium based on the classification given below:

Category	Micro	Small	Medium
Investment in Plant & Machinery	Less than Rs. 1 Crore	Greater than Rs 1 Crore and Less than 10 Crore	Greater than Rs. 10 crore and Less than 50 Crores
Turnover	Less than Rs 5 Crore	Less than Rs. 50 Crores	Less than Rs. 250 Crores.

### Research Gap

After an extensive study of existing literature on sustainability, we observe that there is clear need to study the sustainability issues of MSME sector in India, which remains unaddressed. Since MSME sector contributes significantly towards employment generation, economic development and industrial competitiveness with huge global market opportunities. Therefore, in order to enhance global competitiveness, a critical assessment of MSME sector in the context of environmental sustainability is taken for this study.

### Conclusion

It is well known, that MSME sector is highly heterogeneous in its business model and it is precisely for this reason, our study will be attempting to contribute an Integrated framework towards Sustainability of MSME Sector in India. As stated in the recent Economic Survey 2023 – 24, the economy has to generate roughly 78 lakh jobs annually till 2030 in the non-farm sector. It is feasible if we recalibrate our policy towards MSME sector anchoring in Sustainability measures.

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**ID:17**

## **R&D investment of Insolvent Biotech Firms in Coronavirus Shock**

**Takao Fujiwara**

Toyohashi University of Technology

[Fujiwara.takao.tp@tut.jp](mailto:Fujiwara.takao.tp@tut.jp)

### **Abstract:**

Biotech startups and companies' usual long-term negative profit condition is called the "Valley of Death (VoD)." The positive total stockholders' equity (TSE) has been used as a survival criterion for VoD from an existing real options analysis perspective. However, economic shocks such as the 2008 financial crisis and the recent COVID-19 pandemic further made the over- indebted or negative TSE biotech companies. Then, we examined and confirmed the cash and cash equivalents as a new real option metric instead of unusable TSE for research and development investment in such a turbulent capital market, especially the coronavirus market shock. This paper used the US SEC EDGAR data and the Bayesian Markov chain Monte Carlo analysis.

### **Extended Abstract:**

#### 1. Background

The recent Nasdaq Biotechnology Index (NBI) has shown a downward trend since 2021 due to the negative impact of the coronavirus pandemic on biotech capital. For biotech companies with long R&D periods, many insolvent (negative TSE or total stockholders' deficit) companies have appeared during the coronavirus shock turmoil in the capital market.

#### 2. Research Questions

RQ1: Most biotech companies incur net losses even in steady-state market conditions. Moreover, how can they endure investing in R&D in the recent coronavirus shock?

RQ2: What are the differences in performance between companies newly becoming over-indebted to keep R&D investment during shock and those safely leaving financially tough conditions, decreasing R&D investment?

#### 3. Methodology

First, we will analyze major financial indicators related to R&D for NBI components in FY2020- 22 from the US SEC EDGAR database, classifying the characteristics of R&D investment by profit, net loss, and over-indebted companies. Next, we apply Bayesian Markov chain Monte Carlo (McMC) analysis to elucidate the characteristics of R&D

investment continuation among over-indebted "transitional" companies.

4. Findings:

Answers to RQs

A1: This study postulated cash and cash equivalents (CCEs)' robust collateral function, which is strong against fluctuations in the capital market, as one criterion for entrepreneurial R&D investment by over-indebted companies.

A2: R&D productivity for the transfer-in companies into over-indebtedness is similar to that of the transfer-out companies in FY2020-22. However, the latter showed consciously suppressing R&D expenses while improving financial condition. On the other hand, the former boldly expanded R&D investment by relying on CCEs despite the financial deterioration.

**ID:18**

**A Philosophical Discourse on Metaphysics and Ethics of Finance-  
Management from Thiruvakural of Thiruvalluvar**

**Dheeraj Kumar Shringi**

Mohanlal Sukhadia University, Udaipur

[dheeraj.philosophy@gmail.com](mailto:dheeraj.philosophy@gmail.com)

**Abstract**

The present paper entitled “*A Philosophical Discourse on Metaphysics and Ethics of Finance-Management from Thiruvakural of Thiruvalluvar*” is an attempt to present both metaphysics and ethics of finance management of Thiruvalluvar from his book Thiruvakural. Thiruvalluvar was an Indian poet, philosopher and saint. Thiruvakural is a collection of teachings of Thiruvalluvar. It is written in old Tamil language. This paper is written in a dialogue form. It presents the thoughts of Thiruvalluvar upon: metaphysics of money, metaphysics and ethics of prosperity, metaphysics and ethics of acquisition of money, ethics of earning of money, ethics of earning livelihood, metaphysics and ethics of spending of money, metaphysics and ethics of wealth-maximization, metaphysics and ethics of profit- acquisition/maximization, metaphysics and ethics of preservation/safeguarding of money, metaphysics and ethics of loss/destruction of money, qualities for finance management, finance management by King, metaphysics and ethics of charity, metaphysics and ethics of begging, metaphysics and ethics of poor man and poverty. Lastly, it presents a short summary with conclusion.

**Keywords:** Capital, Virtue, Happiness, Heaven, Sorrow

**ID:19**

## **Navigating Food Safety Risks: A Quality-Driven Approach to Supply Chain Resilience**

**Rizwan Ahmad**

University of Canterbury, Christchurch, New ealand

[Rah154@uclive.ac.nz](mailto:Rah154@uclive.ac.nz)

**Muhammad Umar\***

Lincoln University, Christchurch, New Zealand

[Muhammad.umar@lincoln.ac.nz](mailto:Muhammad.umar@lincoln.ac.nz)

\* Corresponding author

**Mesbahuddin Chowdhury**

Department of Management, Marketing and Entrepreneurship, UC Business School,

University of Canterbury, Christchurch, New Zealand

[mesbahuddin.chowdhury@canterbury.ac.nz](mailto:mesbahuddin.chowdhury@canterbury.ac.nz)

**John Vargo**

Resilient Organisations Ltd., Christchurch, New Zealand

[john.vargo@resorgs.org.nz](mailto:john.vargo@resorgs.org.nz)

### **Abstract**

**Purpose** – This research presents a comprehensive framework which integrates supply chain quality management (SCQM) practices and tools to achieve supply chain resilience (SCRES) in the case of a food-safety disruption.

**Design/methodology/approach** – Using a case study approach, this research explores two food-safety issues, the Dicyandiamide (DCD) issue and the botulism scare, linked with the New Zealand (NZ) dairy industry. Primary data collection included 23 interviews linked with a dairy processing company and eight of its supply chain (SC) partners and stakeholders.

**Findings** – This paper highlights the importance of intra- and inter-organisational SCQM level tools and practices. It also demonstrates how some of these practices influence each other, and, subsequently, how they affect the key constructs of SCRES (agility, adaptability and alignment).

**Originality/value** – This research fills an important gap in the extant literature by providing a comprehensive analysis of how SCQM tools and practices enable organisations and SC partners to be better prepared and respond to a food-safety issue. It does so, by integrating two emerging concepts, SCQM and SCRES.

**Keywords** – Supply chain resilience, dairy industry, quality management, food safety disruptions

**Paper type** – Case study

**ID:22**

**Designing transformational products:  
Elaboration of four necessary sub-systems**

**Saeed Shobeiri**

Associate Professor of Marketing,  
Teluq University, Canada  
[Saeed.Shobeiri@teluq.ca](mailto:Saeed.Shobeiri@teluq.ca)

**Abstract**

Customer transformation represents the utmost level of value that a brand may promise its customers. This paper proposes a new approach for designing transformational products, i.e. those that help customers improve certain aspects of their lives and consequently transform into more capable individuals. Using a systematic design approach, the study proposes a conceptual framework that would help brands develop four separate components (or sub-systems) of transformational products. A series of design principles are suggested for developing each of the four sub-systems and integrating them into a coherent marketing offer. The study further uses its proposed conceptual model to evaluate several transformational products that are available today in North American, European and Asian markets. It identifies potential shortcoming of those products and suggests modifications that may help in maintaining customer involvement in the transformation process over long-term. This research is among the first to study the development process of transformational products from a system perspective. Theoretical and managerial contributions are discussed.

**Keywords:** Transformational Products, Change Process, Transformation Levels, Customer Involvement, System-Based Design

**ID:23**

## **Guiding the Way: How Tour Guides Elevate the Museum Visitor Experience**

**Rana Muhammad**

University of Trento, Italy

Umar [ranamuhammad.umar@unitn.it](mailto:ranamuhammad.umar@unitn.it)

**Maria Della Lucia**

[maria.dellalucia@unitn.it](mailto:maria.dellalucia@unitn.it)

University of Trento, Italy

### **Extended Abstract**

#### **Framing of the research**

Museums are cultural institutions specialised on several themes, such as history, culture, and art, and visited by millions of tourists every year. These museum visitors are not only interested in viewing collections but also seek an innovative and learning-oriented leisure experience (Bideci & Albayrak, 2018). Therefore, museums are focusing on improving the educational as well as entertainment experiences of tourists (Pallud & Straub, 2014). Even recent scholars emphasize the need that museums must understand visitor behavior and their needs; therefore they must assess their experience (Riva & Agostino, 2021). Several frameworks have been developed to capture the multidimensional nature of the museum experience. Prior scholars suggest several dimensions of visitor experience. For instance, Riva and Agostina (2021) divide museum experience into three dimensions, such as personal experience, museum cultural heritage, and museum services. Akgül and Eren (2023) considered 201 on Google and TripAdvisor and examined visitor experience on four dimensions, namely cognitive experience, object experience, introspective experience, and social experience, and found that most of the visitor experiences are introspective in nature. Introspective experience refers to an emotional transformation as a result of a museum's collection or museum environment. Lau and Sikorski (2018) argue that science museums are a greater attraction for teachers and examine their experience based on conceptual, epistemic, procedural, and social dimensions of science. Their study revealed most experiences are conceptual and procedural, while epistemic and social dimensions were seldom featured. Similarly, De Boissieu and Chaney (2024) used 89 reflective introspections of 29 visitors in brand museums and found

that there are four dimensions of brand heritage experience, namely scientific, mythic, authentic, and aesthetic. Hence there are numerous dimensions of visitor experience, however, the most frequently used framework includes four dimensions such as education, aesthetics, entertainment, and escapism (Pine & Gilmore, 2011). Educational experience refers to visitors' active participation in an event in pursuit of new information or knowledge and/or skills from an experience (Manthiou et al., 2014). Aesthetic experience is “the evaluation of the physical environment or the overall atmospherics, or mood” (Manthiou et al., 2014, p. 24). Entertainment experience refers to the degree to which tourists are involved in hedonic activities and interaction with others. In museum settings such experiences leave a great impact on visitors (Mill & Morrison, 2002). Escapism experience is designed as “the extent to which an individual is completely engrossed and absorbed in a given activity” (Hosany & Witham, 2010, p. 354). Since museums are aimed at enhancing visitors' experiences, drawing upon these dimensions, we argue that museum staff play a significant role in visitors' museum experiences. Similarly, prior scholars suggest that due to the experiential nature of tourism, a higher level of contact between tourists and frontline employees or tour guides is necessary for meaning-making (Rihova and Alexander, 2023). Therefore, the visitors' experience with tour guides is one of the significant elements of the overall experience with the museum. Indeed, the implementation of digital technologies in museums such as robots and/or mobile guides may raise critical debate regarding the potential replacement of tour guides with digital technologies for enhanced personalization and accessibility. However, it may belittle the emotional and social aspects of museum experiences. However, classical conceptualization of museum tourism experience often overlooks the nuanced interactions between tour guides and museum visitors, therefore, it cannot provide a sufficient understanding about visitors' experiences with tour guides (Ferguson et al., 2016).

## **Purpose**

Considering the above-mentioned void in literature, the present study opts to examine the role of tour guides in enhancing visitor experience in the museum sector by analysing WHAT / WHERE

## **Design/methodology/approach**

Netnography is employed in this study to analyse the publicly available reviews on the TripAdvisor website regarding visitor experience with tour guides in museums. This qualitative research methodology adapts ethnographic research techniques to study the cultures and communities that are emerging through computer-mediated communications' (Kozinets, 2002, p. 62). It is simple,

cost-effective, and free from the respondent's reticence and daily life distractions (Rageh et al., 2013), which entails a systematic examination of data sourced from the internet that provides unique advantages such as telling the stories, explaining complicated social phenomena, and getting the topics from the perspective of consumers (Kozinets, 2002). A netnographic analysis provides us with a deeper understanding of the cognitive and affective dimensions of an online community. Netnography includes two forms: firstly, the passive observation of available contextual data (Kozinets, 2002), and secondly, the researcher's participation to provide data (Kozinets, 2015).

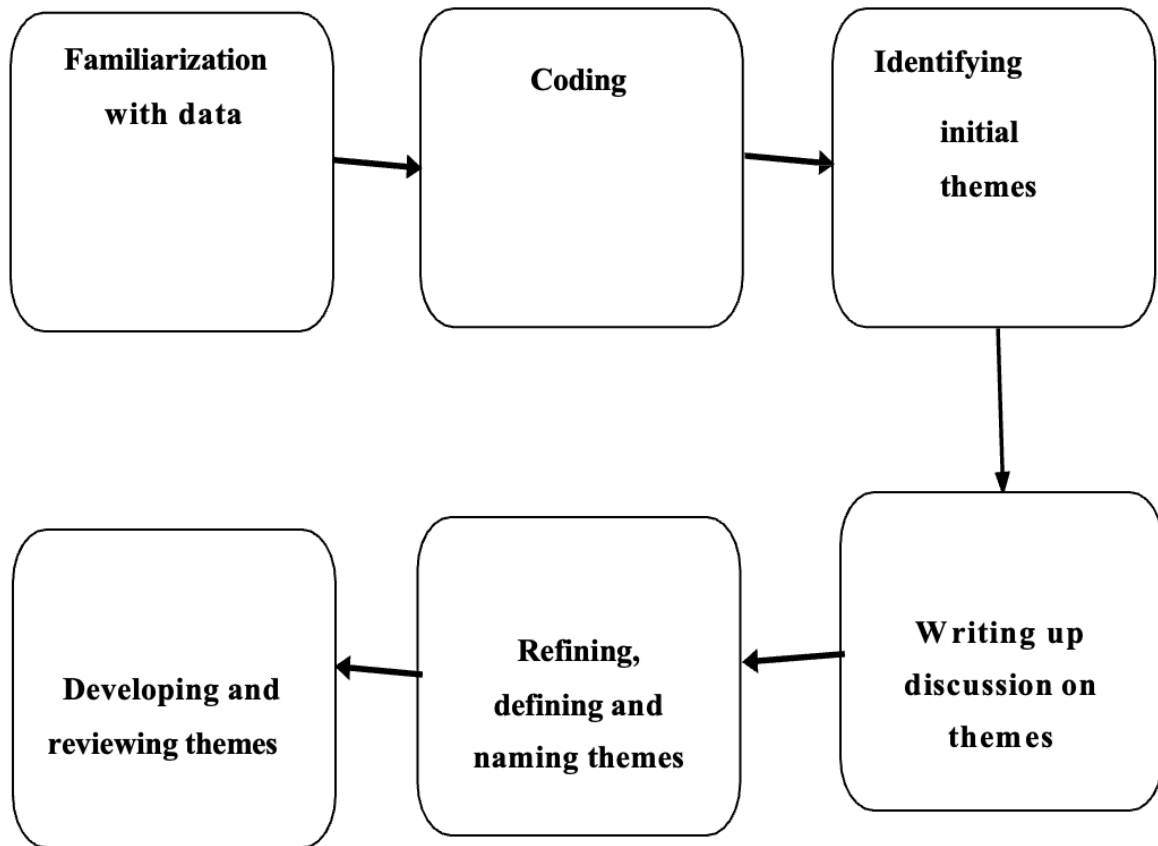
Due to these characteristics, museum scholars have largely employed netnography studies to comprehend tourist experience toward museums by examining the online platforms where tourists share their thoughts and reflections on their travel experience (Akgül & Eren, 2024). Kozinets (2002) suggests that netnography is a form of ethnography on the internet and describes it as a 'new qualitative research methodology that adapts ethnographic research techniques to study the cultures and communities that are emerging through computer mediated communications' (p. 62). To employ a netnography examination the present study collected online reviews from the TripAdvisor website since previous scholars suggest that TripAdvisor is considered a more relevant website to examine museum visitors' experiences (Saleem & Umar, 2022). Accordingly, 271 online reviews were collected during the period of June 2019 to April 2024. Since we were particularly interested in the museum visitors' experience with tour guides, we selected a TripAdvisor page "Keys of Italy," a Florence-based tour operator company, and extracted data from the data scraping software WebHarvy, and a total of 458 online reviews were scrapped. Once data were collected, we read them all in terms of their relevance to the objective of our study. Accordingly, 271 reviews were selected for data analysis.

### **Analysis and Results**

The present study considered a six-step process suggested by Braun and Clarck (2021) and employed a thematic analysis technique. Accordingly, step 1 includes the familiarization with the data, where authors familiarize themselves with the data by reading transcripts several times. Step 2 includes coding, where authors utilize their own interpretive perspective and independently highlight initial codes. Step 3 includes identifying initial themes where authors categorize the similar codes and develop a theme from each category. Step 4 includes writing up discussion on themes where authors discuss themes with each other. Step 5 includes refining, defining, and naming the themes, where authors provide titles to the themes and define themes. Step 6 includes developing and reviewing the themes, where authors review themes to examine whether they

reflect the objective of the study or not. Please see figure 1.

**Figure 1: Thematic analysis approach**



Based upon the above-mentioned analytical strategy, the present study explored four novel dimensions of visitor experience with tour guides including professionalism, empathy, engagement and knowledge of tour guides. We next turn to discuss each dimension with relevant codes and sample online reviews.

**Professionalism.**

Professionalism is defined as a set of attributes and behaviors expected of an employee (Kasule, 2013). Visitors' perceptions of tour guides' professional skills are reflected in punctuality and time management. Correspondingly, our codes, such as “on time,” “well paced,” “put together,” “professional,” “good flow,” and “good pace,” reflect . (Table 1).

**Table 1. Sample reviews: Professionalism**

On time and professional throughout.
She was able to find ways for our group to get up close to each item she showed us despite the crowds.
She clearly knew her stuff and was great having casual discussions over the masterpieces

**Empathy**

Empathy has shown to be a novel dimension of visitors’ experience with a tour guides. Empathy is defined as the ability to identify, understand, and feel other individuals’ thoughts, feelings, and circumstances and respond accordingly to them (Howe, 2013). Bahadur, Khan, Ali and Usman (2019) argue that employee empathy is a notable element to observe employee-customer interaction throughout the service. Nguyen, Tran and Chylinski (2019) claimed that customers’ empathy has a positive influence on customer delight. Visitors' perceptions of tour guides about empathy are reflected in kind and supportive behavior. Relatedly, our codes, such as “attempt to walk slower,” “seat breaks,” “extremely helpful,” “kind and friendly,” “friendly and enthusiastic,” “effort to engage my kid,” and “helpful and amazing,” (Table 2).

**Table 2. Sample reviews: Empathy**

She even walked us to the hotel when a thunderstorm hit and we could not get a taxi.
I was with an elderly friend and she made every attempt to walk slower and give plenty of seat breaks.
My mother is in her 80's so couldn't manage the initial stairs to the 2nd floor. Samuele showed us the lifts and made good eye contact with my slightly deaf mother.
Sara was very considerate of our wellbeing also, checking if we needed to take breaks, grab a drink etc.

## Engagement

The ability to manage tourist engagement is another important finding of this research. Tourist engagement is defined as the attachment, emotional involvement, and participation of visitors to a destination that represents a positive psychological and emotional attachment (Taheri et al. 2014). The concept of engagement is largely studied in other disciplines such as organizational behavior, sociology, marketing, and psychology (Brodie et al., 2011). However, in recent years, visitor engagement has had larger implications for tourism management. For instance, Bryce et al. (2015) claimed that a better understanding of visitor engagement leads to better management of cultural heritage destinations. Visitors' perceptions about the engaging behavior of a tour guide are reflected in good interaction, a sense of humor, and storytelling. Accordingly, Our codes, such as “funny, entertaining, interesting, pleasant, sense of humor, great stories, interesting stories, even the kids liked it!, really good, personable, engaging, beyond informative, engaged everyone, “including our teenage daughter!” reflect visitors' perceptions of the ability of tour guides to engage tourists in museums. Table 3 shows sample reviews denoting visitor engagement.

<b>Table 3. Sample reviews: Engagement</b>
He put history in the context of the art and engaged everyone in the group, including our teenage daughter!
She also found ways to relate what we were seeing to my 13 & 16 year olds.
Annette was gracious and very engaging with those in the tour group.
She was super engaging and the pace was excellent.

### Knowledge

The guides' knowledge is the last dimension of visitors interactional experience with museum guides and it refers to a clear understanding of history, local culture, and art, which has a crucial role in tour satisfaction (Seyitoğlu, 2020). Visitor perception about tour guide knowledge is reflected in insightful explanation of facts. Therefore, our codes, such as "passion and knowledge," "exceptional knowledge," "expand on questions" "expertly narrated," "expertise in art history," "fascinating narrative," "terrific guide," and "tremendously insightful," reflect visitors' perceptions of tour guides. We mention tourist reviews in Table 4.

We learned so many interesting things about the painters and politics of Renaissance Florence.
<b>Table 4. Sample reviews: Knowledge</b>
Her knowledge of art history is deep, and she was able to help novices like us understand the art we viewed on an even deeper level.
He is an amazing guide. Attentive, courteous, knowledgeable and well spoken.
She highlighted the most important paintings and explained the Renaissance and other periods.

### Discussion/Implications

Knowledge is the subject of a significant number of reviews. Thus, knowledge appeared to be the most important dimension of visitor experience. This finding is consistent with the previous literature that museum tourists need a greater knowledge of museum collections, and art and history

(Schep, van Boxtel, & Noordegraaf, 2018). The engagement was the second most important dimension since a good number of visitors highlighted this dimension of their experience with tour guides. This finding also complements the previous literature. For instance, Leong, Yeh, Zhou, Hung, & Huan (2024) suggest that tour guides interactions with tourists increase their involvement and subsequent perceived touristic value. The subsequent dimension highlighted by visitors in their reviews is empathy. According to the best of researchers's knowledge, very few studies have noted empathy as a dimension of tourism experience with tour guides. Finally, the relatively less discussed dimension is professionalism. However, this dimension is important for the tourist to get professional and timely services. In addition, this finding is consistent with previous literature (Schep et al., 2018).

### **Research limitations/Future research**

This research study also has certain limitations that provide prospects for further research. First, this study is performed in a specific context; therefore, we recommend future research implement the results in different contexts. Second, we did not consider controlling review quality. In other words, we considered all reviews based on the content and objectives of the study. Future researchers can examine how the ranking of the reviews affects the results of this study. The objective of the study was to explore the international experience of museum visitors. Future scholars can use other methodologies, such as field studies or experimental design, to get deeper insights.

### **Originality/value**

Although several studies are conducted on visitor experience with museums, this research offers new insights into the visitor experience specifically with tour guides. Accordingly, to the authors' best knowledge, this study is among the few studies to provide four theoretical dimensions on visitor experience with tour guides, such as professionalism, empathy, engagement, and knowledge.

**Keywords:** Visitor experience, Tour guides, Museums, knowledge, professionalism, empathy, engagement.

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**ID:25**

## **Professional Development in Museum Education: Insights from a Multi-Case Analysis**

**Maria Della Lucia**

University of Trento, Department of Economics and Management, Italy

[maria.dellalucia@unitn.it](mailto:maria.dellalucia@unitn.it)

**Giulia Dore**

University of Trento, Department of Economics and Management, Italy

[giulia.dore@unitn.it](mailto:giulia.dore@unitn.it)

**Michele Tamma**

Università Ca' Foscari, Department of Management, Italy [tamma@unive.it](mailto:tamma@unive.it)

### **Extended Abstract**

**Keywords:** museums, professional development, legal expertise, case study analysis

Museums have long served as vital educational institutions, fostering active learning across diverse audiences. In recent years, their role has evolved significantly, shaped by the principles of the new museology that underscores museums' expanding social and political functions shifting from traditional collection-centric functions toward more dynamic modes of communication, which also challenged the curatorial authority over the control and interpretation of cultural content. Concurrently, museums embrace emerging technologies to enhance educational initiatives that engage many learners and contributors. Interactive exhibits, virtual tours, and immersive augmented reality applications exemplify the tools museums now use to enhance educational experiences while navigating the complexities of the digital landscape. While this environment increased opportunities for access, reuse, and co-creation of cultural content, they have also introduced specific legal challenges, for instance, related to the management of intellectual property rights. Seeking to fulfil the museum's evolving role, staff are expected to gain managerial and legal skills, mediating human-to-human and human-to- technology interactions and cultural interpretation. Through multi-case study analysis, the paper examines how museums can navigate the complexity of these dynamics building on professional development, from a law and management perspective. Portraying specific educational initiatives, the authors discuss their effectiveness in addressing legal dilemmas, especially those linked to participatory activities. Arguing that professional

development is most effective when aligned with a museum's mission and strategic goals, they also offer broader recommendations for advancing museum education.

## **Purpose**

The aim of the paper is to explore and analyse the professional development practices in museum education, at the outset of cultural, social and legal transformations, through a multi-case analysis of selected Italian institutions. The study aims to provide a comprehensive understanding of how different institutions approach professional development, identifying common challenges and suggesting innovative practices. By exploring a range of museums - differing in size, focus, and location - this study seeks to uncover the factors influencing professional development and how this may improve the overall museum experience (Falk, & Dierking, 2013). Ultimately, the goal of the research is to provide practical insights and recommendations for museums seeking to enhance their professional development efforts and fulfil their comprehensive mission.

This study is driven by two main research questions aimed at exploring the landscape of professional development in museums, at the intersection of law and management:

1. What professional development initiatives are currently offered to museum staff, especially including legal education and training, and to what extent do they align with the museum's missions and strategic goals?
2. How effective are such initiatives in dealing with legal dilemmas, especially arising from participatory activities, and how are these incorporated into the daily tasks and responsibilities of museum staff?

## **Methodology**

This study employs a multi-case study analysis (Baxter & Jack, 2008; Gottscho, 2021; Stake, 2006; Yin, 2018) to explore professional development practices in museum education, with a specific focus on legal education and training (Rosenthal, 2019). By examining multiple cases (Ketokivi, M., & Choi, 2014; Rashid & Tsang, 2017), the research captures diverse perspectives on how professional development is designed and implemented, providing in-depth insights into complex phenomena within specific contexts. The selected cases represent a range of museums varying in type, size, location, focus, and resources. Data are collected through multiple methods: semi-

structured interviews with museum staff, educators, and administrators responsible for professional development; direct observation of professional development activities; analysis of museum internal documents related to professional development programs and other publicly available materials. A cross-case analysis is used to identify patterns and themes across the selected museums while signalling featuring aspects of specific

institutions. Thematic coding is applied to interview transcripts, observational notes and other documents to identify recurring topics. To enhance the validity

and reliability, authors employ data triangulation to cross-verify findings from interviews, observations and document analysis.

## **Findings**

The research provides a rich and contextualized understanding of professional development, across different museum settings.

Museums have long been recognized as key educational institutions, serving as spaces fostering active learning among diverse audiences. Traditionally, museums were seen as repositories of knowledge, primarily focused on the collection, preservation, and display of artefacts. Their educational role was often confined to providing information about the objects they housed, with a one-way flow of knowledge from curators to the public. However, the role of museums in education has expanded significantly in recent years (Ash, 2022; Black, 2020), reflecting broader shifts in societal expectations and technological advancements. The new museology played a pivotal role in reshaping the educational and social functions of museums, shifting away from traditional collection-focused approaches toward more dynamic modes of communication. This philosophy emphasizes that museums are not just neutral spaces for exhibiting collections, but also active agents in addressing social, cultural, and political issues. This shift calls for museums to engage with contemporary challenges such as social justice, identity politics, and community participation (Mairesse & Desvallées, 2010). This transition also challenges the curatorial authority over the control and interpretation of cultural content. As a result, many museums are moving away from traditional, curator-driven models that prioritize the authority of experts, and are adopting more collaborative and inclusive approaches. Public participation is increasingly encouraged,

enabling visitors to have a voice in the interpretation and presentation of cultural content. This democratization of knowledge within museums not only fosters greater engagement but also challenges the traditional boundaries of curatorial authority, suggesting a more shared and dialogic approach to museum education. Simultaneously, in the digital era, museums leverage new technologies to develop innovative educational initiatives that engage a wide range of learners and contributors. Interactive exhibits, virtual tours, and immersive augmented reality applications exemplify the tools museums now use to enhance educational experiences while navigating the complexities of the digital landscape. This environment has increased opportunities for access, reuse, and co-creation of cultural content, posing challenges related to Intellectual Property (IP) law and the management of IP assets (Fennell, 2016; Schuster, K. 2021). In parallel with these ideological shifts, the digital revolution has profoundly impacted how museums deliver educational experiences. Advances in technology have enabled museums to reach broader and more diverse audiences, both onsite and online (Cristina et al., 2021). Virtual tours, for instance, allow people worldwide to explore museum collections remotely, breaking down geographical barriers and making cultural heritage more accessible. Interactive exhibits incorporating touchscreens, sensors, and multimedia elements provide visitors hands-on learning opportunities, transforming passive observation into an active, participatory experience. Immersive technologies such as augmented reality (AR) and virtual reality (VR) offer novel ways of interacting with artefacts and environments, allowing users to experience historical settings or reconstruct ancient civilizations. These technological innovations not only enrich the educational potential of museums but also cater to the preferences of digitally savvy audiences, making museum visits more engaging and relevant in today's digital age (Kamariotou et al., 2021; Trunfio et al., 2022).

As museums adopt these cutting-edge technologies and open up to broader participation, they face specific legal challenges, particularly in Intellectual Property (IP) law (Navarrete, 2020; Pantalony, 2022). The increased digitization and online dissemination of cultural content make it easier for users to access, reuse, and even co-create with museum resources. While this enhances the reach and impact of museum collections, it also raises complex issues related to copyright, ownership, and the management of digital assets. Museums must navigate the legal frameworks governing the use of their collections in digital formats, often balancing the need for openness and access with the protection of intellectual property rights (Dore & Turan, 2024). Addressing these challenges requires museums to develop robust IP management strategies that align with their educational mission while safeguarding the rights of creators, contributors, and institutions (Della Lucia et al., 2024).

In this evolving landscape, museums are reimagining their role as educational hubs, balancing tradition with innovation to meet the needs of contemporary learners. Through participatory approaches, digital tools, and thoughtful IP management, museums continue to serve as vital spaces for learning, cultural exchange, and social engagement in the 21st century. In handling increasingly complex dilemmas related to these transformations, museums may explore opportunities for professional development, recognized as a crucial element but whose

implementation varies widely depending on institutional priorities and resources and thus indicates the need for scalable, flexible, and creative approaches.

### **Discussion and implications**

The findings of this study offer significant insights into the museum professional development landscape, particularly the integration of managerial skills and legal expertise (Holman, 2020; Rosenzweig & Thelen, 2020; Smith, 2015). As museums increasingly navigate complex legal and ethical challenges (Kipp, 2017; Lentz, 2017; Waller, 2016), the need for comprehensive professional development that equips museum staff with the necessary legal knowledge is more pressing than ever (Baird, 2021; Boulton, 2018; McCarthy, 2020; Zeller, 2021). Indeed, several aspects influence the scope and effectiveness of legal education and training. In large or well-equipped museums that provide structured opportunities to engage with legal issues, staff are more legally aware, knowledgeable, and confident in dealing with more complex participatory activities. On the contrary, in smaller or less-resourced museums struggling to offer these educational opportunities, staff either are left alone in dealing with such issues or refrain from undertaking any potentially risky activities. The study suggests that museums invest more resources into legal education and training as part of their professional development initiatives to manage effectively legal issues including those related to intellectual property and cultural heritage (Altiere, 2019; Campbell, 2020; Gardner, 2018). Legal awareness and expertise are increasingly central to the evolving role of museums, who are often on the front lines of legal and ethical dilemmas. However, pending budgetary constraints, staff shortages, and time limitations as major barriers, museums can leverage technology to reduce costs and seek cost-effective solutions, develop scalable programs or partner with others to share resources, legal expertise, and training opportunities. The study also reveals that professional development initiatives, including legal education and training, are most effective when aligned with the museum's broader mission and strategic objectives. Museums should ensure that professional development is an integral

part of their mission-driven goals. The implications of this research extend beyond individual museums, offering broader recommendations for the field of museum education. By investing in legal training (McClellan, & Dempsey, 2018) as part of professional development, museums not only support their staff performance but also enhance the quality and impact of their mission.

### **Originality**

The study contributes to a growing body of literature on the intersection of legal education and museum management (Grant, 2020; Kleiner, 2014), offering insights that can inform future strategies for enhancing professional development (Bunch & Berger, 2014). Specifically, the study examines how professional development initiatives support museum staff in their roles, which require a unique blend of technical, managerial and legal expertise. While existing literature has predominantly examined museum education from institutional and user-centred perspectives, there has been limited focus on staff professional development (Alsop, 2001; Zardini Lacedelli et al., 2019), especially at the intersection of managerial and legal issues.

Additionally, this paper further explores the managerial and legal competencies of museum personnel required to advance museum educational endeavours in an “open culture” (Della Lucia et al., 2024). Approaches and professional development practices adopted to address these requests contribute to enhancing museums’ educational mission and enriching the debate on museums’ strategic and organizational transformation. It identifies the gaps and challenges museums face to develop effective professional development initiatives, such as limited funding, time constraints, or insufficient institutional support, and suggests how these may be addressed. By focusing on the experiences and outcomes of various case studies, the paper highlights innovative practices and successful models that could serve as frameworks for other museums.

### **Research limitations and future research**

While this study offers valuable insights into professional development practices in museums, particularly regarding legal education and training, it has several limitations. First, the multi-case study approach, although providing in-depth analysis, is limited by the number of museums included. Second, this study focused on museums in a specific geographic region, which has cultural, social and legal frameworks that are unique to those areas. The findings may not apply to museums in different legal jurisdictions or cultural contexts. Third, the narrow scope of the study, focusing on integrating legal expertise into professional development, leaves other aspects not examined in detail.

Future research may expand the sample to include a broader range of institutions and contexts, to provide a more holistic view of museum professional development.

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**Analysing the Transition to Localized Supply Chains Amid Geopolitical Tensions and Global Disruptions: Insights from India**

**Aastha Sawhney\***

IPEM Group of Institutions, Ghaziabad  
Email Id: [aastha.sawhney@ipemgzb.ac.in](mailto:aastha.sawhney@ipemgzb.ac.in)  
\*Corresponding Author

**Geeti Sharma**

IPEM Group of Institutions, Ghaziabad  
Email Id: [dr.geetisharma@ipemgzb.ac.in](mailto:dr.geetisharma@ipemgzb.ac.in)

**Abstract:**

In recent years, global supply chains have faced unprecedented disruptions due to a combination of geopolitical tensions, trade wars, natural disasters, and global crises such as the COVID-19 pandemic. This has led companies and governments to reconsider their dependency on global networks, driving a shift towards localized or regional supply chains. This extended abstract examines the factors driving the shift towards localization, its implications for India's economy and businesses, and a conceptual framework for understanding the localization of supply chains in the Indian context.

**Keywords:** Localized Supply Chains, India, Geopolitical Tensions, Aatmanirbhar Bharat, Supply Chain Resilience, Technological Advancements, Economic Growth

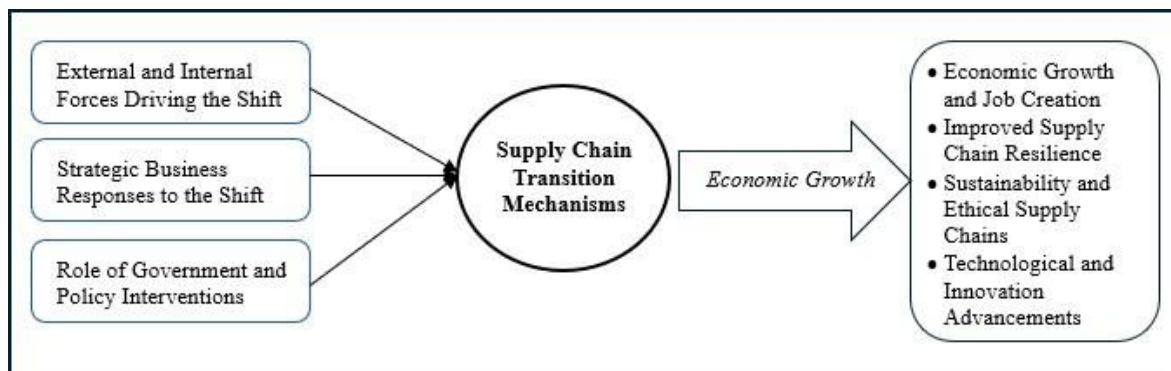
**Research Problem:**

India's integration into global supply chains has been a crucial factor in its economic growth. However, rising geopolitical tensions, trade wars, and global supply chain disruptions—exacerbated by the COVID-19 pandemic—have led to a rethinking of supply chain models. This has resulted in a growing trend towards localized supply chains, a shift that India has embraced through government initiatives like Aatmanirbhar Bharat (Self-Reliant India) and the Production

Linked Incentive (PLI) scheme.

India’s position in global supply chains has been shaped by its role as a major producer of textiles, pharmaceuticals, and IT services, with significant reliance on imports for raw materials and components. However, supply chain vulnerabilities surfaced during the pandemic when India faced shortages in critical sectors such as healthcare, manufacturing, and electronics. The growing geopolitical rivalry between the U.S. and China, and India's own strained relations with China, have also driven concerns about over-reliance on specific foreign supply chains. This has accelerated India's efforts to strengthen domestic production and reduce dependency on global networks.

**Theoretical Framework:**



*Fig: Author’s Compilation*

**Research Methodology**

The study on examining the shift towards localized supply chains in response to geopolitical tensions and supply chain disruptions in India utilizes a multi-method approach. This approach includes both qualitative and quantitative data collection and analysis techniques to provide a comprehensive understanding of the topic.

**1. Research Design**

- **Mixed-Methods Approach:**The study employs a mixed-methods design combining qualitative case studies, expert interviews, and quantitative data analysis. This allows for a more in-depth exploration of how geopolitical tensions and supply chain disruptions have

influenced the shift towards localized supply chains.

- **Descriptive and Exploratory:** The research is both descriptive, to outline the changes in supply chain strategies, and exploratory, to identify the underlying reasons behind the shift towards localization and its future implications.

## 2. Data Collection Methods

### A. Primary Data Collection

- **Semi-Structured Interviews:** Conducted with industry leaders, supply chain managers, policymakers, and key stakeholders in sectors affected by the geopolitical tensions and disruptions. The interviews aimed to gather insights on the challenges, strategies, and outcomes associated with localizing supply chains.
- **Surveys:** A structured questionnaire was distributed to businesses across key sectors (e.g., manufacturing, pharmaceuticals, automotive) to quantify the extent of the shift towards localization, the factors driving the change, and the perceived benefits and challenges.

### B. Secondary Data Collection

- **Industry Reports and Publications:** Secondary data from government publications, industry white papers, and reports from global consulting firms were analyzed to understand the broader trends in localization, supply chain management, and geopolitical risk mitigation strategies.
- **Statistical Data:** Data from India's Ministry of Commerce and Industry, World Trade Organization (WTO), and other international trade bodies were used to assess changes in trade patterns, import/export dependencies, and manufacturing outputs before and after major disruptions.

## 3. Sampling Strategy

- **Purposive Sampling:** The study uses purposive sampling to select companies and industries that have experienced significant disruptions in their global supply chains due to

geopolitical tensions (e.g., India-China border issues) or supply chain shocks (e.g., COVID-19 pandemic).

- **Sample Size:** 30 in-depth interviews and 100 survey responses were collected from supply chain experts, industry leaders, and policymakers. Additionally, secondary data were gathered from over 35 published reports and industry studies.

### **Major Results:**

The interpretation of the data focuses on explaining the underlying factors driving the shift towards localized supply chains in India and the resulting business outcomes.

#### **1. Thematic Insights from Qualitative Data**

- **Risk Management and Resilience:** Interviews revealed that one of the primary drivers of localization is the need for risk mitigation. Companies increasingly view global supply chains as vulnerable to geopolitical risks, such as border tensions and trade restrictions. By localizing, firms reduce their exposure to such external shocks.
- **Government Policies as Enablers:** Thematic analysis indicated that government initiatives like Aatmanirbhar Bharat and sector-specific incentives (e.g., the Production Linked Incentive scheme) have been crucial in facilitating the shift towards local manufacturing.
- **Challenges of Localization:** Respondents emphasized the initial cost burden and infrastructure gaps as significant challenges in localizing supply chains. While many businesses believe the long-term benefits outweigh the costs, they identified skill shortages and high labor costs as barriers to fully embracing localization.

#### **2. Quantitative Data Interpretation**

- **Correlation Between Geopolitical Tensions and Supply Chain Localization:** The regression analysis indicated a strong positive relationship between geopolitical tensions and the adoption of localized supply chains. Firms operating in industries most affected by global uncertainties were more likely to shift to local suppliers to ensure continuity of operations.

- **Sector-Wise Differences:** The descriptive statistics revealed sectoral differences in the extent of localization. For example, the automotive and electronics industries showed higher degrees of localization compared to sectors like textiles, which still depend heavily on global supply chains.
- **Cost and Efficiency Trade-offs:** Survey data highlighted that while businesses recognized the need for localization, 65% of respondents cited increased operational costs as a key concern. However, 75% indicated that the benefits of supply chain resilience and reduced dependency on foreign suppliers outweighed these short-term costs.

### **3. Comparative Analysis of Pre- and Post-Disruption Data**

- **Changes in Import-Export Dependencies:** Statistical analysis of trade data showed a noticeable decline in imports from countries like China, with an increase in local production of essential goods such as electronics components and pharmaceuticals.
- **Growth in Domestic Manufacturing Output:** Data from government reports demonstrated a 15% increase in manufacturing output in certain sectors due to local production shifts, further supporting the findings from the survey and interviews.

### **Implications:**

The study of India's shift towards localized supply chains, influenced by geopolitical tensions and global supply chain disruptions, has several far-reaching implications for policymakers, businesses, and the economy at large.

#### **1. Strategic Policy Formulation**

**Informed Government Policy:** The findings of the study can guide policymakers in designing better frameworks that support supply chain resilience. Understanding the economic benefits of localized supply chains can lead to more incentives for domestic manufacturing, export facilitation, and the development of key infrastructure.

**Trade Relations and Diplomacy:** Geopolitical tensions have prompted a rethinking of trade

partnerships. This study highlights how India can renegotiate its global trade relations to focus on less volatile regions or form strategic alliances that provide mutual economic benefits without over-reliance on any single nation.

## **2. Corporate Strategic Adjustments**

**Business Resilience and Risk Management:** The research findings suggest that businesses adopting localized supply chains are better able to mitigate risks caused by external disruptions. Companies may need to rethink their global sourcing strategies to include local suppliers or establish contingency plans for better risk management.

**Reinvestment in Domestic Capacity:** Indian industries will need to invest heavily in advanced manufacturing capabilities to remain competitive both domestically and globally. This could lead to the growth of high-tech manufacturing sectors and innovation-driven production.

## **3. Workforce Development**

**Focus on Skill Development:** The shift towards localized supply chains means a growing demand for a highly skilled workforce to handle advanced technologies. The study implies a need for educational institutions and corporations to work together in upskilling the labor force, particularly in automation, AI, and logistics management.

**Job Creation Opportunities:** As localized manufacturing expands, job opportunities will rise, especially in production, logistics, and technology-driven sectors. This could help address unemployment challenges, particularly in rural areas where new manufacturing hubs are being developed.

## **4. Economic and Environmental Impact**

**Regional Economic Growth:** The decentralization of supply chains has the potential to boost regional economies in India. As businesses set up manufacturing facilities in different states, the study implies a more even distribution of wealth and industrial growth across the country.

**Sustainability and Environment:** Localized supply chains reduce transportation distances, which directly impacts emissions and energy use. This study highlights how businesses can contribute to India's broader sustainability goals by adopting localized practices.

This study demonstrates the necessity for India to embrace localized supply chains not only as a response to geopolitical and supply chain disruptions but also as a proactive strategy for economic and environmental growth. The implications are significant for multiple sectors, and overcoming the associated challenges will require coordinated efforts between government, industry, and educational institutions.

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**ID:27**

## **Exploring the Role of Social Media Content Framework for Digital Marketing Strategy: An Empirical Study of Indian Banks**

**Geeti Sharma**

IPEM Group of Institutions, Ghaziabad  
[dr.geetisharma@ipemgzb.ac.in](mailto:dr.geetisharma@ipemgzb.ac.in)

**Aastha Sawhney\***

IPEM Group of Institutions, Ghaziabad  
[aastha.sawhney@ipemgzb.ac.in](mailto:aastha.sawhney@ipemgzb.ac.in)

\*Corresponding Author

### **Abstract:**

With the advent of technology advancement & digitalization, the banking industry and its operations have substantially changed. It has opened up new platforms for banks to promote and offer extensive and customised range of financial products and services to its target audience worldwide. Further, due to the exponential outburst of various social networks, the significance of social media content marketing is considered as an important determinant while designing the overall marketing strategy. Banks are considerably utilising social platforms to curb the mounting financial needs of the target audience through customization and delivering value to them. In this context, banks create their social pages and increase their brand presence by deploying simulation activities on virtual platforms, giving rewards and valuable information to its target audience. This research is carried out in order to conduct empirical validation of various social media content marketing strategies and their impact on accomplishing goals and objectives of the Indian banks. Furthermore, managers can apply the framework to position their organizations on these strategies in a manner consistent with their overall marketing plan.

**Keywords: Digital Marketing; Content Framework; Indian Banks; Social Networks**

### **Need of the Study:**

Social Media Content Marketing is a phenomenon to formulate innovative value-added content to disseminate information while developing relationships, upholding customer trust and indulging the target audience into meaningful conversations (GÜMÜŞ, 2017). As cited by Ansari, Ghorri and Kazi (2019) social media marketing majorly caters to three advantages entailing

fundamentally free, customised as well as societally acknowledged. In the present scenario banks are considering social media content marketing as a vital ingredient for creating bank's awareness, acquiring new prospects, creating brand perceptibility, equity, status, disseminating knowledge, ensuring brand recall and fostering long term relationships with customers by establishing a two-way communication process and a robust feedback system (Zomorodian and Lu, 2017). Therefore, this accelerates the need to deploy social media content marketing strategies that integrate social media with marketing communication (Hanna et al., 2011; Mangold and Faulds, 2009).

### **Research Gap:**

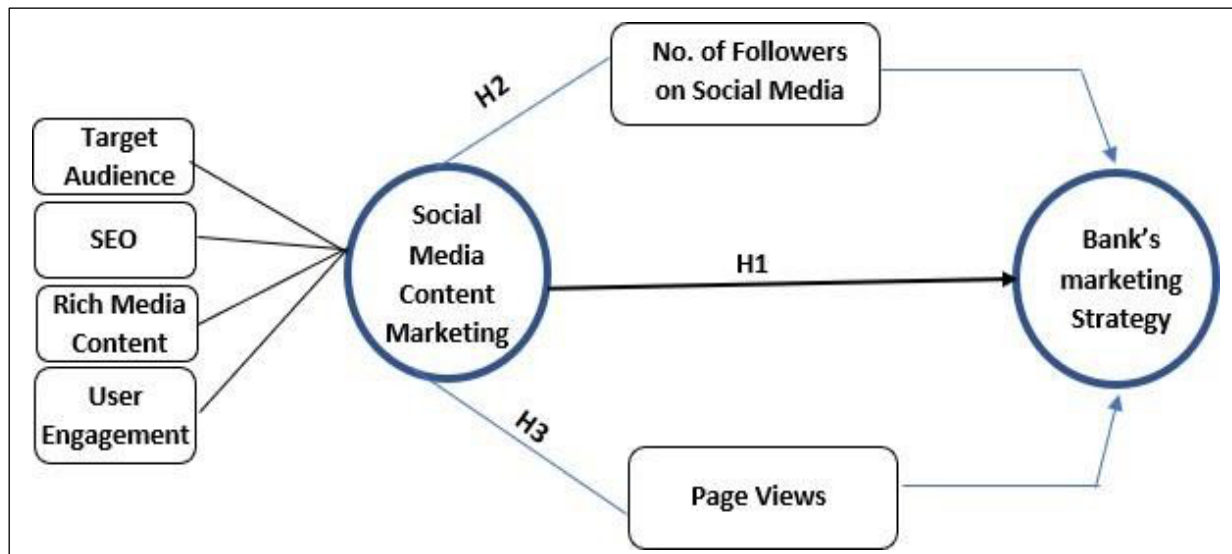
Based on extensive literature review, studies reflected that the banking sector has undergone metamorphic change to cope up with tough competition, changing needs and expectations of customers, ongoing product improvement, changing market trends etc. Moreover (Reydet, S., & Carsana, 2017), in the present competitive banking scenario, facilitating customer delight has become an essential ingredient for survival because it not only enables in acquiring new prospects but also ensures in retaining them by developing long term relationships. Bhat, Darzi, & Parrey (2018), cited that the banking sector still faces challenges with customers switching to other banks due to outburst of digital competition and homogeneity of banking products and services. Thus, in order to eliminate this phenomenon banks, need to adopt latest digital platforms & strategies to market their financial products & services and build customer trust & loyalty. Researchers have studied various social media strategies that can be adopted by banking however limited research has been carried out in order on the empirical validation of various social media content marketing and their impact on accomplishing goals and objectives of the Indian banks. Thus, Indian banks must comprehend the concept of social media content marketing and its elements in order to acquire a competitive edge in the present banking scenario.

According to Content Marketing Institute's (Content Marketing Institute, 2024) latest marketing survey, indicated that 78% banking marketers use content marketing. Also, these marketers spent 18% on an average of their total marketing budget on content marketing and 57% financial marketers still plan to increase the stated budget spent. However, in the present scenario 37% of banking content marketers have a documented content strategy, thus financial marketers must embrace these trends to deploy aggressively social media content marketing strategies to reach target customer and acquire the untapped markets.

### Objectives of the Study:

- To study the impact of social media content marketing on achievement of the banks marketing objectives
- To examine the influence of page views on the relationship between the social media content marketing and marketing objectives of the banks
- To analyse the influence of followers on social media on the relationship between the social media content marketing and marketing objectives of the banks

### Proposed Model and Hypothesis under Pinning:



*Figure 1: Author's Representation*

As per the proposed model following are the hypothesis:

**H1:** There is significant and positive influence of social media content marketing on the marketing strategies of banks.

**H1a:** There is significant and positive influence of target audience on the social media content marketing.

**H1b:** There is significant and positive influence of SEO on the social media content marketing.

**H1c:** There is significant and positive influence of media richness on the social media content marketing.

**H1d:** There is significant and positive influence of user engagement on the social media content marketing.

**H2:** No. of followers on social media mediates the relationship between social media content marketing and the marketing strategies of banks.

**H3:** Pages views on social media mediates the relationship between social media content marketing and the marketing strategies of banks.

### **Research Methodology:**

#### **a) Nature of Data:**

The aim of this research is to understand the influence of social media content marketing on the marketing strategies of banks. For this study, judgemental and random sampling was implemented. Initially the respondents were chosen on the basis of judgemental sampling. Thereafter, referrals were taken from the responses collected from preliminary respondents. Judgemental sampling was done on factors where respondents were a part of marketing team from selective public sector banks, private sector banks and banks of foreign origin based on their capitalization structure. Samples were taken from leading public sector banks, private sector banks and banks of foreign origin whose regional offices are in the Delhi NCR Region.

An extensive and detailed study has been done to understand the influence of social media content marketing on marketing strategies of banks. The study is also based on secondary sources such as articles, magazines, reports, research papers, and literature related to social media content marketing and marketing strategies of banks. In this context, databases such as EBSCO, ProQuest, ABDC listed journals and other databases were accessed.

#### **b) Source of Data and Period of Analysis:**

Out of 382 questionnaires, a total of 313 responses were received after circulation among various middle and upper managerial level employees. After excluding incomplete responses, rest 289 were used for further analysis; this study was done in July 2024 – September 2024.

### **Data Analysis and Results:**

A questionnaire containing 4 Social Media Content Marketing measures along with 2

mediating factors were measured on a 5-point Likert scale where 1 to 5, strongly disagree to strongly agree respectively. The internal consistency indices of this scale calculated using Cronbach’s alpha at 0.912 (Nunnally, 1978), and Cronbach alpha was found to be above .07 (Gupta & Kumar, 2017; Wilska, 2003). To address the described objectives, Exploratory Factor Analysis (EFA) followed by Confirmatory Factor Analysis (CFA) was conducted to explore and validate those factors and then Structural Equation Modelling (SEM) was used thereafter.

**a) Exploratory Factor Analysis (EFA)**

The purpose of using EFA was to check whether the items are correctly loaded on their corresponding factors and to confirm the number of factors extracted by Eigen values (Hair et al.,1998). Total 22 variables from 8 motivations were used, which were identified from the existing researches. It resulted into 6 factors with 18 variables, rest 4 variables and 1 factor got deleted, where these six factors accounted for 69.8 % of total variance.

**b) Confirmatory Factor Analysis (CFA)**

To test the validity of the factors used in the study, CFA was done using IBM Amos 20 (Byrne, 2001). A measurement model was then set to have six factors. Amos 20 gave a standardized solution; 18 variables were loaded on their corresponding factors (latent variables) which confirmed the unidimensionality (Gupta & Kumar, 2017; Wilska, 2003) of the constructs and provided a study for empirical confirmation of their validity. Table 1 gives the model fitness indicators.

*Table 1: Model fitness*

Fit indexes	X <sup>2</sup> /df	GFI	AGFI	NFI	RMR	CFI	PCFI	RMSEA
<b>Threshold</b>	<3	>0.90	>0.80	>0.90	<0.08	>0.90	>0.50	<0.08
<b>Model</b>	2.217	.909	.819	.886	.063	.938	.755	.058

*Table 2 lists which hypothesis are accepted as the per the data analysis*

	Relationship	Std β	Direct Effect	Indirect Effect	Total	Decision
H1	Social Media Content Marketing → Marketing Strategies of Banks	.123	–	–	–	Supported
H1a	Target Audience → Social Media Content Marketing	.201	–	–	–	Supported
H1b	SEO → Social Media Content Marketing	.162	–	–	–	Supported

H1c	Media Richness → Social Media Content Marketing	.152	–	–	–	Supported
H1d	User Engagement → Social Media Content Marketing	.101	–	–	–	Supported
H2	Social Media Content Marketing → No. of Followers Social Media → Marketing Strategies of Banks	.120	.120***	.076**	.196***	Supported
H3	Social Media Content Marketing → Page Views → Marketing Strategies of Banks	.273	.228***	.039***	.267***	Supported

### Findings:

According to Table 2, **H1** (including H1a, H1b, H1c & H1d) are significant and accepted. It can be concluded that an explicit and distinctive digital content marketing strategy is a powerful tool which banking marketers can adopt to acquire target prospects, engross them in different conversations and sustain long term relationship with them; which in turn help in building brand image and fulfilling targeted objectives. Moreover, considering digital content marketing strategies may enable banks to ascertain their objectives entailing an increase in sales revenue, boosting the number of prospect clientele and loyal customers, creation of high degree of brand awareness, developing more sustainable relationships, cumulative growth in leadership sector, barging more website traffics and acquiring a high search engine ranks.

As per Table 2, **H2** is significant and is accepted. It can be derived that when no. of followers is high on a social media account of the bank, it facilitates in increasing user engagement and hence appropriate target audience can be identified easily, thus enabling banks to accomplish bank's marketing objectives.

As stated in table 2, **H3** is also accepted. The reason behind high page views is a good SEO strategy. The SEO can be achieved by using rich media content (Images, videos, text, etc.). So, these motivations and factors enable banks to achieve its marketing objectives.

### Limitations:

Though the study provides a valuable contribution to the banking sector, yet there are few limitations. The study considered selective public sector, private sector and banks of foreign origin. This may impact the external generalizability of the results. Also, the data covers a total of 313 responses however the sample size can further be increased for obtaining more precision and

validity in the results. The study was conducted from employer's perspective however bank customer's perspective was not covered during the course of the study.

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**ID:28**

**Tacit Knowledge and Competitiveness in Mexican  
Higher Education Institutions (HEI)**

**Manuel Alfredo Ortiz-Barrera**

Universidad de Guadalajara,  
CUCEA, Guadalajara, Mexico.  
[m.alfredo.ortiz@gmail.com](mailto:m.alfredo.ortiz@gmail.com)

**Jose Sanchez-Gutierrez,**

Universidad de Guadalajara,  
CUCEA, Guadalajara, Mexico.  
[jsanchez0202@hotmail.com](mailto:jsanchez0202@hotmail.com)

**ABSTRACT**

In Higher Education Institutions (HEI), the significance of knowledge is fundamental as it constitutes their most valuable and abundant resource. The benefits of tacit knowledge are observable in tangible contexts; however, due to its inherent characteristics, tacit knowledge remains cryptic and necessitates identification for effective utilization. HEI possess the potential to leverage knowledge for competitive advantages, and with tacit knowledge, they can pioneer the utilization of this invaluable resource. This research particularly examines the case of HEI in Mexico, along with the variables influencing tacit knowledge based on the nature of these organizations.

*Keywords:* Tacit Knowledge, Competitive advantage, HEI

**INTRODUCTION**

Knowledge has been a research subject since the beginning (Bolisani & Bratianu, 2018). The development of epistemology in Aristotle's time generated a sensitive contact with reality and an understanding of the environment (Russell, 1972). However, the approach from a utilitarian perspective for the world of work, not only within philosophy, was born with the intrusion of Michael Polanyi and his proposal, where personal experiences and culture strengthen the cognitive processes within the organization (Greenhalgh & Long, 2008).

Polanyi's (1966) proposal establishes criteria for two basic types of knowledge; however, his major proposal is stated in the phrase, "We know more than we can tell." This means that an individual's experience frames values and contextual elements, allowing growth points to be incorporated (Davenport & Prusak, 1998). Thus, the so-called tacit knowledge is born at the theoretical level, directly related to the individual's personal knowledge, experience, and practice within the organization (Pérez-Fuillerat, et al., 2019).

This theory breaks the hegemony of the cognitive concept for centuries (Pope, 2003). The distinction of a cognitive element constitutes a new dialogue, where epistemological ideas are translated into giving prominence to creating new ideas and concepts (Nonaka, 1994). Thus, continuous learning provides organizations with real knowledge; however, the fundamental problem is that it needs to be more identifiable and usable at will since it is entirely personal.

Cognitive identification is fundamental for higher education institutions' mission to transmit knowledge (Alves & Pinheiro, 2022). However, generating tacit knowledge is natural and understandable. Hence, its empirical use can favor organizational development and even form competitive elements. Thus, tacit knowledge constitutes an effective and efficient element to use knowledge as part of a management strategy (NooriSepher & Keikavoosi-Arani, 2009).

This research highlights the elements that constitute tacit knowledge and its competitive position within Mexican higher education institutions. It is developed through an analysis with a quantitative approach and a primary analytical framework. In addition to identifying the notable points of these elements, it aimed at making the identification process easier to carry out, implement, and generate more knowledge.

## **THEORETICAL FRAMEWORK**

Organizations grapple with the dynamics of their environment, thereby confronting an environment characterized by abrupt changes that generate information and data that impact their day-to-day operations (Nonaka, 1994). This experience directly permeates the elements within organizations, fostering transformations and participating in fundamental shifts within the internal and external milieu.

The knowledge born from this nature is referred to as tacit knowledge. Polanyi delineated the primary differentiation between tangible and intangible knowledge in the mid-20th century; however, numerous scholars have individually explored its internal constituents intending to comprehend its essence. According to contemporary authors like Gourlay (2002), tacit knowledge can be defined from the perspective of personal and specific knowledge that, over time, becomes ingrained in the individual, enabling them to adapt to everyday experiences, their own emotions, and the tangible conception of the organization's ideas and values.

It can be asserted that tacit knowledge is instinctive (Schachtner, 2007), allowing for the development of subtext in language. Consequently, it sharpens an individual's ability to perceive issues and learn and interpret processes within the everyday environment from a more analytical and rational standpoint (Schilcher, 2009). Thus, this tacit nature can evolve into a source of innovative and creative processes (Von Krogh, et al., 2000)."

### ***Tacit knowledge in higher education institutions.***

The tacit processes within organizational knowledge enhance the self-determination of human elements. This facilitates the observation of improved autonomy and thought connectivity (Suwanda et al., 2023). Although cognitive development within university life might tend to lean predominantly towards the explicit, the reality is that cognitive elements may remain within the initial stage of development.

Articulating their specialized knowledge proves challenging for professors, and even when they do so, students might interpret it differently than intended by the professor (Perkins 2006). So is how students can find themselves in difficulties when attempting to comprehend those learning elements inherent to written reality or developed experience.

While identification may pose one of the more intricate challenges within higher education, the components encompassing tacit knowledge can serve as scaffolding for optimal utilization. According to Moghdam (2021), a correlated fact is the association between knowledge and organizational culture. These two factors initially enable an understanding of how the culture propagated by organizational leaders directly influences the creation of specific knowledge that will eventually foster interdepartmental cognitive transition processes.

From a cultural perspective, symbols, values, beliefs, norms, behavioral patterns, and rituals constitute elements of tacit approximation (Hofstede, 1991). Thus, higher education institutions would nurture these aspects within university life across all levels.

Similarly, tacit knowledge within universities is favored by the maturity of the internal system (Kavalic, et al., 2021). Then, is why the environment and events empirically produce elements of encoding and transmission of knowledge capable of generating components of unified recognition (Venkatraman & Venkatraman, 2018), which may not necessarily evolve into formal facts.

Therefore, the final point pertains to technical skills, i.e., the organization's internal competencies, which are shaped by specific skills related to the activity or profession being undertaken. Secondly, non-cognitive skills, ultimately, personal skills (Li, et al., 2021; Kimmel & Martín, 2015).

## METHODOLOGY

The development of the presented research emerges from the perspective of documentary theoretical analysis. This method forms the basis for the primary approach to the phenomenon under study. Interpreting diverse theoretical perspectives directly contributes to clearly identifying the most current categorizations at the forefront of knowledge (Jary & Jary, 1991; Reyes & Carmona, 2021).

It is established that the data collection criterion for this type of data will undergo a quantitative treatment to appropriately complement the research by acquiring primary data. Methodologically, this type of analysis confirms the facts that the instrument collects through a distinctly deductive approach, employing a formal methodology with high rigor (Burns & Grove, 2005; Rahman, 2017).

The proposed model's analysis, which identifies hypothetical constructs, is conducted based on exploratory factor analysis (Watkins, 2018). The elements constituting the theory presented in the preceding section of this document underwent multivariate analysis, thereby enabling the determination of outliers that do not align with occurrences observed in Mexican higher education institutions daily. Yong and Pearce (2013) highlight that a positive assessment of factor analysis necessitates normality, both from a univariate perspective and a multivariate standpoint expressed in depth.

The Likert scale served as the basis for item formulation for the measurement instrument. This scale's advantage in multivariate analysis lies in its establishment of highly reliable ordinality patterns and its capability to provide a suitable approach based on the beforehand obtained responses.

In this study, the confidence level was complemented by collecting 210 surveys from diverse categories of professors actively engaged within the University of Guadalajara, thereby enhancing the proximity of the acquired responses to institutional reality.

To measure tacit knowledge within the interior of the higher education institution that served as the initial model, the items were divided into three internally functional dimensions: Organizational Values and Beliefs (OVB), derived from the theoretical framework; secondly, Collaboration and Organizational Wisdom (COW); and finally, Technical Skills (TS).

## DISCUSSION

Firstly, the reliability analysis of the items comprising the instrument was conducted. All values provided by the surveyed professors were considered, aiming to impart an appropriate level of robustness to the exploration. In this manner, their degree of confidence was examined using the Alfa de Cronbach coefficient through 18 questions.

The value obtained in the initial analysis is **0.955**, with **18 elements** derived from **Cronbach's analysis**, indicating that subsequent values obtained from the exploratory correlational analysis will be categorized as highly satisfactory based on various theoretical approaches.

The above signifies that the relationships would provide an accurate and precise explanation of the outcomes generated within the actual environment where the survey was conducted, thus supporting the proposed model for the development of tacit knowledge and its utilization in its competitive function.

Regarding the values of the exploratory factor analysis, a simplified table was generated per category, which can appropriately represent the weighting of the values yielded by the analysis. To delve further into the obtained relationships, the SPSS AMOS® software was employed.

**Table 1.**

*Factorial Model Values - Organizational Values and Beliefs Variable.*

<b>Organizational and Value Beliefs</b>			
<b>Peace Education (OVB4)</b>	<b>0.812</b>		
<b>Respect (OVB5)</b>		0.792	
<b>Responsability (OVB6)</b>		0.77	
<b>solidarity (OVB3)</b>		0.728	
<b>Equality (OVB2)</b>			0.667
Justice (OVB1)			0.631

**Table 2.**

*Factorial Model Values – Collaboration and Organizational Wisdom.*

<b>Collaboration and Organizational Wisdom</b>			
<b>Academic Suggestions (COW1)</b>	<b>0.701</b>		
<b>Collective Necesitties (COW2)</b>	<b>0.777</b>		
<b>Collective Knowledge Facilitations (COW3)</b>	<b>0.731</b>		
<b>Forums (COW4)</b>			0.669

**Table 3**

*Factorial Model Values– Technical Skills.*

<b>Technical Skills</b>			
<b>Professional Experience (TS1)</b>	<b>0.917</b>		
<b>Teach Experience (TS2)</b>	<b>0.906</b>		
<b>Academic Capabilities (TS3)</b>		0.884	
<b>Professional Capabilities (TS4)</b>		0.801	
<b>Freedom of Teaching (TS5)</b>			0.595

In the three preceding tables, it is observable that the values highlighted in bold represent the most pertinent for each of the dimensions being analyzed in the context of tacit knowledge applied to higher education institutions. These highlighted elements gauge the most significant aspects concerning the intangibility of tacit knowledge.

In other words, the values presented still need to indicate a relationship with competitiveness. However, they indicate that these are the points where more tacit knowledge is accumulated. Therefore, careful attention should be directed toward their accurate identification and the generation of practical, explicit knowledge.

According to the final part of the analyzed model, it was found that the correlation between tacit knowledge and the competitiveness variable, which was examined in the administered questionnaire, yielded a *value of 0.922*. This value indicates that the existing values between tacit knowledge and competitiveness are related, thereby suggesting that it can serve as a precursor to the latter.

Consequently, it should be considered within higher education institutions so that they can effectively harness knowledge derived from professional experience and translate it into the organization through an explicit knowledge generation analysis.

## CONCLUSIONS

Based on the analysis presented in the preceding paragraphs, wherein various elements have been examined, particularly those identified in the analysis of the obtained results, it can be conclusively inferred that tacit knowledge plays a pivotal and essential role as a necessary precursor to drive the competitiveness of higher education institutions in Mexico.

Nevertheless, a significant challenge emerges that warrants our attention. Let's focus on the aspects highlighted in the presented tables and graphs. In that case, it becomes apparent that certain more tangible and concrete aspects, such as individuals' academic and professional capacities and the faculty's active promotion of knowledge externalization, have yet to be specifically addressed.

The imperative need to establish a robust foundation to accurately evaluate intangible assets becomes evident in this context. Then is particularly relevant for components that are not readily visible at first glance. It is crucial to bolster existing mechanisms by implementing a knowledge management unit to achieve this goal. This unit must assume a proactive and substantive role in searching, compiling, and preserving tacit knowledge, thereby equipping the institution with the necessary tools for proper recognition and utilization.

In summary, tacit knowledge is an essential cornerstone for the competitiveness of higher education institutions in Mexico. However, the need to emphasize tangible aspects such as academic and professional capacities and the absence of incentives for externalizing knowledge underscores the need to strengthen knowledge management strategies. Only through a dedicated and active unit committed to pursuing and promoting tacit knowledge can we transcend the boundaries of the obvious and attain a higher level of competitiveness and excellence in the educational realm.

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**ID:29**

## **The Role of Transitioning to Cleaner Production Processes in Green Product Development: A Study of the UAE, India, Qatar, and Saudi Arabia**

**Seyyedmilad Talebzadehosseini**

[milad.talebzadehosseini@unco.edu](mailto:milad.talebzadehosseini@unco.edu)

Monfort College of Business  
University of Northern Colorado  
Greeley, CO, USA

**Shammi Gandhi**

[shammi.gandhi@unco.edu](mailto:shammi.gandhi@unco.edu)

Monfort College of Business  
University of Northern Colorado  
Greeley, CO, USA

**Isaac Wanasika**

Management Department

[Isaac.Wanasika@unco.edu](mailto:Isaac.Wanasika@unco.edu)

Monfort College of Business  
University of Northern Colorado  
Greeley, CO, USA

### **Abstract**

#### **Purpose**

Natural resources serve as the main input in production processes of many countries, enhancing their production capabilities to produce a variety of products to satisfy the domestic needs and foster economic growth through trade (Talebzadehosseini, 2021, Fraccascia et al., 2018). However, the extensive use of natural resources in production processes has consequences such as rapid climate change, loss of biodiversity, and unpredictable environmental events (Talebzadehosseini, 2021). These resources are also finite, and their continued exploitation without renewal strategies is not sustainable. Green products development has come to the center of attention as a key strategy for creating policies and initiatives that enable countries to manage natural resource usage and decrease the risks associated with it. Green products development requires countries to transition from traditional production processes to cleaner production processes (Talebzadehosseini, 2021). However, this transition depends on various production capabilities—such as technologies, capital, skills, knowledge, and institutional frameworks—that are unevenly distributed among countries (Talebzadehosseini, 2021; Hidalgo and Hausmann, 2009). The purpose of this study is to analyze the products and green products that the United Arab Emirates (UAE), India, Qatar, and Saudi Arabia have produced and exported competitively in order to identify their existing production capabilities and propose strategies that they can consider to accelerate their transition from traditional production processes to cleaner production processes, thereby fostering their green product development. The study has important implications since the

UAE and surrounding countries have crafted green economy as one of the pillars for sustainable economic development.

## **Methodology**

This study applies a network science approach, specifically utilizing the Product Space (PS) network proposed by Hidalgo et al. (2007), to analyze the products and green products that the UAE, India, Qatar, and Saudi Arabia have competitively produced and exported. The PS network uses the proximity concept to connect products traded globally based on the similarities in the production capabilities they share for production. The goal of the PS network is to identify the

production capabilities of each country in producing and exporting different products competitively. Mapping the data on products and green products that the UAE, India, Qatar, and Saudi Arabia have produced and exported into the PS network allows for the identification of existing production capabilities and the analysis of their green production basket evolution between 2000 and 2023. This process allows the study to suggest the policies and pathways that these countries can follow to better utilize their existing production capabilities to foster their transition toward cleaner production and accelerate their green product development. In addition, the Partial Least Square - Structural Equation Modeling (PLS-SEM) approach is employed to identify factors that can enable faster transitions toward cleaner production processes and support green product development. The data for this study were obtained from the United Nation (UN) Comtrade database and the Organisation for Economic Cooperation Development (OECD).

## **Findings**

The analysis of the PS network for the UAE, India, Qatar, and Saudi Arabia highlights that, between 2000 and 2023, these countries utilized their existing production capabilities to expand green product diversity, resulting in a moderate transition from traditional to cleaner production processes, which reveals that they followed a path-dependent process to advance their green production basket. On the other hand, the results of this study highlight that certain green products developed in these countries through a path-defying process in which they didn't restrict themselves to their existing production capabilities, which brought a faster transition from traditional to cleaner production processes. Based on these results, this study identifies and proposes actions and policies that these countries can adopt to experience a path-defying process that accelerates the shift toward cleaner production, therefore producing more green products. The results of the PLS-SEM analysis suggest that fostering technological innovation through investments in the adoption of environmental-related technologies, diverse environmental management techniques, water-related technologies, and climate change mitigation technologies provides significant advantages in promoting the transition to cleaner production processes and enhancing green product development.

**Keywords:** Cleaner Production, Green Products, Product Space Network

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**ID:30**

**Internationalisation of Selected European Business Schools and Blended Learning  
International Cooperation: Enhancing Student Engagement Through Responsible  
Education.**

**Juergen Bleicher**

(Duale Hochschule Baden-Wuerttemberg

[juergen.bleicher@dhbw.de](mailto:juergen.bleicher@dhbw.de)

<http://www.dhbw.de>

**Emil Velinov**

(RISEBA University of Applied Sciences

**Sunday Adebola**

(Keele University

**Abstract.**

The internationalisation of European business schools is increasingly aligned with the principles of responsible education, as championed by the Association to Advance Collegiate Schools of Business (AACSB) and EQUIS. This study investigates how selected European business schools, accredited by or striving for AACSB accreditation, are leveraging internationalisation and blended learning models within global cooperation projects to foster responsible and engaged student learning. Through AACSB's emphasis on innovation, impact, and engagement, business schools are adopting practices that embed ethics, social responsibility, and intercultural awareness into their curricula, preparing students to meet complex global challenges.

Utilizing survey data from students participating in internationally oriented, blended learning program, we conducted analyses to examine how these initiatives impact student engagement, motivation, and self-perceived academic performance. Results indicate that students involved in responsible, AACSB and EQUIS-aligned international and blended learning environments report increased engagement and commitment, driven by opportunities for cross-cultural dialogue, access to diverse industry insights, and application of ethical frameworks. Key factors influencing engagement include structured intercultural exchanges, integrated digital learning tools, and exposure to global business practices that emphasize responsible decision-making and stakeholder inclusivity. Furthermore, students report that blended learning, when combined with responsible international cooperation, strengthens their understanding of ethical business practices, reinforcing AACSB's mission of fostering responsible leadership.

**Keywords:** internationalisation, business schools, blended learning, students engagement

**ID:31**

**Embracing the Digital Wave: Navigating Emotional Dynamics in B2B  
Relationship-Building**

**Anja Schiller**

(Interhyp Gruppe)

**Piotr Kwiatek**

(University of Applied Sciences Upper Austria)

The shift to virtual meetings in B2B contexts, accelerated by recent global changes, including environmental concerns and geopolitical factors, has transformed traditional face- to-face client relationship-building practices. This study delves into how these developments have affected the initial buyer-seller interactions. Through qualitative interviews with 14 experts from both B2B Sales and Purchasing, it employs a qualitative content analysis to evaluate the evolving dynamics. The findings reveal that while relationships remain vital in the sales process, the move to initial virtual meetings introduces challenges such as emotional uncertainty, trust issues, and results in changes in relationship-building strategies. These challenges are significant, especially when the sales process remains entirely digital.

However, virtual meetings also offer opportunities for establishing trust and cooperation when approached effectively. The study highlights the importance for sales teams to reassess and adapt their relationship-building techniques for virtual environments. It offers insights into aligning strategies and expectations between sales and purchasing teams in virtual settings, suggesting that addressing the strategic gaps identified could mitigate potential future negative impacts on business relationships.

Track: Sales Management and Personal Selling Special Session

Keywords: Virtual Relationship-Building, Buyer-seller relationship, Emotional Dynamics in Sales

## 1. Introduction

Traditionally, B2B companies have fostered client relationships through face-to-face interactions, with physical encounters serving as a catalyst for building trust and cooperation, leading to relationships based on positive emotions (Candy, Seabrook, and Baird 2020). The Covid-19 pandemic has accelerated the adoption of digital technologies in B2B organizations, forcing a shift from traditional to virtual interaction models (Rangarajan et al. 2021). This shift raises questions about the impact of digitalization on the dynamics of business relationships (Hadjikhani and Lindh 2021). While digital technology offers benefits, it also presents potential negative consequences, such as impairing the emotional and relational aspects of sales (Delpechitre, Black, and Farrish 2018). Sales managers are now reliant on virtual tools for managing relationships, significantly decreasing direct physical interactions (Good et al. 2022; Bages-Amat et al. 2020). Research suggests that these changes, resulting in reducing face-to-face meetings, are likely to persist (Standaert, Muylle, and Basu 2021), prompting B2B companies to adapt their relational approach to merge human and digital interactions (Corsaro and D’Amico, 2022).

The relationship between buyer and seller, especially the emotional and relational aspects, has been a cornerstone of B2B transactions, with positive and negative emotions influencing behavior (Andersen and Kumar 2006; Pansari and Kumar 2017). However, less attention has been paid to how relational interactions, particularly initial contacts, have evolved in the digitally accelerated environment.

The evolution of technology has significantly altered the dynamics of buyer-supplier interactions in B2B markets. The rise of the internet and AI-based chatbots has diminished the need for early-stage face-to-face sales interactions, allowing customers to gather product information independently (Bongers, Schumann, and Schmitz 2021; Marcos Cuevas 2018).

As a result, buyers now enter meetings with sellers more informed and with heightened expectations (Khandelwal et al. 2021). Virtual meetings, while saving time and increasing productivity by eliminating travel, also bring challenges. They can hinder trust-building and relationship development due to the absence of non-verbal communication (Standaert et al. 2021; Kuzminykh and Rintel 2020; Wiederhold 2020). Furthermore, the shift to digital channels in B2B purchasing requires harmonization of marketing and sales strategies based on unified customer data (Forrester Consulting 2022). Despite this transformation, research on B2B purchasing behavior remains limited (Bonney, Bealer, and Chaker 2022).

## 2. Literature review

Traditional marketing and sales research have primarily focused on cognitive factors like perceived quality and trust, overlooking the role of affective processes (Pandey and Mookerjee 2018). However, interpersonal relationships, crucial in B2B contexts, involve physiological and sociological factors, including emotions (Andersen and Kumar 2006; Dwyer, Schurr, and Oh 1987). Emotional factors, both positive and negative, significantly influence decision-making and buyer-seller relationships (Bagozzi, Gopinath, and Nyer 1999; Zehetner et al. 2012).

Salespeople's ability to manage emotional cues is vital for effective sales interactions (Sojka and Deeter-Schmelz 2008; Kaski et al. 2018). Different emotional behavior styles in salespeople, ranging from emotionally artificial to emotionally facilitating, impact buyer-seller interactions differently (Johnson et al. 2021; Hennig-Thurau et al. 2006). Negative emotions can necessitate crisis management and, in extreme cases, lead to relationship termination (Andersen and Kumar 2006).

Emotions also significantly influence perceptions of trustworthiness, a crucial element in the establishment and maintenance of relationships (McAllister 1995; Forgas 1992). Positive emotional connections can lead to deeper trust levels than those based on predictability alone (Wicks, Berman, and Jones 1999). Salespeople can build rapport by being responsive, collaborative, and sensitive to customers' emotional states, fostering trust and partnership (Kaski et al. 2018). Trust violations can lead to negative emotions and reduced trust, necessitating repair efforts (Tomlinson, Dineen, and Lewicki 2004; Lewicki and Bunker 1996).

While digital transformation in B2B markets offers efficiency and informational advantages, it also presents challenges in building and maintaining effective buyer-seller relationships, underscoring the importance of understanding, and managing the emotional aspects of these interactions. Hadjikhani and Lindh (2021) note that digitalization may lead to uncertainty, countering the potential efficiency gains, while regular digital exchanges can foster predictability and reduce uncertainty. Therefore, the impact of digitalization on business relationships can be complex and varied. Corsaro and D'Amico (2022) introduce the concept of digital trust in B2B relationships, which is influenced by the perception of the digital tools used. Technology that replicates real-life interactions can enhance trust, while reliance on impersonal communication methods like chat can diminish it. In the techno-mediated setting of today's business world, technology is not just a facilitator but a shaper of relationship

dynamics, particularly trust. However, building trust in a digital context, where physical interactions are limited, remains a challenge.

Furthermore, digital communication's lack of nonverbal cues poses challenges in accurately conveying emotions, leading to potential misunderstandings and negative emotions that can damage business relationships. The impersonal nature of digital tools can also hinder the development of strong emotional connections with business partners. Consequently, sales professionals need strong emotional intelligence skills in virtual settings. They must be adept at interpreting subtle cues in digital interactions to understand customers' emotions and needs accurately. Salespeople must adapt their behavior to match the nuanced requirements of digital communication effectively.

Razmak, Pitzel, and Farhan (2022) emphasize the importance of developing the right skillset for salespeople to thrive in a digital business world. The ability to navigate the barriers of digital communication and establish trust and connection with customers is crucial. Salesforces equipped with these skills can enhance customer relationships, turning the challenges of digital settings into opportunities for deeper engagement and partnership.

In summary, the evolution to digital settings in B2B relationships necessitates a nuanced understanding of emotions and trust. While digital tools can facilitate efficiency and predictability, they also bring challenges in conveying emotions and building trust. Success in this digital landscape depends on the ability of sales professionals to adapt, leveraging emotional intelligence to foster strong, trust-based relationships in a predominantly virtual business environment.

### **3. Methodology**

To investigate the scope and dynamics of emotions between buyers and sellers, we pursue qualitative research. Expert interviews are suitable for this study as they enable the collection of a broad range of information, including personal experiences, emotions, and opinions, which are crucial to understanding individual perceptions in business relationships (Saunders, Lewis, and Thornhill 2012; Hennink et al. 2011).

Despite some criticisms of expert interviews as being merely "informational" and secondary in methodological significance (Lamnek 2010; Liebold and Trinczek 2009), this research method offers several advantages. It utilizes semi-structured interviews, allowing for predefined questions while also giving interviewees the freedom to respond openly. This format is flexible enough to adapt to the flow of the conversation, omit certain questions

based on the organizational context, and address unplanned topics as they arise (Saunders, Lewis, and Thornhill 2012; Gläser and Laudel 2010).

For participant selection, a non-probability self-selection method was employed due to the lack of a common sampling frame for all B2B salespeople and buyers. Participants were chosen based on self-selected criteria and then contacted individually. The expert selection process involved using LinkedIn to identify candidates working in the B2B sector, with specific job titles or experience related to sales or purchasing.

Table 1. Study participants.

<b>ID</b>	<b>Category</b>	<b>Position</b>	<b>Industry</b>
S1	Sales	Sales Director	Medical Technology Industry
S2	Sales	B2B Sales Consultant	Consulting Industry + previous experience in Banking
S3	Sales	Director Sales and Marketing	Films and Nonwovens Manufacturing Industry I Hygiene Sector
S4	Sales	B2B Sales Consultant	Consulting Industry
S5	Sales	Team Lead B2B Sales	IT Wholesale Trade Industry
S6	Sales	Head of B2B Sales	Wholesale Trade Industry I Food Sector
S7	Sales	Head of B2B Sales	Wholesale Trade Industry I Food Sector
B1	Buying	Commodity Buyer	Automotive Industry
B2	Buying	Lead Buyer	Vehicle Manufacturing Industry
B3	Buying	Technical Buyer	Energy Industry
B4	Buying	Strategic Buyer	Transport and Logistics Industry
B5	Buying	Corporate Buyer	Textile Industry
B6	Buying	Purchasing Manager	Automotive Industry
B7	Buying	Category Buyer	Pharmaceutical Industry

The 14 interviews were conducted between March 20th and March 31st, 2023, and lasted from 45 to 62 minutes. The conversations took place online (Zoom or Microsoft Teams) and were recorded using the platform's built-in recording function, as well as an additional audio recording using a smartphone as backup. Most interviews were conducted in German, as the participants felt more comfortable talking in their native language.

#### 4. Findings

Both buyers and sellers acknowledge the crucial role of buyer-seller relationships in business success. Buyers benefit from established relationships through fair pricing, better cooperation, and support for personalized products. These relationships also lead to smoother processes, flexibility, and joint innovation support. In conflicts, established suppliers provide better resolution. For buyers in the automotive industry, these relationships are essential due to dependency on specific parts and complex purchasing procedures.

Suppliers, on the other hand, place even greater emphasis on the importance of these relationships, using terms like "essential for survival" (S7) and "it is key" (S3). S5 highlights the role of salespeople as "problem-solvers, building trust through reliability and support" (S5). S6 enjoys building interpersonal relationships, emphasizing informal interactions and shared activities like dining, or attending sports events to strengthen bonds (S6).

The initial touchpoint in the sales process varies by industry. In the pharmaceutical industry, it often occurs during the offering phase, while in the automotive industry, it happens during the prospecting phase due to the technical nature of products. The point of initial contact can also depend on the buying procedure, such as during tender processes or new concept development (B3). The timing of the initial meeting is crucial, as early involvement often leads to more successful solutions (B2). Sellers prioritize quick personal contact, usually during the qualification phase (S6; S7).

Buyers and sellers perceive the importance of the initial meeting differently. Buyers view it as an intermediate step in relationship building, emphasizing "continuity over first impressions" (B7). Sellers, however, deem it crucial for establishing rapport and making a positive first impression, which significantly influences business outcomes (S7; S6). Digital transformation has led to a shift from face-to-face to virtual first meetings. While this change saves time and increases efficiency, some experts express a desire to return to in-person meetings for initial contacts (B4; B2). Virtual meetings offer flexibility and cost savings but can lack the personal connection of physical meetings. They allow for quick coordination among colleagues during the meeting, an advantage not present in face-to-face settings (B1; B7).

Most buyers consider the first meeting to be less important for the relationship and consider it more as an intermediate step in the process of building a relationship. Buyer B7 comments as follows: "I think people often make a big fuss about it. But I don't think it's that important. What is important is the continuity of the work. I think the first impression is something that is very hyped. I wouldn't attach quite as much importance to the first impression as others might." (B7). Similarly, another buyer mentions that the first meeting should not be the sole determinant of the

relationship (B4). According to interviewee B3, the initial meeting between a buyer and seller is “merely an intermediate step towards establishing a potential partnership. It is only through the course of time that it becomes apparent whether the relationship will be successful or not” (B3). The interviewee B3 notes that over the years, only a few sellers have remained memorable due to their uniqueness during the first meeting and „a seller may easily be forgotten and replaced” (B3). The buyers note that a first meeting may be challenging from a personality perspective, but “a successful collaboration could still occur at a later point in time with a different salesperson” (B1).

In contrast, all salespeople emphasize the great importance of the first meeting by using phrases such as “it is key” (S3), or “it is the crucial conversation” (S2). Seller S7 points out that "there is no second chance for a first impression. (...) the customer often decides based on the first impression" (S7). S6 notes that “the first meeting sets the tone for future interactions and allows sellers to assess the personality and communication style of the buyer” (S6). According to S2 “within the first ten minutes, the buyer has decided if they want to continue with the salesperson or not” (S2). Consequently, salespeople look for clues in the buyer's office or surroundings to establish common ground and create an emotional connection (S2). Sales expert S6 points out that "at the first meeting, you get the first impression, and that must be confirmed in the further course. But after the first meeting, you can say what kind of people they are, and that's what we're trained for." (S6).

A negative first impression can be difficult to overcome and can even lead to the buyer avoiding any further interactions with the seller. Participant S4 notes that "if I don't like the other person in the first conversation and I judge the person as not competent or, I don't like them, then I will avoid a second conversation or I will avoid further interactions at all. I think that's exactly the same in every aspect of life. And it's the same with Sales. Or it clicks and then I have a big advantage" (S4).

Emotional intelligence on both sides becomes even more important to accurately evaluate and respond to this new situation. Two experts state that interpreting emotions quickly becomes misleading in virtual settings. According to interviewee B2, “a comparison can be made between a digital conversation and a face-to-face conversation and an email and a phone call. In an email, the content is read, but the sender's intention may be misinterpreted, leading to misunderstandings. On the other hand, in a phone call, the tone of voice can reveal the sender's intent more accurately, leading to fewer misunderstandings. This is similar to the difference between a digital and face-to-face exchange, where the latter allows for a more present emotional tone” (B2). Expert S4 adds that in a virtual setting, “the lack of visual cues such as facial expressions and gestures, combined

with the possibility of distractions and reduced attention, can also be misleading” (S4).

Interestingly, there appears to be a notable absence of reflection on the part of both expert groups with regards to emotional factors and their changes in virtual environments. This is evident from the frequent occurrence of hesitancy and ambiguous remarks. They struggle to provide definitive answers regarding emotional changes in virtual environments, stating that it is “a difficult question to answer” (S7), a “good question” (B4) or “hard to say” (B7).

## 5. Discussion

To summarize the findings, two conceptual frameworks were developed following Gioia's et al. (2013) proposal for data structuring in expert interviews. Emotional Uncertainty is based on the issues that in virtual meetings, there is a lack of both Emotional and Visual Cues. According to the participants, it is harder to interpret body language, gestures, and mimics on camera. Consequently, it becomes more difficult to assess the counterpart's emotional reactions and adapt accordingly to it. Additionally, the interactions tend to be more rational and factual, and it is not possible to create a personal connection similar to the one in in-person meetings. Salespeople struggle with the challenge that in virtual interactions there are fewer opportunities for small talk, through which an initial personal connection can be established, since the physical environment is absent. These leads to virtual meetings creating greater uncertainty in terms of emotions and, consequently, also strategy, as the lack of emotional assessment means that the usual strategy can no longer be implemented in the same way. This has a particularly negative impact on first meetings because there is usually no prior experience or knowledge about the behavior or potential reactions of the counterpart.

According to the experts, this poses a particular challenge for sales, as they rely on establishing a personal connection from the first moment onwards.

The second dimension, Impairment of Trust-Building, has been extracted analyzing how trust between buyer and seller is in general created and how virtual settings impact the process of building trust. The presence of positive factors as well as the absence of negative factors lead to a feeling of trust towards the other party. However, the theme Lack of Personal Connection negatively affects the trust-building process in digital settings. The experts state that it is more difficult to assess the sincerity of promises and actions made digitally.

Secondly, virtual first meetings can lead to a Perceived Lack of Commitment on both sides. According to the experts, it is easier to organize many digital meetings because the organizational

and time constraints are comparatively smaller. However, as a result, less importance is attached to them, as they lose perceived importance due to their frequent occurrence and strong integration into everyday business. Since this can generally be observed on both sides, and the experts are aware of it, it can lead to doubts being raised about the commitment of the counterpart. The last theme within this dimension, Negative Behavioral Changes in Virtual Settings, also has negative implications for the creation of trust. The experts have noticed a tendency towards bolder behavior because of an increased sense of anonymity and consequently a lower inhibition threshold.

The third dimension Deficits in Relationship-Building Approach was derived from the challenges in the relationship-building process. All experts state that in their industries, relationships between buyer and seller are especially important and they also put high importance on the existence of those relationships in the future. While they acknowledge that emotions in general, and especially the presence of positive emotions, are important, responses to questions in this context sometimes suggest a lack of reflection. Notably, some experts lack awareness of the behavioral shifts that take place during virtual meetings, including changes in both the counterpart and the experts themselves. The main issue at hand is that these behavioral changes, such as lack of attention, mental absence, or bolder behavior, have negative connotations and thus trigger the negative emotional reaction in the counterpart that should be avoided. As a result, not only are positive emotional reactions harder to achieve due to the lack of personal connection, but the likelihood of negative reactions is higher compared to in-person meetings. These aspects are summarized in the theme Emotional and Behavioral Unawareness.

Lastly, there seems to be an Insufficient Buyer-Seller Match. On the one hand, the experts largely agree that both sides have similar views on future expectations and developments. This may be true in the long term and can neither be confirmed nor refuted with the present research data. On the other hand, the statements on the importance of the first meeting and about valued emotional aspects suggest otherwise. Sellers tend to attach more importance to the initial meeting than the purchasing side. While all participants from the seller group consider the initial meeting to be very important, only two buyers agree with them. Most buyers consider the first meeting to be less important for the relationship and see it more as an intermediate step in the process of building the relationship. They also focus on technical aspects such as the product match. Positive emotional experiences are created by attention, interest, and good preparation on the part of the supplier. On the seller side, a lot of emphasis is placed on the personal level, making a good first impression on the customer, and the possibility of establishing a connection.

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**ID:33**  
**Balancing Strategy and Governance in AI  
Implementation\**

**Isaac Wanasika**  
University of Northern Colorado, USA  
[isaac.wanasika@unco.edu](mailto:isaac.wanasika@unco.edu)

For many companies, Artificial Intelligence (AI) is a business imperative. AI tools also have potential to solve some of the most pressing human problems. The race to be first-to-deploy is real, but fraught with risks. AI tools are also changing at an exponential rate. AI strategies are essential for sustaining competitiveness, and even survival of most firms. Balancing strategy and governance in AI Implementation are central to effective AI deployment. Current AI tools are far from perfect, and their potential strategic effect is unknown. AI tools are at a nascent stage, with known flaws, unknown consequences, and fundamental biases.

This study develops a strategic framework to facilitate effective AI deployment, align execution with current and emergent regulatory regimes, and proactively mitigate execution risks by embedding governance in AI development. Public and private entities have a lot to gain from mindful AI implementation. Through broad stakeholder participation, AI has potential to benefit corporate entities and simultaneously minimize the impact of wicked problems.

**ID:34**

**Technological paradigm and sales funnel analytics**

**Grażyna Golik-Górecka**

(University of Lodz, Faculty of Management).

**Abstract.**

The aim of the article is web analytics in the sales funnel in the context of technological determinism.

Various approaches to the use of key measures in the sales funnel, theoretical approach - social media funnel, identified theoretical measures, practically identified measures in the sales funnel of selected companies. The last view of the funnel is in the analytical dashboard.

With all the social media tools at its disposal, how should a company decide which ones best fit the optimal social media funnel and in what order they should be used? To answer this question, a company must know who its potential customers are and how to reach them most effectively. The social media marketer also needs to know the company's goals, how to measure those goals (i.e., the metrics that should be analyzed), and what values should be set for those metrics.

**Keywords:** technological paradigm, sales funnell, marketing analytics

**ID:35**

## **Activities and Competences of Network-Marketers in the Digital Age**

**Susanne Jankovic, Ma**

University of Applied Sciences Upper Austria Degree  
Program Global Sales and Marketing  
[jankovicsusanne@gmail.com](mailto:jankovicsusanne@gmail.com)

**Christian Stadlmann,**

University of Applied Sciences Upper  
[christian.stadlmann@fh-steyr.at](mailto:christian.stadlmann@fh-steyr.at)

### **Abstract**

Direct Selling is one of the strongest growing sales forms in Europe. In network marketing, self-employed direct sales representatives act as intermediaries by selling mainly face-to-face. Additionally, they may manage other salespeople (subcontractors) supporting the growth of their suppliers. The few academic studies on network marketing have mainly been conducted in the USA and focused on the B2C sector. In addition, the competences and activities required of salespeople have changed since Covid. The possibilities of digital interactions with customers have extended sales behaviors to inside/remote sales activities. This study examines the competencies and activities of salespeople in network marketing in the digital age and aims to better understand their importance and performance. The findings underscore the growing significance of digital tools in customer interactions and reveals a discrepancy between perceived importance and actual usage. Moreover, the study emphasizes the central role of customer relationship activities and the lack of supplier management activities. The research further explores the increasing dynamics of B2B network marketing activities and highlights the focus of network marketers on B2B customers and the strategic implications of such engagement. It concludes by highlighting the need to effectively integrate digital tools, refine customer relationship activities, foster stronger supplier relationships and understand the dynamics of B2B network marketing. Despite the informative nature of the study, these findings provide an initial avenue for deeper investigation, which should ultimately contribute to a more comprehensive understanding of network marketing in the digital age.

### **Introduction – Network Marketers in the Digital Age**

The marketing landscape has evolved significantly since the 1970s, expanding beyond traditional product and service marketing to include social marketing, which introduced the concept of network marketing (Egan, 2008). In network marketing as a form of direct selling, manufacturers sell their products through independent distributors, known as network marketers, who receive commissions and work as self-employed individuals, relying on

personal face-to-face relationships as the foundation of their business. In addition, they can recruit and manage new salespeople (subcontractors) who ultimately amplify the growth of their suppliers (Keep C Nat, 2014). This model, also referred to as contemporary marketing practice, is predominantly found in both the business-to-consumer (B2C) and consumer-to-consumer (C2C) business (Chopra et al., 2023).

The role of independent sales representatives in network marketing is crucial for companies seeking cost-effective market access while mitigating operational risks. However, existing research predominantly focuses on sales intermediaries such as Independent Manufacturers' Representatives, with limited attention given to independent sales representatives (Bergestuen et al., 2022). Furthermore, studies on network marketing are rare and, if they are conducted, then only in a B2C context, particularly in the US (Chopra et al., 2023). Despite this lack of research, direct selling remains a significant economic activity, with millions involved globally. The recent use of digital tools and platforms has only amplified the reach and effectiveness of network marketing, making it a viable income-generating opportunity even in times of economic instability (Peterson et al., 2020).

The rapid digitalization of sales and marketing processes, driven by AI, automation, and data analytics, has also transformed the customer journey, making it more transparent and efficient (Mikalef et al., 2023). This shift has led to the growing importance of recommendation marketing and human-to-human (H2H) marketing, as customers seek guidance from others' experiences in their purchase decisions (Sciandra, 2024).

The digital possibilities have further significantly changed consumers and buyer's behavior. B2B buyers have started to use a mix of sales channels, opting for remote human interactions or digital self-service (Donchak et al., 2022).

The onset of the COVID-19 pandemic accelerated the adoption of digital tools in marketing and sales, emphasizing the need for companies to adapt their strategies to effectively engage with consumers in this digital environment (Donchak et al., 2022; Chopra et al., 2023). Therefore, these digital changes also require a new set of competences from sales staff. In addition to analytical skills, studies show that mastering technology is a necessary prerequisite for success in sales (Peesker et al., 2022). In this light, it is necessary to re-examine and scrutinize the competences, skills and tasks of salespeople.

Studies of sales activities have seen significant advancements, with seminal works by Moncrief (1986), Marshall et al. (1999), and Moncrief et al. (2006) providing foundational taxonomies of sales tasks, incorporating the impact of emerging technologies and

environmental changes.

Elhajjar, Yacoub, and Ouaida (2024) further expanded this taxonomy to encompass the influence of digitalization and artificial intelligence (AI) on modern sales practices, emphasizing the need for sales professionals to develop new competencies to remain competitive. To this aspect Guerini C Cusi (2024) emphasize the effective and usefulness use of digital tools also for network marketers, indicating an evolution in the skills required for these independent sales professionals. However, research on the skill, competences and related tasks of network marketers in the digital age has not yet been conducted.

Considering these developments, the primary goal of this study is to investigate the competencies and activities of sales representatives working in network marketing within the context of the digital age. The study aims to evaluate the importance of competencies suggested by literature for network marketers and assess their performance in these areas (Singh et al., 2019). Additionally, this research seeks to analyze the activities of network marketers in the digital age and rank their importance based on empirical evidence (Moncrief, 1986; Marshall et al., 1999; Moncrief, 2006; Rangarajan, 2024). By doing so, this study seeks to provide a comprehensive understanding of the skillset of network marketers, shedding light on their interactions with their suppliers and customers within the B2B landscape.

Therefore, this study aims to address these gaps in network marketing by focusing on the following research questions:

**RQ 1:** How important are the competencies for network marketers in the digital age, and how do network marketers currently perform regarding these competencies?

**RQ 2:** How important are the sales activities for network marketers in the digital age, and how do network marketers currently perform regarding these activities?

**RQ 3:** To what extent are B2B customers focused involved in network marketing?

## **Methodology**

The research methodology employed in this study is designed to address the scarcity of studies focusing on network marketing, particularly in the context of the digital age. Therefore, we employed a structured questionnaire to collect data from network marketers outside of US, in particular in the German speaking region, focusing on their activities, competences and target markets (B2C or B2B). The study targeted individuals who are self-employed in network marketing. The selection of respondents followed a judgmental or convenience sampling approach, enabling the targeting of individuals possessing relevant

knowledge to serve the research objectives. The survey questionnaire was aligned with a current study on independent sales agents of an international research project and drawing from established research models and taxonomies (Rengarajan, 2024). The questionnaire was pretested with network marketers to ensure clarity and understanding before being published online. The survey was conducted through various platforms such as social media and email, and by resending reminders in several tranches in the period of April to May 2024. Finally, out of 92 responses 52 were completed by network marketers and further processed.

## **Results**

When examining the impact of digitalization, network marketers highlight the importance of using digital tools when interacting with customers. In contrast to studies of other areas, the customers of network marketers are far less proactive in the digital interaction with the network marketers and prefer a mixed approach (personal interactions combined with digital ones). However, respondents do not consistently employ digital tools, such as social media to find, contact, communicate or research on customers. The actual limited usage of generative AI tools is hereto in a strong disparity to its perceived importance. The findings underscore an inherent tension between the perceived importance of digital tools and their actual utilization, suggesting a need for further investigation into how network marketers manage and integrate these tools into their practices. This is particularly interesting because the findings are consistent among all ages (also younger generations) and educational levels (as well for network marketers with university degrees).

Investigating the activities based on previous studies (Moncrief, 1986; Marshall et al., 1999; Moncrief, 2006) 7 categories of activities were clustered. Table 1 shows the cluster results, underscoring the weaknesses in usage of digital tools despite the knowledge about their importance. Customer Relationship Competences were deemed the most important, reflecting a focus on the significance of interpersonal connections and engagements in the profession.

The high perceived importance aligns with strong performance in this area, indicating its centrality in network marketing activities. Contrary to studies in similar independent sales professions, such as sales agencies (Rangarajan, 2024), the importance of and the performance in business activities with suppliers (so called principals) show lowest scores.

Table 1 – Importance vs. Performance Ranking C Rating per activity cluster

Cluster	Importance			Performance		
	Rank	Mean	Standard Deviation	Rank	Mean	Standard Deviation
Customer Relationship Activities	1	5.611	0.723	2	5.928	0.633
Use of Digital Tools	2	5.311	0.944	6	5.045	1.006
Sales Activities	3	5.308	0.868	4	5.718	0.745
Business Development Activities	4	5.167	0.965	1	6.321	0.650
Mentoring/ Leadership	5	4.981	1.112	3	5.923	0.886
Interaction with the principal	6	4.808	1.075	7	4.910	1.350
Administrative Activities	7	4.837	1.319	5	5.524	1.074

Investigating the competences of network marketers Listening Skills, Teamwork Skills, Flexibility/ Adaptability, Ability to communicate clearly and Mental Strength and Resilience were the top 5 in this field in importance as well as in performance. Interestingly, the results contrast with current research emphasizing analytical competences as major success factors in sales which were ranked only among the 6 least important ones.

The lack of research on B2B applications in network marketing could lead to the conclusion that B2B is underrepresented in network marketing businesses. However, the research uncovers a notable split, with 37% of respondents involving B2B businesses in their network marketing ventures, while 63% of respondents reported no B2B involvement – a compelling insight that underscores the heterogeneous nature of network marketing activities. Furthermore, those currently engaged with B2B businesses tend to believe in the growing significance of B2B businesses in their network marketing activities, with 79% of this subgroup expressing high importance placed on the future involvement of B2B enterprises. Conversely, among respondents with no current B2B involvement, only 36% believe in the future importance of B2B businesses, revealing a divergence in perspectives and potentially signaling different strategic considerations among network marketers. This underscores the need for in-depth exploration and understanding of the role, integration, and strategic significance of B2B businesses within the network marketing domain as B2B network marketing remains largely overlooked by academic researchers.

### **Managerial Implications and Future Research Possibilities**

The findings of this study present several implications for network marketing management in the digital age for scholars as for businesses. Firstly, the importance of digital tools in

interacting with customers, albeit recognized, contrasts with the actual utilization by network marketers. This tension calls for a reevaluation of current practices, emphasizing the need for strategies that effectively integrate digital tools into network marketing activities (Zoltners et al., 2021), probably supported by suppliers using network marketers as channel for distributing their products.

Moreover, the strong emphasis on customer relationship activities indicates the centrality of interpersonal connections and engagements in the profession. Network marketing management should focus on nurturing and developing these customer relationships, leveraging them to enhance business outcomes. This underscores the need for training and support for network marketers in honing their customer relationship skills (Palmatier C Steinhoff, 2019).

The low reported importance and performance in business activities with suppliers suggest a need for managerial and research attention in fostering stronger supplier relationships in the field of independent sales professionals. This area presents an opportunity for network marketers to reevaluate strategies in engaging with and supporting the growth of suppliers, potentially enhancing overall business performance (Rangarajan, 2024).

Given the notable split in network marketers' involvement with B2B businesses, future research should focus on understanding the dynamics of B2B network marketing activities. Exploring the strategic implications, integration challenges, and the potential impact of B2B involvement on network marketing success would provide valuable insights for both practitioners and academic researchers.

## **Limitations**

The study encountered several limitations, particularly in the survey methodology. With a sample size of 52, the study does not provide statistically fully reliable results. Reconducting the study in other European countries where the independent sales agencies play enormous roles, such as Spain or Italy (IUCAB, 2022), with larger sample sizes would contribute to more evidence.

Furthermore, the absence of established theories on network marketing – particularly in the B2B field, diminishes the conclusiveness of the study's findings, rendering them more preliminary than comprehensive. Acknowledging these limitations, it is crucial to approach the study's findings with caution. These limitations highlight the informative nature of the study and underline the necessity for further refined research efforts in this area.

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**ID:36**

## **Impact of Team Cohesiveness, Creativity and Enhanced Psychological Capital on Entrepreneurial Intentions**

**Tiina Brandt**

Haaga-Helia UAS, Helsinki, Finland

[Tiina.Brandt@Haaga-Helia.fi](mailto:Tiina.Brandt@Haaga-Helia.fi)

**Isaac Wanasika**

University of Northern Colorado, Monfort College of Business

[Isaac.Wanasika@unco.edu](mailto:Isaac.Wanasika@unco.edu)

### **1. Abstract**

This study analyzes the impact of individual and team level on entrepreneurial intentions. The sample was taken from the European Innovation Academy, where adult college students worked in international teams for the purpose of building a company with at least 300 customers. The individual level is measured with creativity and proactiveness which have been regarded as important entrepreneurial factors. Team cohesiveness represents how well team members get along, give feedback to each other and can reflect on their functioning. Also, we study here the enhancement of psychological capital. The respondents were asked to report if the camp had an impact on their psychological capital qualities. The impact of psychological capital was also evaluated in relation to entrepreneurial intentions.

**Keywords:** Entrepreneurship, Creativity, Psychological Capital, Team Cohesiveness

### **2. Introduction**

Entrepreneurship has typically related to personal characteristics, such as risk-taking, innovativeness and competitiveness. There is plenty of research indicating that risk-taking attitudes and behaviours are distinguishing characteristics of entrepreneurship (Das and Teng, 1997; Douglas and Shepherd, 2002; Salmony and Kanback; Stewart et al, 1998).

Psychological capital (PsyCap) illustrates individuals' positive capacity in terms of the components of optimism, resilience, self-efficacy, and hope (Luthans et al., 2006). PsyCap has several positive impacts on individuals' life at organizations and work-related matters (Avey et al., 2011; Luthans et al., 2005; Luthans et al., 2008; Peterson et al., 2011). Some studies have been focused on psychological capital and entrepreneurship (e.g., Akmaliah and Pihie, 2009; Saeid et al., 2011). It has enormous impact on

individuals' working life. It is not permanent trait, but it can be increased with interventions. For example, 1-4 hours micro-interventions have been noted to have positive impact on the psychological capital (Lupsa et al., 2020). Interestingly, leaders' have impact on their team members' psychological capital (Brandt, 2022).

In this study, the focus was whether a three-week intensive entrepreneurial student camp acts as an intervention method improving students' psychological capital. Also of interest was comparing entrepreneurial intentions of USA and European samples.

## 2.1 Entrepreneurial intentions

The Theory of Planned Behavior (TPB) (Ajzen, 1991) is one of the models in the study of entrepreneurial intent in different countries (Autio et al., 2001; González-Serrano et al., 2016; Krueger et al., 2000; Liñán and Fayolle, 2015; Moriano et al., 2012). Ajzen (1991) postulates that behaviour is a function of beliefs that influence a certain behaviour. These beliefs are considered important premises that determine personal attitude, intention and perceived behaviour control. The more favourable the subjective norms and attitudes towards behaviour, the greater the perceived degree of control of the individual, leading to a stronger intention to perform a certain behaviour (Ajzen, 1991). Previous studies have used TPB to predict certain variables that are related to entrepreneurship. These variables include entrepreneurial intentions, entrepreneurial behaviour and entrepreneurial skills and attitudes. Entrepreneurial intention is the “self-acknowledged conviction by a person that they intend to set up a new business venture and consciously plan to do so at some point in the future” (Thompson, 2009, p. 676). Entrepreneurial intention is the first step towards taking entrepreneurial action such as contemplating a start-up. The second variable of interest is entrepreneurial behaviour. Based on the TPB, intentions are correlated with behaviour and linked to behavioural control. Intention plays a significant role in TPB by connecting norms, attitudes and behavioural control with enacted behaviours.

## 2.2 Entrepreneurial qualities

Entrepreneurial qualities have typically been related to ability to take risks (Frishamme and Andersson, 2009) and multiple studies indicate this (e.g. Begley and Boyd, 1987; Carland et al, 1995; Karabey 2012; Pekkala et al, 2019; Zhang et al, 2015). Other studies have shown that highly risk- minded entrepreneurs are willing to take on high-risk ventures for the chance of high returns (Covin and Slevin, 1989; Lumpkin and Dess, 1996). Some research indicates that with risk-taking ability there is enhanced need for

autonomy in decision making. The stronger the risk-taking tolerance of the individual has, the stronger their preference for decision-making autonomy, and their intention to be self-employed (Douglas and Shepherd, 2002). A further intervention study indicates that people could learn to take risks (Kyrö and Tapani, 2007).

*Competitiveness* drives efforts which improve performance (Krishnan et al., 2002) and it is associated with the adaptation of deep learning strategies (King et al., 2012) and related to learning effort as well as general self-efficacy (Wang and Netemeyr, 2002). Many studies have focused on entrepreneurial orientation and the relationship of aggressive competitive orientation to firm performance and business success (Covin and Covin, 1990; Matchaba-Hove et al, 2013). *Innovativeness* is important to creating something new and succeeding in changing situations. With respect to competitiveness, aggressive competitive orientation is related to firm performance and business success (Covin and Covin, 1990; Matchaba-Hove et al, 2013).

Other factors like age, gender and personality have been studied in relation to entrepreneurship. Age matters. Older people are significantly less likely to engage in entrepreneurial activity than younger individuals (Curran and Blanckburn, 2001; Hart et al, 2004), but on the other hand survival rates of businesses established by older entrepreneurs are higher than those of younger entrepreneurs (e.g., Cressy and Storey, 1995; Rotefoss and Kolvereid, 2005). Some personality preferences are more aligned with entrepreneurship than others. Intuitive and thinking personality preferences are likely to be entrepreneurs than their opposite preferences of sensing and judging (e.g. Brandt & Helander, 2020; Carland and Carland, 1992).

Researchers studying students used a variety of measures for entrepreneurial attitudes that included a mixture of attitude and trait measures, including items referencing risk-taking and innovativeness (Domke-Damonte et al., 2008; Langkamp-Bolton & Lane, 2011; Levenburg & Schwarz, 2008; Macko & Tyszka, 2009; Zampetakis et al., 2009) as well as proactivity (Langkamp-Bolton & Lane, 2011; Zampetakis et al., 2009).

### 2.3 Psychological capital and entrepreneurial tendencies

Psychological capital is defined as “an individual’s positive psychological state of development that is characterized by: (1) having confidence (self-efficacy) to take on and put in the necessary effort to succeed at challenging tasks; (2) making a positive attribution (optimism) about succeeding now and in

the future; (3) persevering toward goals and, when necessary, redirecting paths to goals (hope) in order to succeed; and (4) when beset by problems and adversity, sustaining and bouncing back and even beyond (resilience) to attain success” (Luthans, Youssef, & Avolio, 2007, p. 3).

In working life, it has been noted that psychological capital has a significant impact on the individuals’ experiences and success. There are multiple studies of its positive impact on individuals’ life at organizations and work-related matters (Avey et al, 2010; Avey et al, 2011; Bergheim et al, 2015; Luthans et al, 2008; Peterson et al, 2011). Karatepe and Karadas (2015) found that employees scoring high on psychological capital are more satisfied with their jobs, careers, and lives. PsyCap has also been associated with positive career mobility (Järlström and Brandt, 2017) and objective career success measured in wages and hierarchical career progression (Järlström et al, 2020). For individuals it is important because individuals with lower levels of psychological capital are at greater risk of being unemployed (Cole et al, 2009). In case of turnover intentions, Siu et al. (2015) found that work well-being (both job satisfaction and stress symptoms) fully mediate the association between psychological capital and turnover intention. At the organizational level, PsyCap is connected to organizational performance (Hmieleski and Carr, 2008), business excellence (Hsu et al., 2014) and competitive advantage (Youssef and Luthans, 2010).

Psychological capital seems to have a positive relationship with entrepreneurship. Contreras et al. (2017) found that entrepreneurial intention is related to psychological capital with dimensions of self- efficacy and resilience and as an integrated construct. A study by Ebhrem et al (2019) highlighted the importance of psychological capital in explaining why some students are more willing to start-up business than others. Indeed, the higher the student’s psychological capital, the higher the intention to start-up a business. Further, according to study of Brandt (2022) with a sample of 457, the PsyCap correlated with Entrepreneurial tendencies as well as Growth orientation. The Entrepreneurial tendencies correlated all dimensions but Hope and Growth correlated with all dimensions. Both were

correlated with the whole construct of PsyCap. With respect to psychological capital dimensions, the relation between self-efficacy and entrepreneurial behaviour has been widely established (Akmaliah and Pihie, 2009; Chandler & Jansen, 1997; Chen et al, 1998; Saeid et al., 2011). Also, optimism (Laguna, 2006; Lingfei and Li, 2011; Robledo et al, 2015) and hope (Laguna, 2006) are predictors of entrepreneurial intention and hope indicates entrepreneurs’ satisfaction with business ownership according to Jensen and Luthans (2002). According to these studies it seems like persistence is the only dimension which has not been studied as it relates to entrepreneurship.

### 3. Method

#### 3.1 Questionnaires

*Psychological capital* measurement was from -3 to +3 where respondents answered to items, of how much each item has increased or decreased due to camp. *Entrepreneurial intention* was measured with one item “How likely you start own business in 5 years’ time”. *Creativity and Proactiveness* were measured with 12 items, which have shown to be reliable measurement items in previous studies. *Team composition* was divided into three dimensions: 1) Person-Team Fit 2) Trust and Targets 3) Raising and Reflecting.

#### 3.2 Sample

A sample of 85 students participated in the European Innovation Academy’s camp during the summer 2023 and 2024. Most of the respondents came from Europe (64%), United States (18%) and Asia (14%). They studied mostly technology (44%) or business (26%) fields. Gender distribution was equal, with 47% men and 49% women.

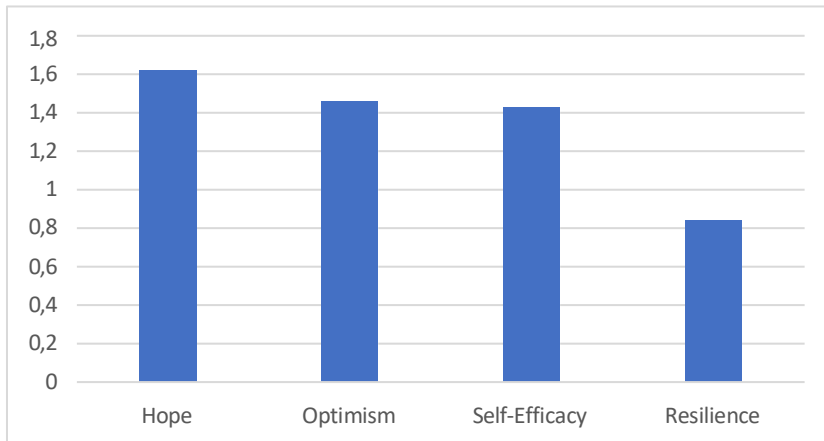
### 4. Results

A linear stepwise regression analyses of Team Cohesion and Innovativeness on the increase of Psychological Capital was conducted to analyze the data. Results of the study are shown in Table 1.

#### 4.1 Impact of camp on psychological capital

In the case of Psychological Capital, the total impact of camp was +1,34. Mostly impact was in Hope 1,62, secondly Optimism 1,46 and Self-Efficacy 1,43. Least impact was in Resilience 0,84. The impact was positive on psychological capital (see Table 1).

**Table1.** Impact of camp on psychological capital



#### 4.2 Impact of Team Cohesion and Innovativeness on Increase of Psychological Capital

The more each Team was felt as functioning well and the more everyone regarded his/herself as Innovative the more Psychological Capital increased in the camp.

Regarding PsyCap Total, Gender and Total Team Cohesion and Innovativeness had impact. Being male the more PsyCapTotal was increased due to camp. Also, the better each Team worked together, the more PsyCapTotal each individual experienced. Innovative individuals experienced more increase in PsyCap.

In the case of Hope, the more there was experience of Team-Person Fit and the more respondents evaluated themselves as Innovative, the more there was a raise in Hope. On Optimism, the whole team cohesion and individual's proactivity impacted on the raise. In Self-Efficacy, both Team Total and Innovativeness total had impact on improvement of Self-Efficacy. In the Resilience men, ability to Reflect and Innovativeness raised this one.

**Table 2.** Linear step-wise regression analyses of Team Cohesion and Innovativeness on the increase of Psychological Capital

	<b>PsyCap Total, M3</b>		<b>Hope, M2</b>		<b>Optimism, M2</b>	
	R=0.638, sig. <.001		R=0.477, sig. <.001		0.524, sig. <.001	
	Standardized coefficients		Standardized coefficients		Standardized coefficients	
	Beta	<i>p</i>	Beta	<i>p</i>	Beta	<i>p</i>
Gender	-0,189	0,034*	-0,126	0,205	-0,146	0,128
Team-Person Fit	0,138	0,445	0,244	0,019*	0,146	0,465
Trust & Targets	-0,111	0,571	0,174	0,188	0,222	0,303
Raising & Reflecting	-0,045	0,826	0,088	0,516	-0,401	0,071
<b>Team Total</b>	0,458	0,001*	0,229	0,255	0,440	0,001*
Creativity	-0,065	0,702	0,072	0,712	0,031	0,801
Proactivity	0,094	0,702	-0,104	0,712	0,219	0,027*
<b>Innovativ. Total</b>	0,323	0,001*	0,358	0,001*	0,068	0,801
	<b>Self-Efficacy, M2</b>		<b>Resilience, M3</b>			
	R=0.502, sig. <.001		R=0.526, sig. <.001			
	Standardized coefficients		Standardized coefficients			
	Beta	<i>p</i>	Beta	<i>p</i>		
Gender	0,016	0,873	-0,316	0,002*		

Team-Person Fit	0,098	0,625	0,068	0,612
Trust & Targets	-0,282	-1,309	-0,051	0,716
Raising & Reflecting	0,183	0,811	0,303	0,002*
<b>Team Total</b>	0.339	0.001*	0,018	0,935
Creativity	0,013	0,944	-0,089	0,638
Proactivity	-0,019	0,944	0,128	0,638
<b>Innovativ. Total</b>	0.319	0.002*	0,250	0,012*

#### 4.3 Impact Team Cohesion and Innovativeness on Entrepreneurial Intentions

In the Table 3 can be seen the impact of team cohesion and individual’s creativity and proactivity on the entrepreneurial intentions. Interestingly, only creativity impacts on entrepreneurial intentions – the more the individual thinks his/herself as creative the more the entrepreneurial intentions raise.

**Table 3.** Regression analyses impact of Team Cohesion and Innovativeness on the Entrepreneurial Intentions

	<b>Entrepreneurial Intentions</b>	
	R=0.504, sig. <.001	
	Standardized coefficients	
	Beta	<i>p</i>
Gender	0,006	0,948
Team-Person Fit	0,018	0,852
Trust & Targets	0,122	0,213
Raising Level	0,050	0,612
<b>Team Total</b>	0,072	0,461
Creativity	0,681	0,001*
Proactivity	0,103	0,403
<b>Innovativ. Total</b>	0.157	0.403

## 5. Conclusions

The impact was positive on psychological capital which is in accordance with previous studies (Brandt, 2023) and thus can be confirmed with two different data sets that this kind of 3-weeks entrepreneurial camp seems to have a positive impact on students' psychological capital and these results could be considered into development of teaching methods.

Some interesting findings were seen in the when looking the dimensions of the psychological capital. Innovativeness seems to impact on all but Optimism dimensions, the more innovative people regarded themselves the more PsyCap dimensions increased. In case of Optimism, the proactivity had impact there. It seems that the more active person is the more positive and optimistic the surroundings and situations are evaluated at least in this kind of entrepreneurial camp, which overall rewards activity.

Team-Person fit increases Hope, which measures the ability to set goals and find ways to reach those. The more Team was felt suitable for oneself the more target-oriented person became. When people felt they could freely be themselves, was important in case of target orientation and finding ways to attain Hope. Good fit in the team seems to support an individual's motivation and capability to set and achieve targets.

The team's ability to reflect their work and behavior did increase the Resilience. So it is important quality to stop and reflect in order to bounce back from set backs more easily.

Being male the more PsyCapTotal was increased due to camp. Men tend to have higher psychological capital (Järlström et al, 2017) and it seems like this kind of experiences raise it higher with men than women. Maybe this kind of entrepreneurial competitive environment supports more masculine than feminine qualities and that is why men get higher psychological capital scores.

One of the main limitations of the study is the small data set and number of teams in the study. The second limitation is the simulated context of the environment, where some respondents may have wanted to be perceived differently. The third limitation is the nature of the convenient sample used as a surrogate for real aspiring entrepreneurs.

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**ID:37**

## **Psychological Capital and Adaptation to AI**

**Tiina Brandt**

Haaga-Helia University of Applied Sciences Finland

[Tiina.Brandt@Haaga-Helia.fi](mailto:Tiina.Brandt@Haaga-Helia.fi)

**Isaac Wanasika**

University of Northern Colorado USA

[Isaac.Wanasica@Unco.Edu](mailto:Isaac.Wanasica@Unco.Edu)

**Minna Logemann**

The City University of New York, Baruch College USA

[Minna.Logemann@Baruch.Cuny.Edu](mailto:Minna.Logemann@Baruch.Cuny.Edu)

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### **Abstract**

Work life is changing fast with AI-tools which improve, develop and modify ways of working. This huge organizational change will impact on employees' attitudes, adaptability, and raise concerns and anxieties. Individuals' own capabilities and attitudes are crucial when living in a world full of challenges. Psychological capital has been proved to be a working life superpower while it has been connected into various positive outcomes.

Here we study 90 young adults and their attitudes towards AI as well as their psychological capital. Psychological capital questionnaire measures four dimensions: Hope, Optimism, Self-Efficacy and Resilience. The questionnaire about AI concerns the current use and possible benefits and drawbacks of AI in the future.

Results indicate that psychological capital indicates a more positive attitude towards AI. Qualitative data produces several themes about use and concerns of AI.

**Keywords:** AI, adaptability, psychological capital

### **Introduction**

The rapid development of AI tools and capabilities has continued to transform organizations in

fundamental ways. AI is poised to wreak havoc on existing business models, how organizations are designed, workflow processes and most importantly, the relationship between employees and organizations. Corporate leaders around the world will continue to grapple with understanding the full impact, even as AI computational resources increase at an exponential rate.

Early AI benefits include positive transformations such as productivity improvements, research to market speed, cost containment, employee engagement and liberation from repetitive tasks. Despite the benefits, AI will create disruptions in the employment market and employment arrangements with employers. These transformations include skill requirements, workflows, procedures, job design, performance measurement and employee development.

AI has also led to unintended consequences for employees. The full impact on labor markets and employees is yet to be known. However, employees are beginning to feel some negative consequences that include job destruction of repetitive and highly routinized jobs. On the topic of employee

resilience and survival, early findings indicate that employees with high level skills and knowledge intensive environments are more likely to benefit from reskilling due to displacement. This may cause another layer of unintentional inequity among skillsets. Other areas include unintended biases in hiring processes and decision-models on employees with unique attributes. At a macro level, widespread deployment of AI is bound to diminish the bargaining power of employees, their monetary and psychological worth at the workplace, and the very essence of dignity at work.

In this study, we examine the interaction of psychological capital and AI. Due to its nascent nature, there is limited research on the impact of AI on psychological dimensions, including psychological capital. A few studies are beginning to emerge in this area. Recent studies have found correlations between the use of AI and dimensions of psychological capital. A recent study explored ChatGPT programming self-efficacy, and motivation (Yilmaz & Yilmaz, 2023). The use of ChatGPT in programming education statistically significantly increased students' computational thinking skills, programming self-efficacy and motivation for the lesson. In other findings, Hong & Kim (2024) found significant career self-efficacy in students using an AI career education program.

A second dimension of psychological capital that has received attention is resilience. Findings by Kong et al (2024) indicated that employees' perception of AI positively contributes to career resilience and informal learning. Other findings have indicated that employees' perceptions of AI-enabled HR analytics enhanced their resilience (Xiao, Yan & Bamber, 2023).

Psychological capital serves as a job-related positive psychological resource within an individual's cognitive and attitudinal perspective (Luthans et al, 2007). It is a construct of further development and decreasing (Gardner et al, 2005a), in contrast to most other personal traits, which are seen as unchangeable natural tendencies. Several studies have focused on the quantitative results of leadership's, trainings and interventions' impact on psychological capital (Luthans et al., 2006).

The four dimensions as Self-efficacy, Optimism, Resilience and Hope form as combined the psychological capital. A definition of psychological capital is "an individual's positive psychological state of development that is characterized by: (1) having confidence (self-efficacy) to take on and put in the necessary effort to succeed at challenging tasks; (2) making a positive attribution (optimism) about succeeding now and in the future; (3) persevering toward goals and, when necessary, redirecting paths to goals (hope) in order to succeed; and (4) when beset by problems and adversity, sustaining and bouncing back and even beyond (resilience) to attain success" (Luthans et al, 2007, p. 3). Self- efficacy identifies an individual's belief about his or her ability to successfully execute a specific and

even sudden task. Optimism is a more general positive view of the world and expectation that things will turn out to be positive rather than negative (Luthans et al, 2010). Resilience is an individual's adaptive response to negative events and setbacks, promoting well-being or protecting against risk factors (Reich et al., 2010). Hope is goal-directed thinking in which people perceive that they can produce routes or pathways to desired goals. Goals may vary temporally from short to long term, but they must be of sufficient personal value for a person to engage in them (Lopez et al, 2003).

Earlier studies indicate that employees scoring high on psychological capital are more satisfied with their jobs, careers, and lives (Karatepe & Karadas, 2015). Many studies have found that it impacts positively on job satisfaction (Badran & Youssef-Morgan, 2015; Bergheim et al., 2015). It has also been associated with positive career mobility (Järlström & Brandt, 2017) and objective career success measured in wages and hierarchical career progression (Järlström et al, 2020). At the organizational level, it is connected to organizational performance (Hmieleski & Carr, 2008), business excellence (Hsu et al., 2014) and competitive advantage (Youssef & Luthans, 2010).

For individuals it is important also because, e.g. Cole et al. (2009) found that individuals with lower levels of psychological capital are at greater risk of being unemployed. In case of turnover intentions, Siu et al. (2015) found that work well-being (both job satisfaction and stress symptoms) fully mediates the association between psychological capital and turnover intention. Higher psychological capital is associated with career mobility (Järlström & Brandt, 2017) and objective career success measured in

wages (Goldsmith et al., 1997; Järlström et al., 2020).

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associated with career mobility (Järlström & Brandt, 2017) and objective career success measured in wages (Goldsmith et al., 1997; Järlström et al., 2020).

## METHOD

### Data and method

94 young adults were answering the questionnaires. They were university students who were working also simultaneously. Most of the respondents were females (70,5%), belonging to the age group 21- 25 years (85,4%), studying business (88,5%).

The quantitative data was analyzed with SPSS-program, using Pearson correlations to see the relationship between Psychological Capital and Adaptability to AI. The qualitative data consisted of open answers which were grouped based on the themes raised.

### Questionnaire

Both qualitative and quantitative data were collected with an electronic questionnaire. Three open questions were stated to see what kind of attitudes respondents have towards AI. The questions were as follows:

- *If you use AI/generative AI for your everyday work, what kind of tasks do you resolve with help of it?*
- *If you do not use AI/generative AI for your work, why not*
- *What kind of concerns, if any, do you have about the adoption of AI/generative AI at workplace?*

### *Psychological Capital - questionnaire*

The Psychological Capital was measured with 14 items, with the Likert-scale from 1 (=Disagree strongly) to 7 (=Agree strongly). Varimax analysis produced four dimensions: Hope, Optimism, Resilience, and Self-Efficacy.

### *Adaptation to AI - questionnaire*

46 items measured different perspectives concerning the use of AI in the workplaces. Factor analyses (Varimax) produced eight factors, named as following:

- A) Knowhow= Respondent has the knowledge for using AI
- B) Peer Support = Peers and superiors encourage respondent for using AI

- C) Decision Making = Respondent think that decision making is enhanced with AI
- D) Time Saver = Respondent think that time is saved with AI
- E) Bad Decisions= Respondent think that bad decisions can be made with AI
- F) Fearful=Respondent is fearful towards AI
- G) Discrimination=Respondent think that discrimination can be caused by AI
- H) Anxiety=Respondent is anxious due AI

## RESULTS

### *Correlation Analysis*

Results of the correlation analyses show that Psychological Capital and its dimensions are correlated with AI-adaptability. Hope correlates statistically significantly with Knowhow, Peer Support, Decision Making and Time Saver dimensions. Optimism correlates statistically significantly with Knowhow, Peer Support and Decision Making. Self-Efficacy and Resilience correlated significantly with Knowhow and Peer Support. Finally Psychological Capital overall correlated statistically with Knowhow, Peer Support, and Decision Making.

**Table 1.** Pearson correlation analyses of Psychological Capital and Adaptability for AI.

	Hope	Optimism	Self-Efficacy	Resilience	PsyCap Total
A) Knowhow	0,291**	0,311**	0,294**	0,294**	0,336*
B) Peer Support	0,307*	0,327**	0,237*	0,209*	0,315*
C) Decision Making	0,242*	0,284**	0,118	0,162	0,236*
D) Time Saver	0,251*	0,178	0,080	0,068	0,164
E) Bad Decisions	0,055	-0,051	0,151	0,013	0,047
F) Fearful	0,012	-0,051	0,044	0,173	0,059
G) Discrimination	0,110	0,072	0,124	0,068	0,109
H) Anxiety	0,039	-0,114	0,023	0,124	0,025

*\*Statistical significance at 0.05 level, \*\* Statistical significance at 0.01 level*

### *Qualitative analysis*

The responses to open-ended questions shed further light on the ways students use AI/generative AI. In light of the preliminary thematic analysis, students use AI/generative AI to resolve the following tasks, illustrated with some quotes from their responses:

1. Idea Generation and Brainstorming, describing their use with illustrating quotes like:
  - "I use AI when I need an idea, then I come up with my own answer."

- "Coming up with 'more' ideas, the solving system, etc."
- "Generate of new ideas. Idea of how to do something."

## 2. Writing, Editing, and Content Creation

- "AI helps with my Grammarly, as I make writing or typing mistakes."
- "Simplify, provide outline, mock drafts for work."
- "Helps with creating emails or SharePoints and aiding in a project."
- "Creating social media post captions, structuring emails, editing photos."

## 3. Summarization and Simplifying Complex Information

- "I use AI to summarize journals or books that are hard to read."
- "Summaries of long documents or data."
- "Quick summaries or complex essays."
- "Text generation, idea generation, answers to difficult questions."

## 4. Administrative, Planning, and Organizational Support

- "Planning, organization, and clerical tasks (rephrasing emails)."
- "Translation to another language."
- "Monotonic and bureaucratic tasks, such as organizing."

## 5. Educational Assistance and Study Support

- "Helps me study by organizing notes and testing me on topics."
- "Studying and generating ideas on projects."
- "Usually educational."
- "It helps me with Excel, Word problems, or explaining concepts."

## 6. Data Analysis and Problem Solving

- "Interpreting data."
- "Usually, calculations or descriptions of data."
- "Helping with Excel formulas, faster data analysis."
- "Minor tasks where errors are not critical."

## 7. Quick Reference and Information Gathering

- "Questions about what to do and how to solve it."
- "To understand topics better and for explanations."
- "Quickly finding information and answering clients faster."
- "Gathering information or answering questions on diverse topics."

The reasons for students not using AI/generative AI in their everyday work fell in three categories:

### 1. Job Role Does Not Require or Allow AI Use

- "I work at a doctor's office, which means I need to think and act, not use AI."
- "We have very outdated or old equipment."
- "My workplace hasn't found use for it, yet."
- "My work is based on interactions with clients, and every question needs a person looking into it."

- "I do not need it at work. I used to work in compliance, in which AI was not helpful."

## 2. Ethical or Personal Preference Against AI Use

- "I don't find it effective, and it goes against my personal morals."
- "For my work ethic, it's not needed for my tasks."
- "I don't want to become overly reliant on any tool for doing my work effectively; AI falls under this."
- "Would like to retain my cognitive capabilities."
- "I don't want to be the same as others. (AI tends to present the same pattern.) Besides, only when you dive into the question on your own, you can understand the solution better."
- "I use it as little as possible because I prefer that what I do comes from me being fully aware of what I do."

## 3. Company or Role Limitations

- "Not widely accepted at my firm."
- "My work doesn't involve tasks that can be automated or assisted by AI."
- "I won't use it for making decisions or anything related to financial issues."

Furthermore, students had some concerns related to the AI/generative AI which could be clustered in five main themes as follows:

### 1. Job Displacement and Employment Concerns

- "As a computer information system major, I fear that full adoption of AI in the workplace can cause job loss."
- "I currently work as HR, and AI has already replaced some positions."
- "That it will eventually replace my work fully."

### 2. Creativity, Originality, and Dependency Concerns

- "Losing originality, creativity, and personality."
- "Not developing myself in the way I should."
- "My concern is that my creativity will depend only on AI suggestions."
- "People start depending on it and cannot do much by themselves."

### 3. Privacy, Data Security, and Ethical Issues

- "Data privacy and protection."
- "A matter of privacy and data security; dealing with human matters doesn't seem safe or efficient."
- "I am concerned about data leaks and job displacement."
- "Misuse of information and spread of low-quality/false information."
- "Giving too much sensitive information."
- "AI could pose a risk in cybersecurity and privacy."

### 4. Accuracy, Bias, and Reliability Concerns

- "That AI could provide misleading information or wrong answers."
- "Sometimes its answers aren't 100% correct."
- "It may contain biases."

## 5. Dependence, Over-Reliance, and Human Skill Decline

- "I fear that human productivity will cease to exist with AI adoption."
- "Makes people too reliant on technology."
- "I am concerned about losing rationality due to over-reliance on AI."
- "Overworking AI could make people too comfortable and forget to check quality."

## DISCUSSION

Results of the correlation analyses show that Psychological Capital and its dimensions are correlated with AI-adaptability. The results indicate that person's individual attitudes are crucial factor when adapting into new areas in the working life. Interestingly Hope correlated with most dimensions (with Knowhow, Peer Support, Decision Making and Time Saver) and people with high in Hope have clear goals and they try to find diverse ways to gain those goals. Quite logically more efficient decision making and time saving with use of AI correlated with those target-oriented individuals.

Overall people with higher PsyCap tend to have more positive approach (Optimism) towards new things and other people. They have higher Self-Esteem and thus these results suited well in the PsyCap theory, when those people with high PsyCap tend to think that they have Knowhow how to use AI and also, they perceive their surroundings so, that they regard that other people are encouraging them to use AI.

This research shows that it is important to support and develop employees' psychological capital when it gives them more positive approach when facing the changes in the organizations and when needed to adapt at the emerging technologies.

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**ID:38**

**Competing with multinationals: The interplay of partnerships, local knowledge, and financial resources in shaping competitive advantage**

**Triet Pham**

(Affiliated with Cambridge Center for International Research)

[trietpham222@gmail.com](mailto:trietpham222@gmail.com)

**ABSTRACT**

With a case study of Vietnamese ventures, this study evaluates the interplay between financial resources, local knowledge, and partnerships in shaping the growth trajectories of F&B firms. While financial resources are traditionally emphasized as the main drive for growth, the findings of this study challenge such a view, highlighting the importance and dynamic interplay of all three elements (Knight & Cavusgil 1977). Financial resources though are important for scaling and ensuring stability, but are not always the primary driver of success. Local knowledge is also important for companies, especially for attracting customers and entering a new market. While strong partnerships make resources more accessible and assist with expansion. At different phases of scaling, some factors might be more important than others, providing different advantages to the business. Therefore, by understanding the relationship between financial resources, local knowledge, and partnerships, this study can help scholars and F&B industry practitioners recognize the pathways to success in this competitive market when knowing which factor is needed at different times.

**INTRODUCTION**

Understanding factors that influence a business's success in a competitive market or industry has been a central theme among scholars and practitioners. However, financial resources are always believed to be the primary factor that leads to success, as funds are needed to expand and provide a competitive advantage. Although many studies recognize the

importance of local knowledge and partnerships as key drivers of venture growth, few emphasize how such forces may interact over time in shaping the growth trajectories of the company.

This study investigates such complex interaction between financial resources, local knowledge, and partnerships in the context of the Vietnamese F&B industry with a diversity of F&B businesses ranging from highly resourced international chains to smaller startups. A longitudinal, multi-case study was conducted to explore how these factors shape the performance of the F&B businesses.

As this research departs from a singular focus on financial resources, it is hypothesized that a combination of partnership, local knowledge, and financial resources, rather than any single factor, shapes growth trajectories. Despite existing literature attempts to classify a potential relationship among these variables, the nature and strength of this interplay have remained undefined (Sucena et al., 2023). To clarify this relationship, this research will examine how Vietnamese F&B firms utilize a combination of such advantages to achieve growth in the absence of any single dominant factor.

## **THEORETICAL REVIEW**

Even though local companies and international giants enter a market with different approaches, both consider the same three critical factors that drive success: partnership, financial resources, and local knowledge. Whereas capital is required not only for development but also to overcome unforeseen obstacles and sustain losses during the initial launch phase, a successful strategic partnership with an existing local business will grant firms access to a vast network and shared market knowledge forthwith. Meanwhile, establishing an effective strategic plan and avoidance of costly mistakes require deep local familiarity with customer preferences, local culture, and competitors. Carefully considering these three factors will help local and international firms improve their chances of success as they enter a new market.

In recent years, the Vietnamese food and beverage industry, particularly the coffee and tea chain segment has been booming as a result of high competition, fast growth, and innovation. Therefore, this industry is a lucrative piece for both local ventures with a deep understanding of the market and resourceful international companies. International businesses have greater advantages in financial resources and existing partnerships that would bring together local knowledge from sources with practical experience, while local players would have had an advantage in knowing customer preferences and, consequently, in tailoring products. With such a unique set of skills, both types of firms have to navigate their strengths

and limitations to thrive in such a dynamic market.

Thus, it is important for companies that are seeking success to understand the forces that define the strategic outcomes. The existing literature puts forward that financial resources, local knowledge, and partnerships could be disproportionately influential in determining the competitive dynamics, asserting that each of these advantages poses a different critical role in benefiting business growth.

A big difference between local and international companies in the potential for entering Vietnam's coffee and tea chain market lies in access to capital and risk tolerance. While both local and international firms heavily rely on financial resources for success, the nature and scale of those resources are quite different. Businesses not only use the money to pay the operational costs but also to finance international expansion. This financial source for international expansion is, in general, as important as that for operational costs. This is because the establishment of foreign operations requires strong finances to overcome knowledge gaps in international markets. Finances are also linked with transaction cost economics, where the firms' financial resources help absorb high costs related to foreign direct investment. Therefore, international firms tend to be financially stronger than local companies or start-ups. Hence, international companies can afford rapid expansion plans like opening numerous outlets within the country in a quarter, and offer low pricing due to economies of scale. International firms can also use more considerable resources for more extensive marketing campaigns and brand-building exercises to build up credibility in the new market (Zaheer, 1995, p.348-352). On the other hand, local companies usually operate with less capital and still adopt a gradual model of growth. Additionally, they might be more risk-tolerant to try new things because of their smaller size and possibly greater need for differentiation. This difference in the flow of financial resources may impact the rate of growth, pricing strategies, and marketing approaches that local and international firms in the F&B industry implement. However, though strong finances can enable a firm to procure valuable assets or capabilities, as Barney (1991) points out those that are rare, inimitable, valuable, and non-substitutable (VRIN), financial resources can be easily accessed by the rivals, therefore unlikely to be an enduring source of advantage (p.118-120). Knight & Cavusgil (1977) also agreed that financial resources are a supporting factor and that they can indirectly affect the success of a business as well, although Zott & Amit (2008) made clear that financial resources contribute in many ways to business success directly (p.139-140; p.1-12).

In particular, local knowledge and expertise are the key differentiators between local and international companies, especially when businesses navigate their path to success. A local company usually possesses this advantage with extensive knowledge about local consumer preferences, cultural aspects, and local networks. This advantage permits them to modify their offerings in a way that their product flavors, store atmosphere, and marketing strategies can resonate with the local market. Conversely, international companies might initially lack this deep understanding, requiring them to invest significant resources in market research and adaptation, while might still encounter obstacles in connecting with customers

on a deeper level. Johanson & Vahlne (1977) argue that local knowledge is central to a firm's successful internationalization (p.23-30). For international firms, this knowledge acquisition is crucial for making decisions about reducing risks and identifying opportunities. Local knowledge is vital because it enables firms to overcome the difficulties of geographic, cultural, administrative, and economic distance in global expansion (Ghemawat, 2001, p.2-5). Without local knowledge, firms face a "liability of foreignness" – a competitive disadvantage

– when operating abroad, argued Zaheer (1995, p. 346). Hence, local knowledge is not just an advantage, but an important factor that can determine a firm's survival and growth. As Luo & Peng (1999) argue, local knowledge is one of the critical success drivers in transition economies (p.282). Companies with superior knowledge tend to perform better. Therefore, the divergence in local knowledge and expertise can also seriously impinge on the initial success and long-term sustainability of companies in a turbulent market.

Another important factor that leads a business toward success in the new market is partnership. This develops one more significant difference between local and international companies in the industry. A local company would already have had some relationship within the industry, which helps handle operational challenges besides securing favorable prices from suppliers and distributors. Another important dynamic in partnerships is knowledge sharing between partners, which serves to shift their relative bargaining positions (Inkpen and Beamish, 1997, p.178). This knowledge sharing, however, can create instability in a partnership if one partner becomes less dependent on the other partner (Inkpen and Beamish, 1997, p.188). Moreover, these ties enable access to resources, information, and institutional support that are important to overcome particular uncertainties when operating (Peng & Luo, 2000, p.487). For international business, global networks can attract famous brands and experts in areas such as marketing or supply chain management. Issues of networks are equally important within strategic partnerships. For instance, a big network may grant access to new partners, influence governance structures, and impact

individual alliance performance due to connectedness. This network approach underlines the fact that strategic partnerships are not confined to simple bilateral agreements. It could enable the firm to use a web of connections to access diverse resources and capabilities, navigate complexity in markets, and thereby improve its competitive advantage.

While some research mentions the significant role of financial resources, local knowledge, and partnerships in determining the growth trajectory of a venture, little is known about how these factors influence one another over time. The main challenge the current research faces is disentangling the interrelations between them.

For example, a firm could use local knowledge as a means of gaining access to finance. A firm with expertise in the local market would be very attractive to an investor looking for investments with a low level of risk. On the other hand, ample finance could provide a means of gaining access to local knowledge by conducting market research or making strategic hires. This is a synergistic relationship in the sense that each component reinforces the others.

Partnerships make things even more complex. Partnerships with local companies can give valuable local know-how, and alliances involving companies with strong financial positions would provide an excellent capital base for the venture. However, partnerships will have to be carefully negotiated. An imbalance in the power equation or lack of cultural fit among partners will result in inefficiencies and failure to achieve strategic goals.

These interactions can create a contextual influence on the strategic outcomes. The optimum balance between the depth of local knowledge and financial means might differ across industries. For example, for a high-technology start-up in Silicon Valley, access to venture capital would be more critical than deep local knowledge about a particular neighborhood, whereas, for a local bakery chain, a strong emphasis on local consumer preferences would be essential.

Moreover, the success of partnerships is dependent on the unique capabilities and objectives that each side can bring. For example, a partnership involving two established firms operating within a mature market would have an advantage in optimizing costs and consolidating the market shares. On the other hand, a partnership between a local firm and a global player entering new markets can result in rapid knowledge transfer and aggressive market penetrations.

While partnerships may be important in the pioneering stage to gain a position in the market, once local knowledge is acquired, the firm may prefer to cease the partnership. In the long run, though, the balance can shift even further. A company that has succeeded in

neutralizing a new market may find that deep local knowledge and an established brand presence enable it to surpass many well-financed competitors. At the moment, however, it is how these forces reinforce or weaken one another remains ambiguous.

Understanding how such interrelated dynamics of financial resources, local knowledge, and strategic partnerships shape the venture trajectory is important. The following section, therefore, will elaborate on the nature of this relationship. It would also capture the different roles these forces have on firms across diverse industry contexts and strategic objectives, which are in the process of developing foundations to enhance performance. Pragmatic insights into these complex relations can form one basis for equipping practitioners with a more sophisticated understanding of how these forces may be leveraged, and how to utilize them to create optimal strategic outcomes.

## **METHODOLOGY**

Even though the Vietnamese F&B scene is diverse and vibrant, there are limited case studies regarding the factors that influence a business's success in this market. Therefore, I conducted multiple case studies with an inductive approach to find those factors, and how they are related. Hence, to have the theories as my outcome, I compare companies against others, from a specific perspective to a more general one. Comparison between firms is particularly effective for establishing theoretical insights as this research focuses on regions that existing theory does not adequately cover and when the research topic is a process one. Even though data and information about some firms were limited, the amount of statistics and information collected was sufficient to conduct a theory and comparison between companies. As the setting of this study is in Vietnam, a competitive market for the industry, there are a handful of brands specified in the beverage division of the F&B industry with different characteristics. To make the data and information process easier, while making this research more accurate by showing a picture of the general market, the companies chosen are not only well-known brands but also new names that are on the rise. After the brands were chosen, they were then sorted into two big groups, Vietnamese start-ups, and international firms that joined the market. Each firm in these two groups has different characteristics. To make the study inclusive, I first chose a well-resourced international beverage brand that expanded in the Vietnamese market. With profound experience and tremendous resources, many were positioned to attain certain achievements in Vietnam. However, many of them struggled and even had to move out of the market due to their lack of knowledge and experience in the Vietnamese market. For example, TenRen's tea, a famous Taiwanese brand serving bubble tea and Taiwanese cuisine failed in Vietnam, even though it had 64 years of

experience and operated more than 2000 stores (“Our locations,” 2024). Nevertheless, there are also international brands that do well in Vietnam, like Starbucks, which just opened its 100th in September 2023 (“Starbucks opens 100th store in Vietnam,” 2023). After that, I decided to explore Vietnamese start-ups. As these new names are quite new on the market, there are many resources regarding their brand history and development, with high accuracy and precision. Also, as they started in Vietnam with fewer resources, it is easier for me to explore

other factors that affect the success of a business, as well as the advantages that these start-ups had but international companies did not like local knowledge. I chose a total of 7 firms with different backgrounds and orientations; those companies are TenRen’s Tea, Phê La, Phuc Long, Starbucks, Gloria Jean's Coffees, Highlands Coffee, and Koi Thé. The diversity is the advantage of my research, as those companies have different characteristics that eventually led them to success or failure. The comparative method that I use can help identify the factors that drive a business toward success in the F&B industry. With the balance between international and local firms, mixed with distinct characteristics, the theory of this study will be nuanced and inclusive.

For research purposes, numerous data sources were used: brand websites, new articles from third-party organisations, and online interviews with experts in the industries as well as stakeholders of the brands. By using triangulation of data, obtaining data and information from numerous sources at multiple times, the confidence in the precision of the findings is increased. Even though some secondary sources were used, most of the data and information are primary. Interviews are an important source of information that was used to conduct this study. I collected qualitative and quantitative data from different interviews that involved experts in the industry, customers, and the leaders of brands in my studies. As some interviews involve different individuals, they reveal different nuances of a business from the perspective of different stakeholders. For example, while the leaders of a business can tell the orientation of their brands and the plans that help them achieve those goals, experts can analyse whether the business is doing well, having good potential, and going on the right path, or not. The interviews used were also selected beforehand, and posted officially by the brand, or by a well-known media agency. Another source of information was brand websites. The brand website provided more authentic information than any other source. For example, on brand websites, there are articles written about brand orientation that were used, which is more legitimate than third-party sources due to interpretation. However, as brand websites can be biased, some sources from third parties were also evaluated to gain perspectives about the information from the brand websites. Perspective-gaining is important because it ensures

that the information and the final theory conducted are nuanced and unbiased. Third-party sources used for evaluation were also chosen carefully to increase both neutrality and reliability. Therefore, only information from articles published by reliable publishers, and written by reliable journalists, with recent publish or updates dates were used. For the selection of reliable publishers, I focused on taking information from official publishers in Vietnam, rather than smaller publishers and tabloids. One of the official publishers that was

used for the research is VnExpress, the first and most popular digital newspaper in Vietnam. VnExpress is developed and operated by FPT, the biggest technology conglomerate in Vietnam. Not only following the journalistic standards of modern reporting, delivering accurate, objective, fast, and well-sourced news through multimedia and data-driven platforms, VnExpress is also available in English, which is known as VnExpress International. As a publisher based in Vietnam, VnExpress can deliver the most accurate information about the operations of different brands. Nevertheless, even though publishers like VnExpress are reliable, to enhance the accuracy, reliability, and neutrality of the information, I looked for articles written by the right journalists. As F&B is one of the most prominent industries in the Vietnamese economy, there are numerous articles written by experts about this industry. With reflection, experience, and neutral views of experts in the field, those articles are accurate, reliable, and insightful. In addition, as some articles are written in Vietnamese, I take down key points then translate and reinterpret them in English.

Data analysis began with the writing of case histories including the interviews, archival data, and third-parties articles. After that, I triangulated this data, by emphasizing themes that were supported by different data collection methods and confirmed by several sources of information. As the information for the research topic was abundant, most of the needed information was found, so I did not have to conduct any further investigations. Most information sources are quite short, only 4-5 pages. However, as numerous sources were used and only a small portion of information was used from each source, data from different sources need to be evaluated and reinterpreted to ensure that they are not biased. Next, a synthesis of these views for each brand has to be conveyed for general and specific comparisons. After that, I started comparing each case. In this cross-case analysis, the similarities and differences between each firm were highlighted, especially the advantages that each firm had. From that analysis, factors that affect the chance of success of the brand were identified, which was discussed in the Findings section. Even though there was unique data and information for each firm, only information relating to the elements of success that had been constructed earlier was kept, as an effort to preserve the

cohesion and integrity of replication logic across cases. To exhibit data and information data tables and diagrams were used to efficiently indicate the relevance of the elements of success to the cases and the process of becoming successful of a successful firm, allowing the comparison among multiple firms at the same time, in the same category. After identifying the similarities and differences, I then refined this relationship and sorted them for logical order, cohesive relationships, and constructive order. This iteration between the theory and data helped sharpen construct definitions and measures between constructs, and my arguments. Apart from that, I also tried to develop the patterns between the chosen firms. As they came out with the theory, the patterns are essential to prove it, these patterns came from the similarities and differences between the brands. However, I not only compared the firms but came out with a theory from these patterns. I then repeated iterations among my data, information, and theory until there was a strong association between them, to come out with the final theory. **FINDINGS**

This analysis recognizes the different phases, defined by the progression of growth of seven distinct cases. While these phrases appeared across each of those ventures, each has prominent factors that drove them into success and failure.

### **Phase 1: Launching and Beginning**

This analysis notes that local knowledge and relationships with local suppliers or supply chains play an essential role in the development of distinct ventures in the first phase. While local knowledge is vital to attracting customers during the launching period, good relationships with local suppliers are associated with reducing cost and priority distribution. The interplay of these factors dictates the outcome of the first phase.

**Local knowledge.** A good grasp of knowledge about the local market can help a brand attract new customers, which is the first step in building up brand loyalty and brand image. A great initial local knowledge is also a firm foundation to improve the service in the future, as the brand can gratify their customers' wants; this will sequentially lead to better brand loyalty and brand image. This can be found in the case of Phê La, also known as Phela. With Phela's profound knowledge of the market, the brand introduced a product that is high quality and has a strong taste of tea, appropriate to the Vietnamese tea-appreciation culture. Phela's product was a new wave to the market as many beverage brands in the market focused on better pricing, which made the quality deteriorate and the market saturated over time. The focus on tea taste and aroma brought Vietnamese customers closer to their conventional tea culture, helping Phê La to attain tremendous success in a short period. In less than 3 years of operation, Phela opened 18 stores in many major Vietnamese cities (Hoang, 2018).

Another example of good market research is Starbucks. Even though Starbucks had different orientations from Phê La, such as keeping most of their original recipes, Starbucks could still manage to adapt to this new market with their cultural elements. When stepping into Vietnam, Starbucks chose to design stores with the fusion of modern style and a clean touch of Vietnamese Indochine. First introduced in Vietnam, Starbucks also launched the Asian Dolce Latte drink, inspired by Vietnamese coffee culture across their store in Asia in 2013 (Q, 2013). With the relatability to the Vietnamese culture in such a well-known international coffee chain, Starbucks soon became a popular discussion topic on social media platforms and attracted numerous customers. In less than a year, at the end of 2014, Starbucks had eight stores in operation, a significant number for a newcomer at that time.

The significance of local knowledge can also be highlighted when discussing firms that did not have good knowledge about the market when launching. Gloria Jean's, for example, is a famous Australian coffeehouse with operations worldwide. However, upon entering Vietnam, even with experience, and resources, Gloria Jean's soon failed due to the lack of local knowledge. Gloria Jean used the same recipe and ingredients as other markets, which appeared lackluster to the Vietnamese customer base. As market competitiveness rose, Gloria Jean's closed down multiple stores in 2016, and completely shut down in 2017 (Nguyen, 2017).

**Relationships with local suppliers/Supply Chain.** There are many benefits of having good relations with suppliers. In the long term, it can result in a lower price of ingredients and priorities when buying products. Good relationships are also associated with a partner relationship not only in the local market but internationally. For instance, Starbucks started to partner with multiple coffee farms in Dalat, a city and agricultural area in the Lam Dong plateau. With its prodigious quality and familiarity with Vietnamese customers, Dalat coffee beans, which were used mostly in Asian Dolce Latte, helped Starbucks to gain attention from Vietnamese consumers. As Starbucks and Da Lat farms soon became good partners, an international partnership was formed. In 2015, Starbucks started buying coffee beans from farms in Da Lat in great quantities and then sold them in their stores worldwide (Saigoneer, n.d.).

Not many major beverage brands in Vietnam have established partnerships with suppliers. However, many brands utilize an internal supply chain. This concept is commonly implemented by a brand that has a demand for a niche quality, taste, and aroma. A beverage company that has its farms and factories is Phúc Long, also known as Phuc Long. Owning manufacturing facilities offers brands the flexibility to decide the amount of production and develop unique recipes. Therefore, reducing the cost and creating a unique selling point. As Phúc Long found the internal

supply chain beneficial, this company decided to open a second factory in 2018 (“Đứng trên vai người khổng lồ, cha đẻ Phúc Long đang thành công thế nào,”2023). By that time, the brand already had 40 stores.

### **Phase 2: Attempt Scaling**

This phase involves improving service quality to attract more customers and open more venues for operations. Brands have different ways to expand, depending on the outcome and the orientation since the first phase. This analysis notes that strong partnerships and customer service are two prominent factors that dictate the success of this phase.

**Strong partnerships.** Strong partnerships with other ventures such as delivery platforms or eWallet applications help brands to have access to a wider range of customers, especially when a brand already has a good reputation for providing great service and products. Moreover, with the convenience of cashless payment and delivery of drinks, customers are more likely to buy drinks when they have the urge to do so. For example, Phê La’s sales skyrocketed since the very first years of their operations not only due to great service or unique products but also because of the support from the collaborative campaigns with partners. In 2021, in the middle of the COVID-19 pandemic, demand for online orders and delivery rose significantly. Therefore, Phê La decided to become a partner with Baemin, a Korean food delivery platform that was also a newcomer to the market, introducing a campaign called “Sharing is Caring”. Throughout the campaign, an additional booth is added to every Phê La store where only deliverymen can order drinks. This meaningful campaign soon attracted the attention of the public, and the sales of Phê La and users of Baemin increased within a short period. This campaign proved to not only be a meaningful event but also a successful marketing scheme. In the 5 months of the campaign, Phela sold more than 210,000 products, with 98% Satisfaction (“VỀ PHÊ LA - Phela,” 2024).

**Customer services.** As brands expand, keeping current customers and attracting potential are both vital. Customer service includes many factors, such as staff attitude or sufficient ingredients. However, some firms are not able to achieve such factors, like TenRen’s Tea. On the first day of operations, customers already started to complain about the staff’s attitude. Videos and social media posts about poor attitudes and treatment of customers at TenRen’s were all over social media. A few months later, TenRen’s even caused more outrage when they kept constantly in a shortage of ingredients. Moreover, as there is no ice- making machine in-house the stores frequently have a shortage of ice. TenRen’s always had to buy ice from suppliers, which incurred extra costs and was inflexible. As TenRen’s failed to meet the expectations of customers several times, the brand faced severe boycotts in the second half of 2017. As a result, the company failed to attain the 40 stores goal planned for the year (Dong, 2018.).

### **Phase 3: Intervention/ Change of Strategy**

As a rapid expansion, phase 2 can create numerous issues for the brands, phase 3

emphasizes stabilizing as well as improving brand image, customer volume, service quality, and product quality. Furthermore, phases 1 and 2 might take up more than 5 years after many companies have started. Therefore, phase 3 is also about a refreshment for such brands. In this phase, the importance of partnership, brand image, unique selling point, and resource injection is emphasized.

***Strong partnerships.*** As brands like Phê La are relatively new to the market, delivery apps are already booming in this period. However, many firms did not have this advantage in the second stage, therefore, these relationships with delivery applications and cashless payment methods started developing in the third phase. In this phase, the Vietnamese brand Highlands Coffee has the strongest relationships with many partners. In this phase, the brand focuses on building a coffee chain network on delivery apps and opening new venues along with it so that Highlands could reach more customers. As a brand with resource constraints, Highlands Coffee overcame it with local knowledge and developed strong partnerships. Highlands Coffee has focused on Vietnamese Phin coffee culture and breakfast Banh Mi from 2017 to sell on delivery apps (VnExpress, 2019). As the products are high quality, diverse, and familiar to Vietnamese people, Highlands Coffee soon became a popular brand and opened more stores, which eventually led to more profit and more stores opened. Before 2018 started, Highlands Coffee had 283 stores in operation, a significant number compared to the 100 stores milestone in 2015 (VnExpress, 2019).

Another example of the successful establishment of a partnership is Starbucks. In Vietnam, many newspapers said that Starbucks is not worth it due to the high price but does not serve coffee that is suitable for Vietnamese customers' taste, which can be connoted by its small number of stores compared to competitors in 2019. The CEO, however, proclaimed that Starbucks has a long-term plan in Vietnam and will be targeting the active young group of people. In the next two years, Starbucks actively adapted to the new changes since the collaboration with Grab, a food delivery platform, began. Even though Starbucks did not collaborate with many food delivery platforms, the brand chose to cultivate a consistent appearance on Grab and develop it. Moreover, it was also Starbucks' plan to operate on Grab across South East Asian countries. Additionally, the brand also partnered with ZaloPay, and MoMo, to promote a cashless lifestyle that started to become popular in Vietnam (MoMo, 2022; ZaloPay, 2022). Furthermore, in 2023, when BLACKPINK, a well-known Korean Pop female band, hosted a concert in Vietnam, Starbucks launched a limited merchandise and drink line in collaboration with the music group worldwide (Diep, 2023). As a result, Starbucks soon became one of the most mentioned brands on social media in Vietnam.

Not all brands succeed just because of established relationships with partners. For example, in 2017, TenRen regularly offered discounts so that more customers might be more confident buying it. However, these discounts did not work out well as the drink was not worth the price. Therefore, Ten Ren's decided to establish partnerships with delivery applications, however, the

circumstances did not go better. As many customers already “boycotted” the brand, relationships between Ten Ren’s and the partners were not strong.

Another unsuccessful partnership is Gloria Jean’s Coffee. Gloria Jean’s came back to Vietnam in 2021, after closing all stores in 2017 (Phuc, 2021). This time, this coffee chain decided to operate under the franchise model with the management of Nova F&B (Phúc, 2021). Even though under the hand of a resourceful management firm, Gloria Jean’s had little growth and only had two stores in operation by 2023. Moreover, in May 2023, Nova F&B was acquired by a Singaporean firm and restructuring is imminent. As Nova F&B also owned PhinDeli, a far more successful coffee chain than Gloria Jean’s that even exports coffee beans to the U.S., Gloria Jean’s is likely to once again leave the Vietnamese market (VnExpress, 2022).

**Brand Image.** Brand image is vitally important for a brand as it is how the brand appears to customers. A good brand image can help the brand to attract attention from potential customers and hold back loyal customers. A good brand image has to be built up and maintained over a long period and keep improving. The brand image also involves multiple factors such as product quality, customer service, or brand appearance. As Vietnamese customers’ lifestyles change quickly as a result of globalization and a growing economy, brands change their image once every few years to match customers’ preferences. For example, Highlands Coffee started to introduce the self-service concept in 2013, which was a new concept for Vietnamese customers (VnExpress, 2019). This new concept helped Highlands Coffee cut down labor costs and have more retained profit to open more stores. The coffee chain also started to develop a store concept with a fusion of Vietnamese and modern styles in 2014. In 2014, 75 stores in 7 major cities, however, experienced a loss for the only time due to rapid expansion (P.A. Nguyen, 2022). In 2015, Highlands Coffee slowed down in expansion while becoming 1 of the 100 most favorable employers, with 100 stores at the end of the year. This positive information helped to create a good brand image for Highlands Coffee. In 2023, the brand once again introduced a new store design and logo,

which is simple, minimalist, and futuristic. Experts assert this to be a refreshment to Highlands Coffee, motivating the brand to keep improving its image.

Koi Thé is a brand that also tried to establish a new brand image in this phase. Before 2021, Koi Thé was not an active brand, operations were mostly only within stores and did not involve any online activity. However, the brand was renewed in 2021, to be more active and modern. Koi Thé started a partnership with an eWallet and a delivery app, which are MoMo and Grab, respectively. This helps the brand to have access to more customers. Apart from that, the brand also redesigned a more simple, and modern logo like Highlands Coffee did. This reflected Koi Thé's motto of constantly improving and being the best fusion of cultures.

**Unique selling point.** A unique selling point is an advantage that not many businesses can achieve, even when they are already in the third phase. As many already have a large number of stores, customers, and attention from the public, any unique change might be detrimental rather than bring back good results. However, a good unique selling point made in phase 3 can help to attract customers and attention, as well as differentiate the brand from its competitors. For example, Phê La introduced several unique products before phase 3. In 2022, Phê La introduced Oolong boba and jasmine boba, which were not only new and creative but also very high in quality. The boba has a strong tea flavor and aroma, which makes it a perfect match to their drinks which are also very strong. A few months later, Phê La introduced the Săn Mây (translated as "Gripping Cloud") drink line, which is a matcha-like brewed oolong with milk, green tea coconut cream, and dry coconut (Phela, 2023). The drink line is not only new, unique, and not replicable but also uses Vietnamese ingredients, which makes it even more special than any drinks from other brands.

**Resources Injection.** Resources bring a brand all the advantages that they have. As resources are essential, but always limited, as resource injection can only come from investors or parent companies. For example, Phuc Long was 20% acquired by Masan in 2021 (D. Nguyen, 2022). Masan is the biggest conglomerate in the F&B industry in Vietnam and owns many companies involved in manufacturing and selling food. As a resourceful firm, Masan helps Phuc Long financially to open more flagship stores. Also, Masan's market experts were sent to help Phuc Long with strategies. Moreover, Phuc Long was able to open exclusive pop-up stores in Masan's chain mini-mart WinMart (Tran, 2021). In 2022, Masan even wants to buy another 65% share for 270M US\$ (VnExpress, 2023).

## CONCLUSION

Comparing my seven companies, the process of developing the company depends on their initial brand orientation from market research and the effort to improve the brand in operations. This is shown in Diagram 1, Diagram 2, and Diagram 3.

Before launching, many brands would do primary research as well as establish relationships with local suppliers, while many brands trust existing experience and suppliers from other markets, along with some utilizing internal supply chains. Local knowledge helps businesses a lot to attract customers at the early stage as they know how to satiate customers' wants while establishing good relationships with local suppliers will help reduce costs and exchange valuable experience in the market. Brands with no existing local experience or relationship move to the second phase with a lackluster first phase. Brands with abundant initial resources have more advantages as they have more opportunities and access to good local knowledge sources, and partners. Moreover, such firms can also sustain for a period without profitability, which is a hardship for many start-ups.

In the second phase, when the brands are more familiar with the market, they put more emphasis on expanding their number of stores. An approach to this is trying to improve the brand image. In this circumstance, the most vital thing that many brands want to achieve is consistency in quality in all stores. Apart from that, many brands also either start building relationships with partners in this stage or try to enhance it. As partnerships share risk and costs, and bring customers closer to the brand, this helps companies to have enough finance to support their attempt to expand the brand. Vice versa, as there are more stores, more customers are reached, and more profit can be made, leading to more finance for expansions. Nevertheless, as many businesses have encountered issues such as brand boycotting since the first stage, they are not able to expand in this phase, and therefore change their strategies, which is the third stage.

In the third phase, when most brands already have established reputations in the market, these companies try to maintain the regular flow of customers to survive and expand. In this stage, some brands have already become well-known F&B firms, therefore, it is important for these companies to further enhance relationships with partners. These enhanced relationships will make partners loyal, as well as expand together to other markets. As businesses need to change to attract customers, unique selling points are also an advantage to be developed in this stage. Capital injection is also an advantage that some businesses can

attain, however, this rarely happens, as big businesses do not receive lots of investment, but resource injections are more commonly seen at acquired businesses.

Comparing all companies and phases, relationships with partners are vital for a business's success, which always needs to be established and developed. While reputation or brand image is also important, many brands only develop it in the second phase.

### **Discussion**

Organizational growth is a multi-faceted phenomenon, influenced by a variety of factors. Traditionally, however, the main factor is believed to be financial resources.

According to Dunning (1988), in the beverage industry, finances are important as even a small change as a product reformulation could be impossible if financial resources remain scarce (p.9).

Adjusting recipes, developing new packaging, or reformulating towards healthier options all require tremendous investment. Moreover, financial resources provide a strong foundation for opportunities and access to partnerships and local knowledge. Unless backed with sufficient financial support, many issues can lead to the failure of the product launch, even if the product is well-researched and well-developed. However, while financial resources are important, they are not the sole driving factor for venture success. A more dynamic model should be used, integrating all three major advantages that shape growth trajectories: financial resources, partnerships, and local knowledge. In this model, the interplay of these factors that can catalyze growth is demonstrated. Thus, even if one firm does not have all of the advantages, the brand would still be in a position to grow. For example, resource-constrained organizations, by strategically leveraging businesses' capabilities and adapting to the external environment, might be able to outperform

well-resourced competitors. This nuanced understanding of financial resources, partnership, and local knowledge offers valuable insights for companies of all sizes and stages, helping to identify and stimulate strategies for achieving their growth goals.

This paper focuses on the complex interaction of financial resources, partnerships, and local knowledge in orienting the development paths for companies, with each factor being crucial in driving firms forward. A business model operates and grows like a car engine: financial resources are the basic element that fuels the engine to work. These include seed funding, venture capital, bootstrapping, and revenue generation. All these different resources provide the capital needed to engage in key activities such as: hiring competent staff, creating new products, and running effective marketing campaigns. With activities and plans as such, no startup can sustain itself without a large initial capital injection. However, financial resources only are not sufficient to

ensure success for companies. The engine needs a lubricant, strategic partnerships, to grease the cogwheels of operation. Ventures expand their scope through a merger with complementary businesses, reaching new markets, and gaining expertise from partner companies. A good example would be when a coffee shop enters into a strategic partnership with a delivery service; this could lead to an increased consumer base. Such collaborations enable businesses to achieve more with fewer resources needed, thus maximizing the effect of the financial investments made. Undeniably, while financial resources and strategic partnerships are important, a good brand orientation is also required for a successful venture. Local knowledge fulfills this critical function: it involves deep knowledge about the target market, the relevant regulatory environment, and even the cultural nuances that affect consumer behavior when making decisions. The knowledge possessed will thus act in guiding ventures through challenges and orient helpful use of financial resources. For instance, a bubble tea brand will be able to use local knowledge in realizing a local market-specific adaptation in the product line. Such profound knowledge acts toward efficient growth where the company does not squander resources on strategies that would not resonate with the local market. Moreover, these three elements are not self-sustaining but find support in each other reciprocally: financial means create growth, but efficiency depends on the capability of the venture to use strategic partnerships and to make decisions based on local knowledge. While this is equally true, that successful partnership encourages more financial investment, good local knowledge results in better investment of such funds, possibly with even greater margins to be reinvested into further growth. This interplay determines not just the initial growth phase but how the venture keeps adapting and evolving. As the company encounters new challenges and opportunities, leaders can adjust its resource allocation, establish new partnerships, and deepen its local knowledge base to ensure a long-term and sustainable growth trajectory.

The findings also suggest that the growth path for each business is not inflexible, but it depends on which specific resource the entrepreneur or organization chooses to focus on. While the ones with high liquid financial endowments would opt for a rapid expansion strategy, others with lesser capital would utilize partnerships for resources and expertise exchange. Meanwhile, local knowledge may act as a differentiator and hence help organizations customize their offering to meet the specific needs and preferential tastes of their immediate market. This study indicates that the path to organizational growth is not solely influenced by any factor. Taking financial resources for example, whereas access to capital certainly plays a part, it is more important how firms utilize this resource to attain success, which needs local knowledge. This proves how resource-poor firms,

even though lacking financial strength, would stand a chance to overperform their competitors in the industry by realizing growth via other paths. Other pathways might include forging strategic partnerships that would offer access to expertise or market share, or making use of deep knowledge regarding the local context in which it operates to adapt products or services for a very specific set of customers. Therefore, it is important to consider that the process of growth includes more factors than just financial resources when studying organizational growth, as ventures with fewer resources can find a way to innovatively compete and prosper in the market. As most start-ups have fewer resources, their innovation paths add positive competition in the market that benefits the consumers.

*Implications for practitioners.* This study offers significant guidance to managers of different organizations, from well-resourced to those with scarce resources. Well-resourced firm managers might be traditionally focused on their financial resources, but this should now be considered as one piece of a big puzzle. Active partnership development and local knowledge building can help managers find new opportunities for growth, as well as help them navigate through the barriers of highly complicated markets. On the contrary, resource-constrained organizations should not feel discouraged. The findings emphasize the potential for strategic leveraging of extant capabilities and adaptation to the external environment. By attending to such focus areas, even new and less well-established firms can find a niche to compete and grow. This will empower managers to locate and leverage unique advantages that will power the growth trajectory of their organization.

*Limitations and directions for future research.* Even though this research makes an important contribution to the literature in furthering the understanding of multi-dimensionality in firm growth, some limitations introduce directions for future studies. In this respect, this study lays the foundation for identifying the basic link between financial resources, local knowledge, and partnerships with possible compensatory effects among these factors. However, which of these factors is stronger relatively in terms of its impact on growth trajectories remains a question. This could have been further explored in the future with a more quantitative approach, using an increased sample base that enables statistical methods to identify the order through which these variables influence growth. Moreover, this study has identified a need to scrutinize complex ways whereby those elements interact. A longitudinal research design thus might be useful, in that it may enable research to trace how financial resources, local knowledge, and partnership interact over time intra-organizationally. By addressing the limitations and outlining future research directions, a more complicated, holistic knowledge of the

complex phenomenon of organizational growth can be created.

While this study uses the F&B market in Vietnam as an empirical setting, the associations it discovers among financial resources, local knowledge, and partnerships promise a generalized application in a wide array of industries. The interactive forces of these complex variables result in a significant impact on the growth paths of business in environments where common characteristics are shared by many industries. But one has to be pragmatic about how far the concept could be applied universally. For example, in the healthcare industry, the requirement for financial resource input for growth would be tremendous. Most medical technologies and equipment require huge capital investments, which would make financial resources vital in the industry. To address this nuance, future research can investigate the industry-specific differences in relative factor importance. In this way, researchers may provide a more detailed and fine-grained understanding of firm growth at variance across industries. This is achievable by studying how resource-constrained organizations within resource-intensive industries like healthcare can leverage partnerships and local knowledge to overcome the financial constraints that come with striving for sustainable growth. This would also generalize the existing findings of this study by exploring avenues of reaching success in resource scarcity conditions.

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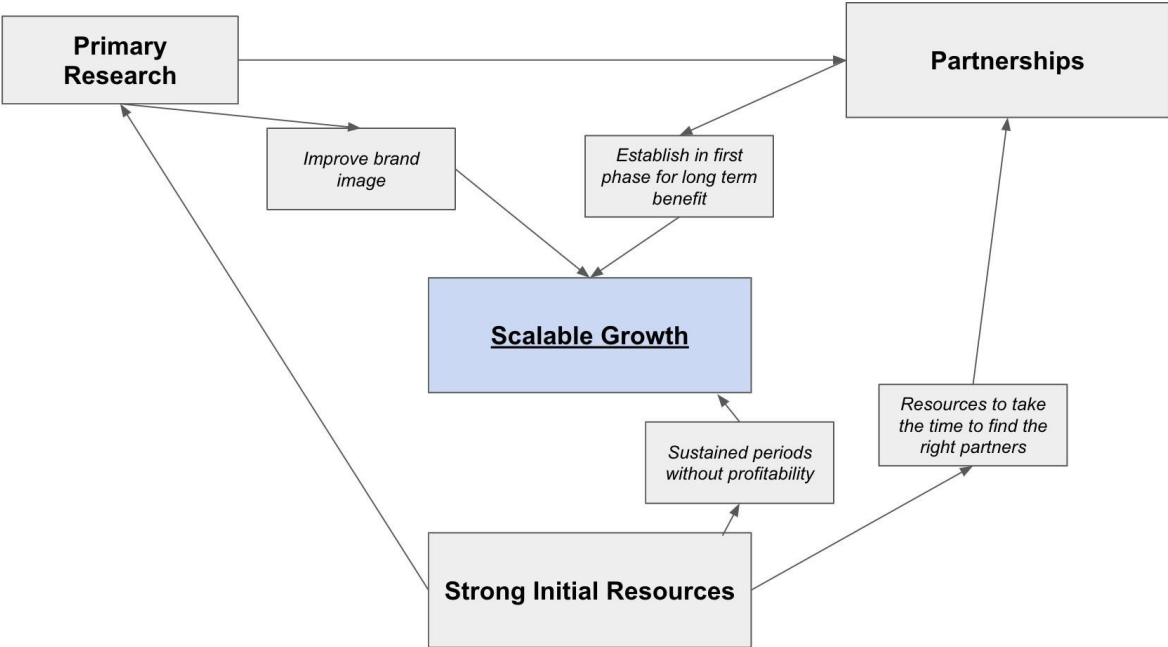
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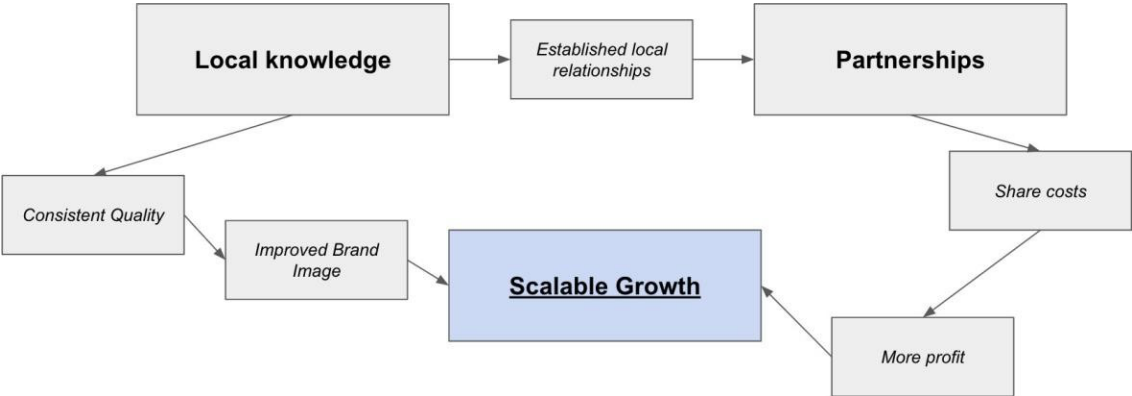
DIAGRAMS

Diagram 1: Phase 1



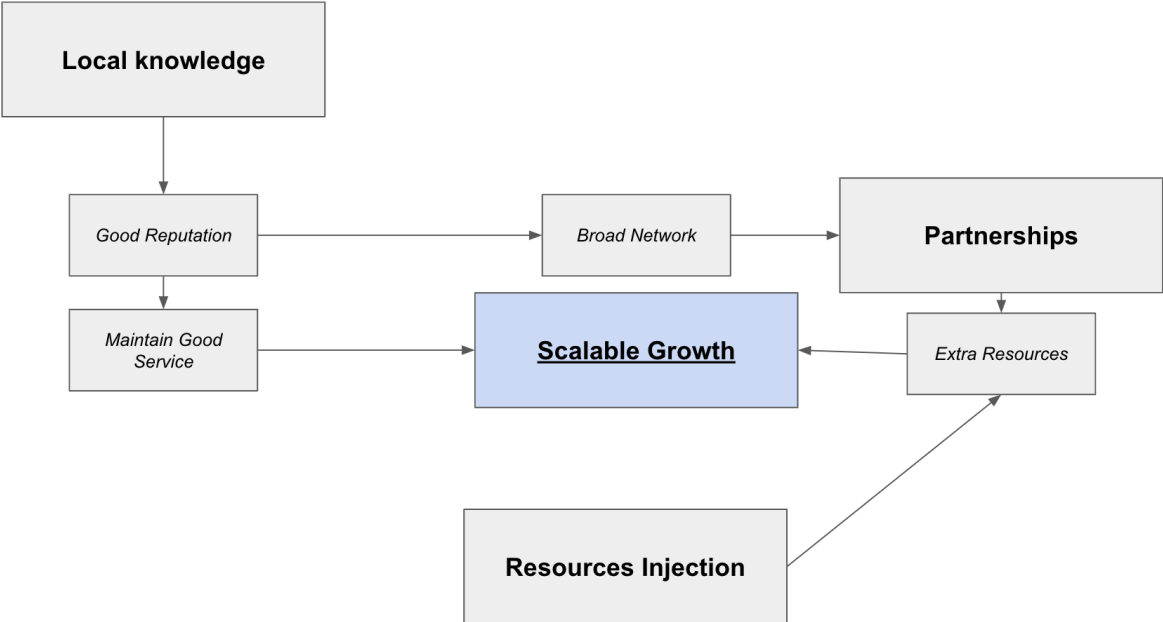
Note: This diagram is a summary of Phase 1, as explained in the Findings section.

Diagram 2: Phase 2



Note: This diagram is a summary of Phase 2, as explained in the Findings section.

Diagram 3: Phase 3



Note: This diagram is a summary of Phase 3, as explained in the Findings section.

**ID:39**

**Digital education ecosystem to empower transnational harmonized qualification  
in the IWT education**

**Anton Edtmeier**

University of Applied Sciences Upper Austria  
[anton.edtmeier@fh-steyr.at](mailto:anton.edtmeier@fh-steyr.at)

**Abstract**

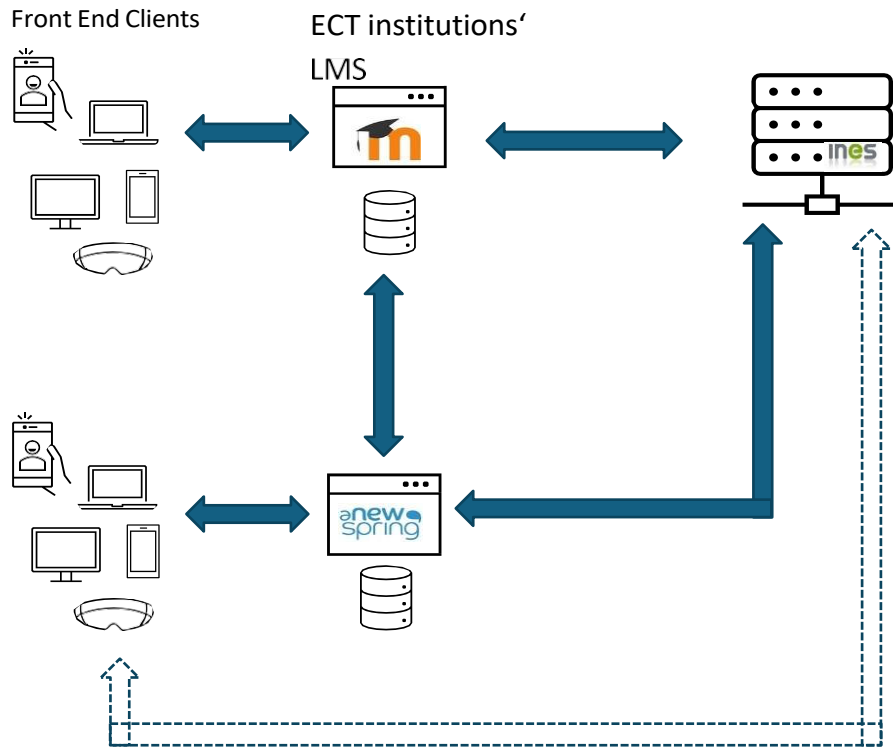
The poster presents the activities and results of several EU funded projects which main objective is to create a resilient, easily accessible and future-proof education C training system for the Inland Waterway Transport (IWT) sector.

Education in Inland Waterway Transport Navigation requires a harmonized curriculum for international mutual recognition of competences and certificates. Within the framework of several projects, the project partners are developing tools and processes to foster digitally supported learning and training activities by establishing a network of educational institutions in the IWT sector operating at different qualification levels in accordance with the European Qualifications Framework. The projects thus aim to support the transformation of the EU directive for harmonized competences in the sector into digitally supported learning paths.

A key outcome is an education ecosystem based on open standards that integrates e-learning platforms from education and training institutions with a central content repository to provide digital learning material and different learning activities. This enables embedded learning experiences in various training settings and ensures continuity of education C training for IWT students at all qualification levels.

In addition to the technical implementation of the interconnection between all partner institutions, project activities also encompass a concept for exchanging learning progress data, including the application of a learning record store to integrate other digitally supported learning activities, such as simulator trainings or VR/AR applications. In distributed and blended learning settings, the tracking of learners' progress ("learning analytics") is vital for understanding.

## Drafted Schema of the Systems Architecture



**ID:40**

## **The Evolving Motivations and Business Development of Female Immigrant Entrepreneurs in Sweden**

**Ghazal Zalkat**

School of Business, Innovation and Sustainability Halmstad  
University, Halmstad, Sweden  
ORCID ID: 0000-0001-5796-3746  
[ghazal.zalkat@hh.se](mailto:ghazal.zalkat@hh.se)

**Henrik Barth**

School of Business, Innovation and Sustainability Halmstad  
University, Halmstad, Sweden  
ORCID ID: 0000-0002-0030-3402  
[henrik.barth@hh.se](mailto:henrik.barth@hh.se)

### **Abstract:**

This study investigates the motivations of female immigrant entrepreneurs (FIEs) in Sweden, focusing on how these motivations evolve across three entrepreneurial phases: start-up, growth, and exit. Using in-depth interviews with 35 FIEs, the research applies the Entrepreneurial Motivation Theory and Self-Determination Theory to explore intrinsic motivations (e.g., autonomy, personal growth) and extrinsic motivations (e.g., financial gain, social recognition). The findings reveal that motivations are dynamic and phase-dependent. Intrinsic motivations like passion dominate during the start-up phase, while extrinsic factors such as opportunity recognition and scaling gain importance during later stages. Social and human capital, along with regulatory frameworks, consistently influence business development across all phases. This study enriches the immigrant entrepreneurship literature by highlighting the dynamic nature of motivations over time, emphasizing the need for tailored, phase-specific support programs to promote economic inclusion, innovation, and diversity.

**Keywords:** Female Immigrant Entrepreneurs (FIEs), motivations, entrepreneurial phases, start- up, growth, and exit.

### **Introduction:**

Female immigrant entrepreneurship has become a focal point for researchers and policymakers, as more women establish businesses in host countries, bringing substantial contributions to economic growth, innovation, and social integration (Halkias et al., 2016; Brieger & Gielnik, 2021). Female

Immigrant Entrepreneurs (FIEs) offer unique contributions to the entrepreneurial landscape, yet their motivations, challenges, and long-term trajectories are still underexplored (Poggesi, 2024; Poggesi & Mari, 2024). Existing research often emphasizes male or native-born entrepreneurs, overlooking the distinct experiences of FIEs whose entrepreneurial efforts serve as pathways to both economic independence and social sustainability. Recognizing the motivations of FIEs is essential for creating supportive policies that bolster their success and, in turn, contribute to inclusive and sustainable economic ecosystems.

Gender dynamics play a significant role in shaping entrepreneurial endeavors, impacting everything from start-up decisions to business sustainability. In several European contexts, women are statistically less likely to start businesses and face greater challenges in sustaining them, largely due to limited access to resources and networks (van der Zwan et al., 2012). While motivation is a key driver of entrepreneurial behavior, the ways it operates and evolves remain insufficiently understood (Murnieks et al., 2019). Over time, as female entrepreneurs gain confidence and success in their businesses, their motivations may shift from extrinsic to intrinsic (Al-Jubari et al., 2019). This shift is crucial in understanding the long-term sustainability of immigrant ventures and the entrepreneurs' well-being. A critical gap persists in understanding how FIEs' motivations shift across different phases of their entrepreneurial journey—particularly as these phases reveal unique obstacles and opportunities (Duan et al., 2022; Knight, 2015).

Entrepreneurial motivations are dynamic, shaped by changing market conditions, personal circumstances, and the availability of external resources (Ali, 2023; Corrêa et al., 2022; Martínez-Rodríguez et al., 2020; Ljungkvist et al., 2019; Carsrud & Brännback, 2011). While much research has focused on the motivations that drive entrepreneurs in the start-up phase, less is known about how motivations evolve as businesses grow and potentially exit (Murnieks et al., 2019; Fassin & Drover, 2017). Thus, understanding entrepreneurial motivation requires acknowledging that entrepreneurs experience multiple, evolving motivations throughout their journey (Duan et al., 2022; Murnieks et al., 2019; Knight, 2015). This study therefore aims to capture a more nuanced understanding of the entrepreneurial journey for FIEs by examining motivational shifts across the start-up, growth, and exit phases.

In this context, understanding FIEs' motivations becomes especially relevant for developing sustainability-focused policies that support diverse entrepreneurial contributions. Utilizing Entrepreneurial Motivation Theory (Shane et al., 2003) alongside Self-Determination Theory (Ryan & Deci, 2000), this study investigates how intrinsic motivations (such as personal growth and autonomy) and extrinsic motivations (such as financial rewards and social recognition) shape FIEs' business development pathways in Sweden. By exploring these motivations within a multi-phase framework, we aim to offer insights that can help policymakers design tailored, phase-specific interventions that enhance FIEs' long-term sustainability and success. Such insights will not only strengthen economic sustainability but also promote social inclusion, cultural diversity, and resilience within host economies, aligning with broader sustainable development goals.

### **Literature review**

The literature on entrepreneurial motivation emphasizes its crucial role in shaping entrepreneurial behavior, particularly among immigrant entrepreneurs, whose motivations include economic necessity, independence, and self-fulfillment (Duan et al., 2022; Duan et al., 2021; Barth & Zalkat, 2021; Osorio-García-De-Oteyza et al., 2020; Cho et al., 2019; Alexandre et al., 2019; Rodrigo et al., 2018; Munkejord, 2017; Domboka, 2013). Despite these influences, studies largely overlook the mechanisms through which motivations evolve across different entrepreneurial phases (start-up, growth, exit) (Murnieks et al., 2019). Motivations shift dynamically based on market conditions and personal circumstances (Murnieks et al., 2019; Hailemariam et al., 2017; Knight, 2015), yet most research focuses on the start-up phase, leading to a fragmented understanding of how motivations sustain or change over time (Murnieks et al., 2019; Fassin & Drover, 2017).

In terms of gender-specific motivations, female immigrant entrepreneurs (FIEs) often have unique motivations influenced by a mix of personal, social, and cultural factors, prioritizing independence, family, and community needs over growth or profit (Ferrín, 2023; Global Entrepreneurship Monitor, 2020, 2019; Cunha et al., 2024; Dabić et al., 2020; Solesvik et al., 2019; Talha & Alsos, 2022; De Luca & Ambrosini, 2019; Goel et al., 2011). While supportive environments and policies can enhance their success (Gawel & Toikko, 2024; Sarihasan et al., 2023; Brieger & Gielnik, 2021), FIEs encounter “double discrimination” related to both gender and ethnicity, complicating their entrepreneurial journey (Gawel & Toikko, 2024). Research indicates a strong influence of intrinsic motivators, such as self-fulfillment and achievement, but extrinsic motivators like financial stability also play a role, especially given barriers in

traditional employment (Daulerio, 2018; McGowan et al., 2011; Nayak et al., 2024; Jafari- Sadeghi et al., 2021; Daulerio, 2016; McGowan et al., 2011).

Entrepreneurship arises from the interplay between individual and environmental factors (Shane, 2003; Shane and Venkataraman, 2000), which can differ based on the specific context (Zalkat et al., 2024). The entrepreneurial process itself—start-up, growth, and exit—differs across genders, with varied challenges at each stage. Although the Global Entrepreneurship Monitor views entrepreneurship as a process (McMullen & Dimov, 2013; Moroz & Hindle, 2012), existing research mostly emphasizes the start-up phase, underexploring the motivations, challenges, and factors impacting growth and exit phases (van der Zwan et al., 2017; Murnieks et al., 2019). This narrow focus misses the evolving nature of entrepreneurial motivation, neglecting critical factors, such as social networks and institutional support, that influence later stages (Mamabolo & Myres, 2020; Galanakis and Giourka, 2017; Van Horne et al., 2016; Azmat & Fujimo, 2016; Brixy et al., 2012). Notably, the exit phase is vital but under-researched, despite motivations for exit (e.g., financial challenges or new opportunities) impacting the overall entrepreneurial lifecycle (Wennberg & DeTienne, 2014; Kuckertz & Prochotta, 2018). The limited focus on exit may arise from challenges in identifying FIEs who have exited or whose businesses are no longer operational (Chreim et al., 2018). A holistic understanding of FIE motivations across all phases could enable more effective support structures and policy interventions to sustain their ventures (Shane, 2003; Shane & Venkataraman, 2000).

### **Theoretical framework**

The motivations behind immigrant entrepreneurship are complex and require integrating multiple theories. This study combines Entrepreneurial Motivation Theory (Shane et al., 2003) and Self-Determination Theory (SDT) (Ryan and Deci, 2000) to explore the motivations of Female Immigrant Entrepreneurs (FIEs) across different phases of business development. Entrepreneurial Motivation Theory highlights key factors such as individual motivations (e.g., achievement, independence), environmental influences, opportunity recognition, resource availability, and contextual influences (e.g., institutional frameworks). These factors are particularly relevant to immigrant entrepreneurs who navigate unique socio-cultural environments and face challenges in accessing resources and networks.

Self-Determination Theory, on the other hand, differentiates between intrinsic motivations (e.g., personal fulfillment) and extrinsic motivations (e.g., financial necessity), focusing on the

psychological needs of autonomy, competence, and relatedness. For FIEs, intrinsic motivations often stem from a desire for self-fulfillment, while extrinsic motivations may be driven by economic necessity or the need to overcome socio-cultural challenges. Over time, motivations may shift from extrinsic to intrinsic as entrepreneurs gain experience and success in their ventures, a shift that is important for sustaining their businesses and well-being.

The integration of these theories provides a comprehensive framework by addressing:

- **Phase-Specific Motivations:** Motivations evolve from financial necessity in the start-up phase to personal achievement and social contribution in the growth phase, and eventually to personal fulfillment or new opportunities in the exit phase.
- **Interaction of Motivations and Context:** Both intrinsic and extrinsic motivations are influenced by external factors like host-country policies, socio-cultural support, and institutional settings.
- **Policy and Support Mechanisms:** This framework offers insights for policymakers to design support systems that address the changing motivations of FIEs, aiding their success and integration.

By combining these theories, the framework addresses literature gaps, offering a holistic perspective on FIEs' entrepreneurial journeys.

## **Method**

The study adopts a qualitative research design to explore the motivations of Female Immigrant Entrepreneurs (FIEs) in Sweden. This approach was chosen to gain a deeper understanding of the multifaceted motivations and contextual factors influencing their entrepreneurial journeys.

### ***Participants:***

A purposive sample of 35 FIEs, representing a diverse range of industries and regions in Sweden, was selected. The participants met the following criteria:

- Female immigrants who had lived in Sweden for less than ten years.
- Entrepreneurs at different business development phases: start-up, growth, or exit.

The sample included 14 FIEs in the start-up phase, 16 in the growth phase, and 7 in the exit phase. The exit phase was more difficult to access, reflecting the challenge of studying businesses at that stage.

### ***Data Collection:***

Data was gathered through semi-structured interviews, which were conducted in Arabic and later translated into English. These interviews focused on the participants' personal and professional backgrounds, as well as their entrepreneurial motivations at each business phase. The interviews were recorded, transcribed, and supplemented with data from online sources (social media, business profiles, and Allabolag.se) to validate and enrich the findings.

The interviews covered the following key topics:

- Personal Background: Migration journey and settlement in Sweden.
- Professional Background: Work experience, education, and how these factors influenced entrepreneurial decisions.
- Entrepreneurial Motivations: Both intrinsic (e.g., personal fulfillment) and extrinsic (e.g., financial necessity) motivations influencing business decisions at different phases.

### ***Data Analysis:***

Thematic analysis was employed to identify patterns within the qualitative data, using Shane et al.'s (2003) Entrepreneurial Motivation Theory and Self-Determination Theory (SDT) as a guiding framework. The analysis involved the following steps:

- Familiarization with Data: Initial review of the interview transcripts.
- Coding: Assigning codes to recurring concepts and phrases from the interviews.
- Theme Identification: Grouping codes into broader themes (e.g., individual motivations, environmental influences, opportunity recognition, resource availability) that align with the theoretical framework.
- Theme Review: Refining themes to ensure accuracy and consistency with the data.
- Theoretical Application: Mapping the identified themes to Shane et al.'s theory and SDT to interpret the motivational factors.

This analysis provided insights into how the motivations of FIEs evolve across different business development phases, highlighting commonalities and variations across participants.

## **Results and Discussion**

### ***Demographic Characteristics:***

The study focuses on 37 FIEs from eight Arabic-speaking countries, with the largest group

representing Syria (22), followed by Palestine (7). Other countries represented include Iraq, Egypt, Tunisia, Morocco, Lebanon, and Jordan. The age of participants ranged from their early twenties to mid-fifties, highlighting diverse life stages and experiences. The education levels varied, with 24 women holding university degrees, eight with secondary education, and five with primary education. Despite their qualifications, many were forced into entrepreneurship due to limited employment prospects, aligning with the economic mobility challenges often faced by immigrant entrepreneurs (Jones et al., 2014). Family responsibilities played a significant role in shaping their entrepreneurial decisions. Many of the FIEs had children, which influenced the types of businesses they operated and their working arrangements. The majority of businesses were small and home-based, covering sectors such as food and catering, trade, services, and handmade goods. These ventures provided both income and career mobility.

### ***Entrepreneurial Phases and Business Structures:***

FIEs in the study were at various entrepreneurial stages, including the start-up, growth, and exit phases, each with distinct motivations and challenges.

- **Start-Up Phase:** Fourteen FIEs were in the early stages of business development, focused on establishing their operations, securing resources, and building networks.
- **Growth Phase:** Sixteen FIEs had moved to the growth phase, aiming to expand operations, diversify products, and increase market share.
- **Exit Phase:** Seven FIEs had exited or were transitioning out of their businesses, with one entrepreneur restarting her business, demonstrating the dynamic nature of immigrant entrepreneurship.

The business structures varied widely:

- **Sole Proprietorships:** 22 FIEs began as sole proprietors, with three later transitioning to LLCs to reduce financial risk.
- **Unregistered Businesses:** Eight FIEs operated unregistered businesses, often due to bureaucratic barriers.
- **LLCs and Family Partnerships:** Six FIEs started as LLCs, frequently partnering with family members, highlighting the importance of family support in immigrant entrepreneurship. Some businesses were co-owned with family members or other women, fostering collaborative and socially embedded business practices.

### ***Female Immigrant Entrepreneurs' Motivations***

FIEs' motivations varied across the start-up, growth, and exit phases, with both intrinsic and extrinsic factors influencing their decisions (See table 1).

***Start-Up Phase:***

**Independence and Autonomy:** Many FIEs valued the independence entrepreneurship offered, allowing them to balance work and family responsibilities. Flexibility was a significant driver, especially for those with children.

**Financial Necessity:** The need for economic security, particularly in the absence of traditional employment opportunities, motivated many to start their own businesses.

**Work-Life Responsibilities:** Balancing family obligations with work was a key factor in starting a business, with many entrepreneurs choosing home-based businesses.

**Labor Market Discrimination:** Discrimination in the labor market led some FIEs to entrepreneurship as a way to bypass systemic barriers.

**Opportunity Recognition:** The ability to identify unmet needs in their communities allowed FIEs to exploit business opportunities, especially within niche ethnic markets.

**Resource Availability:** Social capital, including family and community networks, was critical in overcoming financial and knowledge barriers, particularly when accessing formal funding sources.

***Growth Phase:***

**Self-Confidence and Development:** As FIEs grew their businesses, self-confidence became a central motivation, with many focusing on acquiring legitimacy and trust within the local market.

**Business Expansion:** FIEs aimed to scale their businesses beyond ethnic markets, targeting Swedish or international customers. Expanding product offerings, adopting new technologies, and enhancing sales strategies were key motivations.

**Social Networks:** The use of transnational and local networks helped FIEs navigate market entry challenges, particularly in reaching broader customer bases.

***Exit Phase:***

**Personal Circumstances:** Personal life changes, such as family events or health issues, were significant drivers of exit decisions.

**Environmental Factors:** Broader economic and market conditions, such as competition and changing customer demands, played a role in the decision to exit or scale back operations.

**Market and Competition:** Challenges related to market competition, particularly from unregistered businesses, and difficulties in adapting to customer preferences were major factors in the exit decisions of several entrepreneurs.

### **Discussion:**

The findings from this study highlight the complex and evolving nature of female immigrant entrepreneurship in Sweden. Initially motivated by autonomy, economic necessity, and work-life balance, FIEs in the growth phase focus more on scaling their businesses, increasing market reach, and building customer trust. The exit phase, driven by personal circumstances and environmental factors, underscores the dynamic and non-linear nature of entrepreneurial journeys. Social capital, including family support and community networks, plays a crucial role in overcoming challenges and fostering business sustainability.

These findings offer valuable insights for policymakers and organizations supporting immigrant entrepreneurs. Tailored support systems that address the specific needs of FIEs—such as financial resources, market access, and entrepreneurship education—are essential for fostering sustainable businesses. Additionally, fostering inclusive policies that help bridge cultural and institutional gaps can facilitate the integration of FIEs into the broader economy, promoting social cohesion and economic growth.

### **Conclusion:**

This study highlights the dynamic and multifaceted nature of entrepreneurial motivations among female immigrant entrepreneurs in Sweden. Motivations were influenced by a combination of intrinsic and extrinsic factors, with social capital playing a significant role in the development and sustainability of businesses. The findings underscore the complexity of the entrepreneurial process and the diverse challenges FIEs face as they navigate the start-up, growth, and exit phases of their entrepreneurial journeys.

This study contributes to the understanding of female immigrant entrepreneurship by exploring the motivations and business structures of FIEs in Sweden across the start-up, growth, and exit phases. The research underscores the importance of family support, social networks, and community connections in fostering entrepreneurial resilience and sustainability. By addressing the specific needs of FIEs through tailored policies, education, and resource allocation, Sweden can support the

long-term success of immigrant entrepreneurs, contributing to economic integration and social sustainability.

Future research can explore the experiences of FIEs from diverse cultural backgrounds and regions to expand our understanding of the challenges and opportunities they face. Furthermore, the evolving motivations of FIEs present an opportunity to refine entrepreneurship theories and inform future policy initiatives that promote inclusivity and sustainability in immigrant entrepreneurship.

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**Table 1.** Female Immigrant Entrepreneurs' Motivations across different phases of business development

Phase	Motivations	Key Influences	Examples/Quotes
<b>Start-up</b>	Independence and Autonomy	Strong desire for independence, flexibility, and control over work-life balance.	“Being an entrepreneur gives me the flexibility to be with my kids at home and work.” “I wanted to be free and make my own decisions where no one can force me to do anything I don’t like or want to do.”
	Financial Necessity	The incompatibility of traditional jobs with family obligations often drives the need for a stable income.	“I need to earn a good income for my family”
	Work-Life Responsibilities	The need for flexible working arrangements to manage family duties.	“I am living here alone, so I don’t have my family to take care of my children, and being an employee did not fit my circumstances.”
	Labor Market Discrimination	Discrimination in the labor market pushes FIEs towards entrepreneurship as a viable alternative.	“Labor market discrimination motivated me to become an entrepreneur because I wasn't accepted for any jobs I applied for.”
	Opportunity Recognition	Identification of market gaps or unmet needs in the community.	“There are many single men in Sweden who miss their home country’s food so I decides to cook for them”
	Resource Availability	Reliance on social capital, family support, and personal savings to overcome financial barriers and gain legitimacy.	“My social skills helped me build a large social network in the start-up phase.”
<b>Growth</b>	Self-Confidence and Development	Increased confidence and desire for self-improvement as key motivations for business expansion.	“My self-confidence and social skills helped me gain the trust of Swedish customers.”
	Business Growth and Scaling	Focus on sustaining and expanding the business, entering new markets, and adapting products to appeal to a broader audience.	“I could sell my products to ethnic customers outside Sweden, and now I work more to attract more Swedish customers”
<b>Exit</b>	Individual Motivations	Fear of failure, personal life changes, and the potential for re-entering entrepreneurship with more experience and a better plan.	“I was afraid, and I wanted to learn more about the business and build a bigger network”
	Environmental Influences	Market fluctuations, institutional barriers, and the unsustainability of initial business models led to the decision to exit.	“I was unaware of many legal and regulation issues”.
	Market and Competition	Adapting to customer preferences, unregistered competition, limited reach, and economic downturns	“I could not expand my business and reach Swedish customers”

**ID:42**

# **The Happy Seller: How Job Satisfaction Bridges Life Happiness and Sales Success**

**Simone Severini**

University of Macerata, Faculty of Economic and Law  
Crescimbeni, 30, 62100 Macerata, Italy  
[s.severini17@unimc.it](mailto:s.severini17@unimc.it)

**Alessandro Romoli**

Department of International Humanities and Social Sciences.  
University of International Studies of Rome, Rome, Italy  
[alessandro.romoli@unint.eu](mailto:alessandro.romoli@unint.eu)

## **Abstract**

Independent sales agents operate in highly autonomous roles, balancing complex relational dynamics with multiple principals and clients. This study explores how subjective happiness, defined as life satisfaction beyond professional settings, influences job satisfaction, turnover intention, and sales performance. Drawing on spillover theory and self-determination theory, we propose that happiness serves as a key driver of professional outcomes, directly enhancing performance and indirectly reducing turnover intentions through job satisfaction. Data collected from 314 Italian independent sales agents were analyzed using structural equation modeling to test both direct and mediated effects. The findings reveal that happiness exerts a direct positive effect on performance, challenging conventional models that position job satisfaction as the sole mediator of workplace outcomes. These results underscore the importance of personal well-being in roles requiring high emotional resilience and self-determination, highlighting the need to integrate happiness into theoretical and managerial frameworks. By prioritizing agents' happiness, organizations can enhance performance, improve retention, and strengthen long-term relational success, positioning themselves as leaders in workforce well-being and productivity.

## **1. Introduction**

The role of the independent sales agent holds a central position in marketing literature and represents a critical element in the landscape of complex sales, particularly within the B2B context (Finch et al. 2015). Independent sales agents offer businesses a flexible solution to outsource sales activities (Rapp, 2009; Rogers & Rodrigo, 2015). , reducing fixed costs and expanding geographic coverage while maintaining a high level of specialization (Rogers, 2008; Soberman, 2009).

Classical literature, such as Anderson & Coughlan (1987) and Anderson & Schmittlein (1984), has emphasized the role of independent agents in optimizing economic efficiencies in channel management, particularly in markets characterized by low asset specificity. Similarly, Olson et al. (2013) and McQuiston (2001) analyzed the contribution of independent agents to the evolution of distribution networks and the optimization of relational dynamics. Years ago, studies such as Dishman (1996) and Stephens et al. (1996) explored the strategic effectiveness of agents in supporting small producers and entering international markets. More recently, research has examined the trade-offs between outsourcing and internalization (Good & Calantone, 2019; Rogers & Rodrigo, 2015). Bergestuen et al. (2022) further analyzed the lifecycle of relationships between producers and agents, identifying trust and communication as key drivers of long-term partnership success. However, only few studies (e.g., Conde & Prybutok, 2021) have attempted to integrate elements of well-being and resilience into the context of this unique role, which requires agents to navigate dual relational processes with both clients and the multiple principals they represent in their activities (Bergestuen et al., 2022).

This study focuses on Italian independent sales agents, who represent a significant subset of the 600,000 agents identified by the Internationally United Commercial Agents and Brokers Association (IUCAB, 2024), nearly one-third of whom are Italian nationals. The rationale for focusing on this population is twofold: first, Italy's unique position as a key hub within the European sales agent network provides a rich context for exploring the dynamics of independent sales agents. Second, Italian agents often operate in highly fragmented and competitive markets, requiring them to manage complex relationships with multiple principals, making them an ideal population for studying relational and performance-based outcomes. By examining the proposed model, this study aims to address gaps in the literature concerning the interplay between personal well-being and professional outcomes in this distinct occupational context. Happiness, conceptualized as life satisfaction beyond professional settings, provides a novel lens to understand how personal factors influence job satisfaction and, in turn, drive turnover intentions—which, in this context, differ from those of traditional sales roles as they specifically refer to the cessation of relationships with individual principals rather than leaving a single employer—and sales performance. This approach not only offers insights into how agents manage their dual relational responsibilities but also highlights strategies to enhance both individual well-being and organizational effectiveness, making a significant contribution to the study of independent sales agents. Understanding these dynamics provides critical insights into how agents balance personal and professional demands while optimizing their contributions to business success.

## **2. Conceptual background and hypothesis**

Subjective happiness, often known as subjective well-being, is a complex and multi-dimensional construct that includes an individual's experiences of positive and negative emotions, life satisfaction, and a personal sense of meaning (Diener et al., 2009; Ng, 2021). Unlike job-related satisfaction, subjective happiness refers to an individual's overall emotional state, encompassing aspects of life outside of work, such as personal fulfillment and general life satisfaction. This broader view of happiness considers both transient emotional states and long-term assessments of life quality. The concept of happiness has evolved, with modern research emphasizing subjective well-being as a key area within positive psychology, which shifts focus from the treatment of mental disorders to the promotion of mental wellness (Williams, 2008; Ng, 2021).

Subjective happiness emphasizes the balance between positive and negative affective experiences, where a person's well-being is seen as a surplus of positive feelings over negative ones. Although this view is inherently subjective, it has an objective basis, as most people universally experience happiness from similar sources, such as health, relationships, and engaging activities, which also contribute to well-being (Ng, 2021). The measurement of subjective happiness involves evaluating personal emotions and life satisfaction, with studies suggesting that individuals with higher levels of subjective happiness are better able to cope with stress and maintain a positive outlook (Kauppinen, 2013). This approach to happiness supports the view that personal well-being extends beyond workplace success and is grounded in the broader, more holistic experiences of an individual's daily life.

Job satisfaction refers to the sense of psychological and physical fulfillment that individuals derive from their work environment and roles (Diener et al., 1999). While traditionally linked to tangible aspects such as salary and benefits, recent research suggests that employees increasingly value the quality of the work environment, opportunities for personal growth, and positive interpersonal relationships (Farmaki et al., 2022; Silaban & Margaretha, 2021). In organizational psychology, job satisfaction is understood as a complex construct that influences various aspects of workplace behavior and outcomes (Bertels et al., 2019). It is often defined as the affective response that arises when employees compare their actual job experiences with their expectations and perceived entitlements (Castaneda & Scanlan, 2014).

This concept of job satisfaction aligns with the hedonic perspective on well-being, which focuses on maximizing pleasure and minimizing discomfort. Hedonic well-being, rooted in the philosophy of hedonism, views satisfaction in terms of positive experiences and the fulfillment of desires

(Ryan & Deci, 2001). Applying this lens to job satisfaction highlights the pleasure and gratification employees feel from aspects like positive interactions with colleagues, recognition of their achievements, and overall satisfaction with their roles. In contrast, experiences such as job insecurity, dissatisfaction with workplace policies, or unfulfilled career aspirations reflect lower levels of hedonic well-being at work (Anderson et al., 2013). In sales, for instance, hedonic well-being might manifest as satisfaction derived from successful customer interactions, pride in closing deals, and enjoyment in achieving targets. Conversely, salespeople might experience reduced job satisfaction due to frustration over lost accounts, stress from high-performance demands, or disappointment with organizational decisions that impact their client relationships.

Through this hedonic framework, job satisfaction is seen as a dynamic state influenced by a balance of positive and negative work-related experiences. Building on this theoretical framework, we hypothesize that personal happiness—subjective well-being beyond the workplace—plays a significant role in influencing job satisfaction. Subjective happiness, defined by life satisfaction and personal fulfillment, may spill over into the work environment, enhancing employees' overall sense of well-being at work. This spillover effect suggests that individuals who experience high personal happiness are more likely to perceive their jobs positively, feel content with their roles, and be resilient to workplace challenges. Thus, we propose that:

**H1:** Subject happiness has a positive effect of job satisfaction

Turnover intention, the inclination to leave one's current job, is a significant issue for organizations, particularly due to its potential impact on productivity and associated costs (Ak, 2018). Previous studies have identified job satisfaction as a fundamental predictor of turnover intention, highlighting that when employees are satisfied with their work environment, they are less likely to consider leaving their positions (Sharma and Syal, 2022; Ak, 2018). In the context of our study, we introduce a novel element by examining how personal happiness—defined as subjective well-being outside of work—interacts with job satisfaction to influence turnover intention. Specifically, we hypothesize that personal happiness impacts an employee's intention to leave their job indirectly, through its influence on job satisfaction. This suggests that personal happiness, even though it originates outside the work environment, can affect an employee's desire to stay or leave, mediated by the level of satisfaction they feel within their job role. This is particularly relevant for sales agents, where turnover intention often means a desire to switch their primary employer or client base (their "principal") rather than leaving the profession entirely.

Therefore, we hypothesize:

**H2:** Job satisfaction mediates the relationship between personal happiness and turnover intention.

Sales performance, as defined in the literature encompasses activity-based, outcome-based, conversion-based, and relationship-based dimensions (Bolander et al., 2021). It represents the effectiveness with which sales agents achieve organizational goals (Walker et al., 1979) and it reflects not only the achievement of revenue-related objectives but also the development and maintenance of strong customer relationships (Oliver & Anderson, 1995; Keiningham et al., 2007; Morgan & Rego, 2006). Job satisfaction, defined as the degree to which sales agents feel content with their roles and working conditions (Liu et al., 2018), is conceptualized as an attitude that precedes behavior, influencing performance outcomes (Judge et al., 2001). This perspective aligns with attitudinal and behavioral theory (eg. Ajzen, 1991), which posit that attitudes like job satisfaction lead to subsequent behaviors such as enhanced performance. Independent sales agents, who often balance multiple principals and high relational demands, rely on their job satisfaction to sustain the energy and focus needed for success. Therefore, we hypothesize:

**H3:** Job satisfaction has a positive direct effect on sales performance.

Happiness, conceptualized as overall life satisfaction extending beyond professional contexts, provides a foundation for emotional resilience and positive attitudes (Chekola, 1974). While happiness can influence workplace outcomes, its impact on sales performance is likely indirect. Job satisfaction serves as the key mediator, channeling the broader sense of well-being into specific workplace behaviors that enhance performance. For independent sales agents, higher levels of happiness may translate into increased job satisfaction by fostering optimism, reducing stress, and improving perceptions of work-life balance. In turn, satisfied agents are better equipped to meet sales objectives, maintain strong client relationships, and manage the complex expectations of multiple principals. Hence, we propose:

**H3a:** Job satisfaction mediates the relationship between happiness and sales performance.

### **3. Methodology**

The structural equation modeling (SEM) approach was utilized to test the hypothesized

relationships. The measurement model was assessed using LISREL version 8 to ensure the validity and reliability of the constructs. The structural model, estimating both direct and mediated effects, was analyzed in R Studio using the “lavaan” package. To evaluate mediation, a bootstrapping technique with 5,000 resamples was employed, providing robust estimates of indirect effects.

#### *Data collection and sample characteristics*

Data were collected using an online questionnaire distributed via email to a targeted group of independent sales agents operating in Italy. The survey yielded 314 valid responses, forming the final sample for analysis. Among the respondents, 277 were male (88.2%) and 37 female (11.8%). The age distribution was as follows: 25-44 years (38 responses, 12.1%), 45-54 years (90 responses, 28.7%), 55-64 years (141 responses, 44.9%), and over 65 years (45 responses, 14.3%). On average, respondents reported 26.1 years of experience in sales and a weekly workload of 43.4 hours. Educational attainment was distributed across various levels: 38 respondents held a bachelor’s degree (12.1%), 189 had a high school diploma (60.2%), 61 obtained a master’s degree (19.4%), 3 earned a PhD (1.0%), and 23 had a middle school education (7.3%).

#### *Measures*

All the measures employed in this study are derived from well-established and validated scales. Happiness was measured using an adapted version of the *Subjective Happiness Scale* (SHS) developed by Lyubomirsky and Lepper (1999). This scale originally consists of four items designed to assess the respondent’s global subjective happiness. Participants rate each item on a 7-point Likert scale, with higher scores indicating greater levels of happiness. The adaptation involved removing the fourth item, as its inclusion resulted in a low Cronbach’s alpha (0.453), indicating poor internal consistency. After its removal, the reliability of the scale improved significantly (close to the critical threshold of 0.7). The retained items include statements such as “In general, I consider myself a very happy person” and comparative evaluations like “Compared to most of my peers, I consider myself more happy.” Two items directly assess happiness, while the third indirectly evaluates subjective well-being by contrasting positive and negative characterizations of happiness. Turnover intention was measured using a shortened 6-item version of the *Turnover Intention Scale* originally developed by Roodt (2004) and later refined by Bothma and Roodt (2013). This version employs a 7-point Likert scale, ranging from 1 (strongly disagree) to 7 (strongly agree), to capture employees' desire or intention to leave their current organization. Given the context of this study, turnover intention specifically refers to the likelihood of ceasing

relationships with one or more principals rather than leaving a single employer, reflecting the unique dynamics faced by independent sales agents. Job satisfaction was measured using the revised comprehensive job satisfaction scale developed by Duan et al. (2015). This scale consists of three items designed to capture overall satisfaction with one's job. Respondents rated their agreement with statements such as "I am satisfied with my present job," "I like my current job," and "I like working in the sales field" on a Likert scale. Finally, Sales performance was assessed using the scale developed by Cravens, Ingram, LaForge, and Young (1993), which evaluates both behavior-based and outcome-based performance dimensions capturing the effectiveness of sales agents in achieving organizational objectives through metrics related to sales outcomes (e.g., meeting quotas) and behavioral aspects (e.g., customer relationship management and engagement).

#### **4. Results**

##### *Measurement model*

The measurement model was developed in accordance with established guidelines for reflective constructs (Becker et al. 2012; Hair et al. 2017b). Each construct—Happiness, Job Satisfaction, Turnover Intention, and Sales Performance—was modeled reflectively. The correlation matrix indicates relationships consistent with theoretical expectations: Job Satisfaction and Happiness exhibit a strong positive correlation ( $r = 0.744$ ), while Job Satisfaction and Turnover Intention show a strong negative correlation ( $r = -0.704$ ). Moderate correlations are observed between Job Satisfaction and Sales Performance ( $r = 0.340$ ) and between Happiness and Sales Performance ( $r = 0.396$ ), whereas Turnover Intention and Sales Performance show a weak negative correlation ( $r = -0.205$ ). These correlation values are acceptable, remaining below the 0.85 threshold, which supports the distinctiveness of the constructs. Reliability metrics exceeded recommended thresholds: Cronbach's alpha values ranged from 0.71 to 0.91, and composite reliabilities were between 0.71 and 0.92, supporting internal consistency. The average variance extracted (AVE) for each construct surpassed the threshold of 0.50, except for Turnover Intention (AVE = 0.44), indicating mostly adequate convergent validity. Discriminant validity was further assessed using the Heterotrait-Monotrait Ratio of Correlations (HTMT). The HTMT results confirmed adequate discriminant validity, with values well below the critical threshold of 0.85. Specifically, HTMT values ranged from 0.199 (Happiness and Sales Performance) to 0.295 (Happiness and Turnover Intention), demonstrating that all constructs are empirically distinct and measure unique aspects of the underlying theoretical framework. Each reflective outer loading exceeded 0.70 and was

statistically significant, reinforcing indicator reliability. Additionally, the square root of the AVE for each construct was greater than its correlation with any other construct (Fornell and Larcker 1981). Table 1 displays the descriptive statistics, reliability coefficients, and construct correlations.

Construct	1	2	3	4
1. Happiness	1			
2. Job satisfaction	0.74	1		
3. Turnover intention	-0.61	-0.7	1	
4. Sales performance	0.4	0,34	-0.2	1
Mean	5,26	5,32	3,37	4,83
SD	1,20	1,62	1,43	1,04
Cronbach's Alpha	0,71	0,91	0,75	0,87
Composite reliability	0,71	0,92	0,78	0,87
Average variance extracted (AVI	0,55	0,78	0,44	0,57

**Table 1** Descriptive statistics and correlation of constructs

### *Hypotheses testing*

The study tested hypotheses exploring the relationships between Happiness, Job Satisfaction, Turnover Intention, and Sales Performance. Specifically, the model posited that Happiness positively influences Job Satisfaction, which subsequently impacts Turnover Intention (negatively) and Sales Performance (positively). Table 2 presents the standardized path estimates for the tested relationships. The findings confirm a significant positive effect of Happiness on Job Satisfaction ( $a = 0.749, p < 0.001$ ), supporting H1 that higher levels of happiness enhance job satisfaction. Job Satisfaction, in turn, has a significant negative effect on Turnover Intention ( $b = -0.695, p < 0.001$ ), confirming H2 that higher job satisfaction reduces the intention to leave one's job. However, its effect on Sales Performance is positive but not statistically significant ( $c = 0.144, p = 0.163$ ), indicating that H3 is not supported, as job satisfaction does not significantly predict performance outcomes. The mediation analysis reveals additional insights. Job Satisfaction mediates the relationship between Happiness and Turnover Intention, as evidenced by a significant indirect effect (Happiness  $\rightarrow$  Turnover Intention =  $-0.520, p < 0.001$ ). There is no significant direct effect of Happiness on Turnover Intention ( $d = -0.148, p = 0.082$ ), supporting H2, which posits that the effect of Happiness on Turnover Intention is primarily channeled through Job Satisfaction, indicating partial mediation. Conversely, for Sales Performance, the mediation is not supported. The indirect effect of Happiness on Sales Performance through Job Satisfaction is not significant (Happiness  $\rightarrow$  Sales Performance =  $0.108, p = 0.160$ ). However, the direct effect of Happiness on

Sales Performance is significant ( $e = 0.285$ ,  $p = 0.011$ ), suggesting that H3a is not supported and that Happiness influences Sales Performance independently of Job Satisfaction.

<b>Direct effects</b>	Std estimation
Happiness → job satisfaction (a)	0.749 ***
Job satisfaction → Turnover intention (b)	-0.695***
Happiness → Turnover intention (d)	-0.148
Job satisfaction → Performance (c)	0.144
Happiness → Performance (e)	0.285**
<b>Indirect Effects</b>	
Happiness → Turnover intention (indirect via job satisfaction)	-0.520***
Happiness → performance (indirect via job satisfaction)	0.108

Table 2 standardized paths

## 5. Discussion and implication

This study provides valuable insights into the interplay between subjective happiness, job satisfaction, turnover intention, and sales performance among independent sales agents. Our findings highlight the critical role of life happiness—defined as subjective well-being beyond professional contexts—in shaping professional outcomes. Specifically, subjective happiness has a significant positive effect on job satisfaction, which, in turn, mediates its impact on turnover intention. However, job satisfaction does not mediate the relationship between happiness and sales performance, suggesting a direct pathway through which happiness enhances performance. These results underscore the importance of considering personal well-being as a foundational element of professional success, particularly in sales roles characterized by relational and performance-based complexities. By focusing on Italian independent sales agents, our study introduces several novel contributions to the literature.

### *Theoretical implication*

This study contributes to the growing body of research on well-being and performance by emphasizing the critical role of happiness as a personal resource in driving professional outcomes.

Building on Schaufeli et al. (2009), our findings confirm that happiness significantly influences performance, particularly in highly autonomous work environments like those of independent sales agents. Unlike reactive approaches highlighted by Lussier et al. (2021a), which focus on mitigating social anxiety through managerial support and mindful acceptance, our research demonstrates that positive personal resources such as happiness can proactively enhance job satisfaction and performance. This shift from reactive to proactive mechanisms underscores the distinctive demands of autonomous roles, where personal well-being serves as a key driver of success.

Our findings extend the spillover theory (Kauppinen, 2013) by showing that happiness derived from life outside of work positively influences professional satisfaction, emphasizing that well-being transcends personal realms to impact workplace attitudes and behaviors. In contrast to Lussier and Hartmann's (2017) focus on customer-oriented behaviors as mediators, we find that happiness can bypass such mechanisms in highly autonomous roles, directly influencing performance. This suggests a need to reconsider existing theories when applied to non-traditional sales contexts, where emotional resilience and self-determination take precedence over traditional behavioral mediators.

Furthermore, our research bridges the gap between well-being studies and sales performance literature by advocating for a holistic understanding of success (Dugan et al., 2023). Unlike traditional approaches that focus on job-specific factors, our results highlight the importance of personal happiness as an independent predictor of workplace outcomes. This insight complements self-determination theory (Deci & Ryan, 1985), addressing the relational and contextual nuances of independent sales agents, and advocating for more integrated models that account for resilience, engagement, and sector-specific dynamics.

The study also sheds light on the challenges unique to independent sales agents, who must balance dual relational responsibilities with multiple principals and clients. Consistent with Ng (2021), we suggest that life happiness provides the emotional stability necessary to navigate these complexities effectively. Moreover, the mediation of job satisfaction between happiness and turnover intention reinforces the hedonic well-being framework (Ryan & Deci, 2001), which posits that individuals prioritize maximizing pleasure and minimizing discomfort in their lives. The direct effect of happiness on sales performance further challenges conventional models (Judge et al., 2001), suggesting that personal well-being directly enhances professional outcomes by boosting agents' energy, focus, and motivation.

Lastly, contrasting Lussier et al.'s (2021b) exploration of emotional exhaustion and ethical

behaviors, our findings demonstrate that personal well-being not only drives performance but also mitigates turnover intentions. These results have profound implications for retention strategies, highlighting the dual benefits of fostering agents' life happiness: reducing the likelihood of turnover and enhancing their ability to meet and exceed professional expectations. Together, these insights advocate for a reevaluation of traditional performance and retention models to integrate happiness as a critical predictor of workplace success, particularly in roles requiring high levels of autonomy and emotional resilience.

### *Managerial implication*

The managerial implications of this study emphasize the critical role of personal happiness outside the workplace as a foundational driver of professional outcomes. Organizations must recognize that the well-being of their independent sales agents extends beyond the boundaries of work and is deeply influenced by their personal lives. This broader perspective shifts the focus from merely optimizing job-related conditions to creating strategies that support agents' overall life satisfaction. A key insight from this research is that agents who experience greater happiness in their personal lives are more resilient, motivated, and engaged in their professional roles, highlighting the need for companies to adopt a holistic approach to workforce management. To foster personal happiness, organizations should consider implementing initiatives that enhance work-life balance, such as flexible scheduling, support for family commitments, and opportunities for personal growth that extend beyond the sales profession. For example, offering wellness programs that address mental and physical health, or even resources that support agents' hobbies and passions, can contribute to their overall life satisfaction. Recognizing and accommodating these personal aspects reflects an understanding that happiness is not a static state but a dynamic interplay of work and non-work experiences. By acknowledging this, principals can build stronger, more trust-based relationships with their agents, which, in turn, fosters loyalty and reduces turnover intentions. The direct link between personal happiness and sales performance further underscores the strategic importance of integrating well-being into organizational practices. Unlike traditional approaches that focus solely on job-specific factors, this study suggests that personal happiness acts as a vital, independent driver of professional success. Managers should view investments in agents' happiness not as ancillary efforts but as integral components of a comprehensive performance strategy. Creating a positive relational climate that values agents' individuality and provides emotional and practical support is essential. For instance, recognizing agents' achievements both within and outside the workplace reinforces a sense of holistic appreciation, boosting their morale and

commitment. Moreover, organizations should explore ways to align their performance metrics with agents' well-being. Incorporating measures of personal satisfaction and happiness into regular evaluations can provide valuable insights into the factors that drive motivation and performance. These metrics can guide the development of tailored interventions that support agents' personal lives, further enhancing their ability to excel professionally. Ultimately, fostering personal happiness not only improves individual well-being but also strengthens agents' capacity to manage the complex relational dynamics inherent in their roles, ensuring sustainable success for both the individual and the organization. By adopting this integrated approach, organizations can position themselves as leaders in nurturing a workforce that thrives both personally and professionally.

## **6. Limitations and future research**

Despite its contributions, this study has several limitations that warrant further exploration. First, the study's focus on Italian independent sales agents presents a potential limitation in terms of generalizability. Cultural, economic, and organizational differences across countries may influence the relationships examined in this research. For instance, cultural attitudes toward work-life balance or the structure of independent sales networks might yield different results in other contexts. Expanding the study to include agents from diverse cultural and geographic settings could provide a more comprehensive understanding of how personal happiness interacts with professional outcomes globally. Second, the reliance on self-reported measures introduces the possibility of common method bias and social desirability effects, as participants may overstate their happiness or job satisfaction to align with perceived expectations. Future studies could mitigate this by incorporating multi-source data, such as performance metrics obtained from principals or clients, and by using validated behavioral or physiological indicators of well-being.

Beyond addressing these limitations, there are numerous opportunities for future research to deepen and extend the findings of this study. One promising avenue is to investigate additional factors that may mediate or moderate the relationships between happiness, job satisfaction, and professional outcomes. Variables such as emotional intelligence, resilience, or work-life integration strategies could provide insights into the mechanisms through which personal happiness influences workplace behaviors. Similarly, examining the role of organizational support—such as training, resources, or mentorship—could shed light on how external factors enhance or mitigate the spillover effects of personal well-being. Another direction for future research lies in exploring the temporal aspects of happiness and job satisfaction. For example, investigating how fluctuations in life happiness over different life stages or career phases impact

job-related attitudes and performance could offer valuable perspectives for tailoring managerial interventions. Additionally, it would be fruitful to examine whether the observed effects differ based on agent characteristics, such as gender, age, or experience level, as these factors may shape the relationship between personal and professional domains. Finally, future studies could delve into the broader implications of happiness on organizational outcomes beyond individual performance, such as team dynamics, customer satisfaction, or organizational profitability. Exploring these connections would not only enrich theoretical understanding but also provide actionable insights for organizations aiming to cultivate a more holistic approach to workforce well-being.

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**ID:43**

## **Managing the Balance Between Wellbeing and Performance Inside Sales**

**Karina Burgdorff Jensen**

(University College of Northern Denmark)

kbye@ucn.dk

### **Abstract**

Sales organizations increasingly face the challenge of balancing high performance and employee wellbeing, particularly in high-pressure environments like inside sales. This study explores how sales management interventions can create a sustainable balance between these factors during organizational changes in a Danish subsidiary of a large American corporation. Leveraging an action-research approach, the study implements initiatives targeting individual and organizational wellbeing, including meditation, personalized managerial support, and team-building exercises. Initial findings reveal that these interventions significantly enhance employee wellbeing, reduce stress, and improve work-life balance, while boosting motivation and performance metrics such as win ratios and activity levels. This research contributes to understanding proactive leadership practices that foster wellbeing without compromising performance. It also highlights the implications of digital transformation and hybrid work models for inside sales roles. Future research is recommended to extend the scope, target specific interventions, and investigate long-term outcomes across diverse organizational contexts.

**Keywords:** Inside Sales, Employee Wellbeing, Performance Management, Organizational Change, Sales leadership

### **Introduction**

Sales organizations face mounting pressures to deliver high performance in competitive and rapidly changing markets (Bages-Amat et al., 2020; Rangarajan et al., 2021). High-performance pressure potentially conflicts with employee wellbeing, as a strong focus on performance and results can lead to stress for sales professionals (Hartmann C Lussier, 2020; Lussier et al., 2021; Lyngdoh C Guda, 2017). While performance, motivation and results have always been part of the B2B context, recently sales scholars have also taken an interest in wellbeing in sales (Dugan et al., 2023; Hartmann C Lussier, 2020). Wellbeing has been mentioned in recent literature as a factor in performance. This study investigates how sales management interventions can balance performance and wellbeing during a period of significant organizational change.

Inside selling is characterized by high-pressure environments, demanding quotas, and customer interaction via phone or digital channels such as Teams or Zoom, and as such

this environment represents a unique and highly relevant context for investigating the interplay between wellbeing and performance (Conde, 2023; Conde C Prybutok, 2021). Unlike traditional field sales roles, inside sales professionals operate in a controlled environment where their activities, output, and results are intensely monitored and measured. This creates a workplace culture where the pursuit of performance excellence can potentially overshadow the focus of employee wellbeing. The rise of inside sales as an increasingly used model for B2B sales, makes this context highly relevant. Due to the acceleration of the introduction and possibilities of new technology, data analytics, organizations have been enabled to scale sales operations and optimize efficiency (Mora Cortez C Johnston, 2020; Rangarajan et al., 2020; Shao et al., 2022). However, these same factors have contributed to increased job demands and at the same time new work-patterns such as working from home via digital channels, has fundamentally influenced the job situation for salespeople (Lussier et al., 2021). The changes in work-environment, increase in effectivity and efficiency following the post-covid digitalization all contribute to conditions, that can potentially lead to stress and burnout.

Inside sales roles are also uniquely positioned at the intersection of human interaction and automation, further intensifying the pressures on salespeople. They must deliver top quality customer engagement while meeting automated performance benchmarks such as call metrics, conversion rates, and win ratios.

This study investigates wellbeing and performance dynamics within a Danish subsidiary of a large American corporation undergoing significant organizational changes<sup>1</sup>. The dual focus on performance enhancement and wellbeing promotion provides a rich and timely lens for understanding how leadership and organizational culture can drive meaningful change. By adopting an action-research approach, the study investigates an important question for inside sales organizations: *How can companies balance performance pressures with initiatives that enhance employee wellbeing in a measurable and sustainable way?*

Through this research, we aim to provide insights into how inside sales teams can thrive under demanding conditions without compromising their workforce's mental and physical health. Given the global shift toward remote and hybrid sales models, the findings have broad implications for the strategic alignment of performance and wellbeing in sales organizations worldwide.

## **Literature review**

Wellbeing in sales has been discussed in several studies in recent years. Early important works, determine that wellbeing needs to be a strategic priority in business;

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<sup>1</sup> This Danish organization was acquired by an American corporation two years ago. Following the Acquisition, a number of organizational changes has been implemented.

Dugan et al (2023) introduce a comprehensive framework for understanding sales well-being, which encompasses three key dimensions: *individual, organizational, and societal wellbeing*. This framework provides a holistic perspective on the factors that influence well-being within the sales profession and emphasizes the interconnectedness of the three dimensions. Individual wellbeing is defined as a person's physical and mental health as well as their job satisfaction.

Organizational wellbeing is defined as an organizations ability to maintain high levels of performance while supporting the individual wellbeing of its salesforce, and finally societal wellbeing is defined as the positive impact of sales activities on communities, economies and societies and include elements such as CSR, ESG and sustainability (Dugan et al 2023). For this study the focus will be on organizational wellbeing.

To promote organizational wellbeing sales management must be involved as important factors to promote high- performance without compromising wellbeing include leadership practices such as communication, empowerment of employees as well as recognizing results and efforts of employees (Dugan et al 2023). Factors that influence wellbeing in sales include job satisfaction, work life balance, psychological resilience, supportive organizational culture, role clarity, opportunities for growth and development (Dugan et al 2023, Hartman et al 2023, Hartman and Lussier 2020). While these works deliver a relevant framework for understanding levels of wellbeing, as well as recommending focus areas for creating wellbeing on these levels, they do not provide empirical data.

Other important research is that of Lussier e.g., Lussier et al (2021) has explored different aspects of well-being in sales. The study address components such as emotional exhaustion and social anxiety. Lussier, Hartmann, and Bolander (2021) examine emotional exhaustion, Lussier, Philp, Hartmann, and Wieland (2021), investigates social anxiety in sales contexts. These works primarily focus on the opposite of wellbeing, such as emotional exhaustion and social anxiety, and explore the absence of wellbeing as a key concern in sales contexts. Their work investigates the negative outcomes associated with a lack of wellbeing, such as reduced ethical behaviour and diminished performance, rather than focusing explicitly on how to create or sustain wellbeing as a manager.

Overall, their research points to the need for wellbeing and the importance of mitigating negative states but provides less emphasis on actionable strategies for managers to cultivate wellbeing directly. This gap underscores an opportunity for future research on managerial practices that actively promote a positive state of wellbeing in sales teams.

The primary focus is often on the absence of wellbeing or the negative consequences of lacking wellbeing, such as emotional exhaustion, stress, role conflict, and burnout. However, a few articles delve into creating wellbeing, often indirectly, through leadership styles, organizational support, or adaptive behaviors e.g., Luu (2020, 2021) explores humble leadership and job crafting, showing how these leadership behaviors enable employees to proactively align tasks with personal motivation. Also, Maden-Eyiusta et al. (2021) examine

how perceived organizational support and psychological empowerment enable adaptive selling behaviors. This indirectly contributes to wellbeing by creating a supportive work environment.

The human impact of digital transformation was highlighted by Alavi and Habel (2021), who noted that new sales technologies can boost productivity but may also lead to stress and adaptation challenges for sales employees. This is also a topic in (Pullins et al., 2020).

Technologies such as predictive analytics and AI bots are transforming the sales process, demanding greater adaptability from employees while posing risks to their psychological wellbeing (Alavi C Habel 2021). Badrinarayanan et al. (2022) addressed the critical role of technology-enabled sales capabilities. They observed that firms investing in sales technologies often see improved customer relationship management and performance metrics. However, the lack of appropriate training and resource allocation can exacerbate stress and diminish the perceived value of technological solutions.

Azanza et al. (2018) explored authentic leadership in sales management, identifying its positive influence on salespeople's work engagement and psychological capita. Authentic leaders promote trust, enhance job satisfaction, and foster a supportive environment that drives both individual and organizational performance. Sales managers who maintain transparent and ethical leadership styles are perceived as more genuine, leading to higher employee engagement and lower burnout (Azanza et al 2018).

Avlonitis and Panagopoulos (2007) investigated how sales management practices such as training, compensation, and territory design influence employee role stress and performance. Effective management practices were found to reduce stress and improve sales outcomes, suggesting that structured support systems are essential for balancing performance and wellbeing. Varela et al. (2019) explore the impact of servant leadership on salesperson performance and wellbeing. The study shows that servant leaders foster proactive behaviors in sales teams, which mediate the relationship between leadership and performance. Wood (2020) underscores the importance of sales leadership training in fostering early-career success and reducing stress.

In summary there is a lack of empirical research dealing with proactive leadership practices that can create and maintain organizational wellbeing as well as high performance in inside sales organizations. There is also a significant lack of qualitative research in this topic. It is the aim of this study to contribute to knowledge and understanding within these research gaps.

## **Methodology**

The research utilizes an action-research framework (Mcniff C Whitehead 2011, Reason C Bradbury 2008), integrating iterative cycles of planning, action, observation, and reflection in collaboration with the case company. Data collection methods include semi-structured interviews, surveys, and performance metrics analysis. This participatory methodology enables real-time adjustments and actionable insights.

This research adopts an action-research approach, anchored in the philosophical paradigm of pragmatism, to explore the balance between performance and wellbeing in an inside sales context. Pragmatism (Dewey 1925; James 1907), with its focus on actionable knowledge and real-world solutions, provides the ideal framework for investigating complex, dynamic environments such as inside sales. It emphasizes the practical consequences of ideas and interventions, aligning well with the iterative and participatory nature of action research.

#### *Action-Research Framework*

Action research is both a methodology and a process that integrates iterative cycles of planning, action, observation, and reflection. The methodology is collaborative and participatory, involving stakeholders at multiple organizational levels, including sales representatives, team leaders, and management. This approach ensures that the research is grounded in the lived experiences of those directly affected by the organizational changes. The single case study is situated in the Danish subsidiary of a large American company, where significant changes have reshaped sales processes and managerial priorities. These changes provide a fertile ground for examining the interplay between performance metrics and wellbeing initiatives.

#### *Research Design and data collection*

The research is structured in three iterative phases:

1. Diagnosis and Planning:

Survey instruments to assess baseline metrics for employee wellbeing and performance

A survey was conducted with all 51 team-members of the sales organization, to establish a baseline for the results. The survey was delivered and answered before any interventions were made.

2. Intervention and Action:

Interventions to create Organizational Wellbeing

3. Observation and Reflection (This has not yet been conducted): Conducting follow-up semi-structured interviews and surveys to measure changes in employee wellbeing and performance.

Quantitative analysis of performance data pre- and post-intervention to identify trends and correlations.

### **Findings and Discussion**

The survey conducted before the interventions had 51 respondents (Appendix x):

Category	1 (Very Poor)	2 (Poor)	3 (Neutral)	4 (Good)	5 (Excellent)
Overall wellbeing	5	15	20	8	3
Worklife balance	3	5	8	25	10
Stress levels	20	18	8	3	2
Managerial support	½0	15	20	5	1
Motivation to achieve goals	5	10	20	12	4

A large proportion of participants rated their overall wellbeing as neutral or poor, suggesting a lack of initiatives or structures that actively promote employee wellbeing. This highlights the need for a proactive approach to fostering emotional and mental health in the team. Interestingly, work-life balance received relatively positive ratings, with many participants rating it as good or excellent. This suggests that while employees may feel they have time to balance personal and professional obligations, other factors (e.g., work environment or stress levels) are negatively impacting their overall wellbeing. Stress levels were rated very poor or poor by the majority, reflecting significant pressure or demanding expectations. High stress is likely contributing to poor wellbeing and possibly impeding performance. Managerial support received predominantly neutral or poor ratings. This indicates a gap in leadership practices or perceived support, which could exacerbate stress and reduce morale within the team. Improving managerial engagement and communication could be a key area of intervention. Motivation ratings were skewed towards neutral and good, showing that while employees remain moderately motivated, this motivation is not strongly supported by high wellbeing or effective managerial support. Motivation may be sustained by external factors, such as financial incentives or personal drive, rather than an empowering work environment.

This led to a series of ideas for initiatives such as introducing wellbeing initiatives in a period of three months. The initiatives were; Joint meditation and deliveries of fresh vegetable juice (Individual wellbeing), extra managerial support such weekly personal 1- 1 talks with the sales manager, leadership focus on recognizing efforts as well as results, transparency in communication, clarity about expectations, added sales trainings and teambuilding exercises (Organizational wellbeing).

After three months a new survey was distributed, and the results showed a significant change in responses:

Category	1 (Very Poor)	2 (Poor)	3 (Neutral)	4 (Good)	5 (Excellent)
Overall wellbeing	1	5	10	25	10
Worklife balance	1	3	10	30	7
Stress levels	5	8	12	20	6
Managerial support	2	5	10	25	9
Motivation to achieve goals	1	4	12	20	14

The preliminary results in overall wellbeing show that ratings shifted significantly to good and excellent, with far fewer participants reporting poor wellbeing. This indicates that there is a positive impact of initiatives like meditation, juices, and team-building activities. A clear majority now rate their work-life balance as good or excellent, showing that added transparency and managerial focus on expectations have helped. Stress has decreased substantially, with more participants rating this category as neutral or good compared to the initial results. Also, managerial support has improved with a large proportion of participants now rating managerial support as good or excellent, demonstrating the success of weekly personal follow-ups and recognition efforts.

Motivation ratings are predominantly good and excellent, suggesting that training, clarity, and fun team-building efforts have effectively boosted morale. This reflects a marked improvement across all dimensions, highlighting the effectiveness of the implemented wellbeing initiatives.

At the same time performance metrics show that the activity level of individuals is up, this includes win-ratio and overall activities as tracked in salesforce crm. On average each salesperson has increased their monthly sales by 12,6 percent, and their monthly activity levels by 0,3

### **Discussion and implications**

These results are preliminary and were conducted within a limited timeframe of three months, focusing on a single company. The study examined a series of interventions aimed at driving specific outcomes. However, due to the complexity and multifaceted nature of these interventions, it remains challenging to determine which specific

actions were most relevant and impactful. Instead, the findings primarily indicate that the interventions collectively had an impact, without pinpointing the exact contribution of each element. To gain deeper insights and more robust conclusions, future studies should broaden their scope to include multiple case companies, allowing for comparative analysis across

different contexts. Additionally, these studies should focus on fewer and more targeted interventions to isolate their effects and clarify their individual contributions. Extending the timeframe of the research would also provide a more comprehensive understanding of the long-term impacts of these interventions, ensuring that the results are reliable.

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**ID:44**

**IDEAL TYPES OF ENVIRONMENTAL DISCLOSURE: AN ANALYSIS  
FROM THE PERSPECTIVE OF NGOs.**

**Renata Luiza De Castilho Rossoni**

(Escola Superior de Propaganda e Marketing – ESPM)

**Manolita Correia Lima**

(Escola Superior de Propaganda e Marketing – ESPM)

**Abstract**

This study analyzed perceptions of corporate environmental ethics in environmental disclosure using Weber's ideal type method, based on interviews with eight environmental NGOs. The aim was to understand and consolidate interpretations of corporate environmental ethics from the perspective of environmental NGOs within the context of increasing pressures for accountability and the climate crisis. In this scenario, companies play a crucial role in promoting environmental sustainability, facing pressure from stakeholders and regulators to address and communicate their environmental challenges ethically. The research developed a polythetic typology, integrating diverse interpretative perspectives into four approaches: normative, illusionist, transitional and transformative. Illusionist disclosure is characterized by manipulation and misleading communication to obtain superficial legitimacy. Normative disclosure focuses on regulatory compliance and mandatory transparency. Transitional disclosure emphasizes accountability and continuous communication of progress. Transformative disclosure emphasizes authentic transparency, integration of environmental practices, innovation and long-term responsibility. This classification has contributed to theoretical advances in corporate environmental ethics and legitimacy, fostering discussions on ethical and environmentally responsible disclosure practices. Companies should strive for a genuine commitment to sustainability by integrating environmental practices into their operations and organizational culture to strengthen an ethical and responsible corporate image.

**Keywords:** Business ethics, Ideal Type, Environmental disclosure, Transparency, Greenwashing

**ID:45**

**Diversification of socio-economic development in Poland in the light of European cohesion policy and sustainable development goals**

**Maciej Pietrzykowski**

(Poznań University of Economics and Business)

maciej.pietrzykowski@ue.poznan.pl

**Abstract**

In the paper, the impact of the EU Cohesion Policy on the achievement of Sustainable Development Goal 10 (SDG), focusing on reducing inequalities in Poland, is examined. The aim is to assess whether the Cohesion Policy effectively contributes to reducing income inequalities and the labour market, thereby leading to economic convergence within the EU, at the national and regional levels, with particular emphasis on Poland's position and its socio-economic development diversification. The study focuses on the analysis of economic indicators, including purchasing power-adjusted GDP per capita and employment rates for the years 2010–2022, in the context of the objectives of the Cohesion Policy and the 2030 Agenda. The study's findings confirm that in terms of reducing

income disparities and improving employment, the cohesion policy could have been effective due to the convergence of the analysed indicators. In particular, the situation in Poland during the analysed period was satisfactory, as the country improved its results in terms of both analysed SDG10 indicators, nationally and regionally. Also, the overall SDG index for Poland and its overall ranking position is highly satisfactory, and the Gini coefficient, which illustrates income disparities, is at a good level in relation to other countries.

**Keywords:** development, cohesion policy, sustainability

**Id:46**

**Exchange Risk and Foreign Direct Investment in Public-Private Partnership Infrastructure Projects: A Mixed-Methods Approach in Developing Economies**

**Jorge Santos Filho**

(Universidade Presbiteriana Mackenzie)

**Mario Ogasavara**

(Escola Superior de Propaganda e Marketing (ESPM))

**Abstract**

This study investigates the influence of exchange rate risk on Foreign Direct Investment (FDI) in Public- Private Partnership (PPP) infrastructure projects in developing countries. A mixed-method approach was employed, combining quantitative analysis using panel data from 2014 to 2023 and qualitative interviews with key public and private sector stakeholders. The quantitative stage examined economic determinants such as exchange rate volatility, GDP growth, and the number of PPP projects, revealing that while exchange rate volatility was not statistically significant, the number of PPP projects strongly influenced FDI inflows. The qualitative stage provided insights into the perspectives of industry experts, emphasizing the importance of financial tools like currency swaps and Project Finance to mitigate exchange rate risk. However, long-term hedging remains costly, and regulatory complexities in countries like Brazil pose additional challenges for foreign investors. The findings suggest that to attract more FDI, developing countries should focus on increasing the number of PPP projects, creating stronger legal and regulatory frameworks, and improving financial instruments to manage exchange rate risks. This study contributes to the literature by providing a comprehensive analysis of how exchange rate risk impacts FDI decisions in PPP projects, offering recommendations to policymakers in developing countries seeking to attract foreign investment for infrastructure development.

**Keywords:** Exchange risk, FDI, Infrastructure, Public-Private Partnership

**ID:47**

## **Seamless Integration: Exploring Omnichannel Marketing Communication Strategies in Emerging Markets**

**Emil Velinov**

(RISEBA University of Applied Sciences),

**Irina Sennikova**

(RISEBA University of Applied Sciences)

**Vasko Vassilev**

(Transport University in Sofia-Todor Kableshkov)

### **Abstract**

Omnichannel marketing communication strategies have emerged as a transformative approach for businesses seeking to engage consumers across multiple touchpoints seamlessly. This study explores the implementation and effectiveness of omnichannel strategies in selected emerging markets, focusing on regions characterized by rapid digital adoption, dynamic consumer behavior, and evolving technological infrastructure. By leveraging an integrated framework that combines digital and traditional channels, companies in these markets aim to create cohesive and personalized customer experiences.

The research examines key elements of omnichannel strategies, including the synchronization of online and offline channels, data-driven personalization, and the role of mobile technologies in bridging gaps across platforms. It also highlights challenges unique to emerging markets, such as infrastructure limitations, cultural diversity, and varied digital literacy levels.

Findings suggest that the success of omnichannel strategies in selected emerging markets hinges on the ability to adapt to local contexts, harnessing big data analytics and mobile connectivity to enhance customer engagement. Additionally, the study underscores the importance of aligning marketing efforts with consumer expectations and preferences in diverse economic and social landscapes.

This research contributes to the growing body of knowledge on omnichannel marketing by providing actionable insights for practitioners and policymakers aiming to drive sustainable growth in emerging economies through integrated communication strategies. Future research should focus on the long-term impact of these strategies on consumer loyalty and market expansion in these regions.

**Keywords:** omnichannel, strategy, emerging market, marketing communication

**ID:48**

**Investigating Consumer Decision-Making: From Fleeting Trends to Sustainable Practices**

**Laura Salciuviene,**

University of Birmingham, UK [l.salciuviene@bham.ac.uk](mailto:l.salciuviene@bham.ac.uk)

**Claudio De Mattos,**

University of Huddersfield, UK

**Nitin Sanghavi,**

University of Manchester, UK

**Abstract**

This study contributes to the understanding of consumer decision-making regarding sustainable clothing in the UAE context as it explores factors influencing consumer decision-making of sustainable clothing. A sample of 300 respondents was surveyed to investigate how specific factors influence decision-making of sustainable clothing purchase behaviour. The social norms theory provides a theoretical framework for the study. Future research is recommended to explore the role of other factors such as personal values and motivations of consumers to make sustainable clothing choices.

**Keywords:** sustainable clothing, empirical research, consumer decision-making, social norms.

**ID:49**

## **Inside Sales in the B2B Environment: Skills and Requirements**

**Karina Burgdorff Jensen**

University of Northern Denmark

[kbye@ucn.dk](mailto:kbye@ucn.dk)

<https://orcid.org/0000-0002-9813-1011>

**Charlotte Bruun**

(Economics and Data Analysis) University of Northern Denmark

[chb@ucn.dk](mailto:chb@ucn.dk)

<https://orcid.org/0000-0002-1865-9992>

**Simone Severini**

PhD Student

University of Macerata, Italy

[s.severini17@unimc.it](mailto:s.severini17@unimc.it) <https://orcid.org/0009-0004-3069-6851>

**Silvio Cardinali**

Politecnica delle Marche University, Ancona, Italy

[s.cardinali@univpm.it](mailto:s.cardinali@univpm.it)

**Christian Stadlmann**

University of Applied Sciences Upper Austria

[christian.stadlmann@fh-steyr.at](mailto:christian.stadlmann@fh-steyr.at)

<https://orcid.org/0000-0003-0466-7614>

**Andrea Holzinger**

University of Applied Sciences Upper Austria, Austria

[andrea.holzinger@fh-steyr.at](mailto:andrea.holzinger@fh-steyr.at)

<https://orcid.org/0009-0002-2150-5406>

**Pia Hautamäki**

Applied Research Center

Tampere University of Applied Sciences, Finland

[pia.hautamaki@tuni.fi](mailto:pia.hautamaki@tuni.fi)

<http://orcid.org/0000-0003-0100-6386>

**Maciej Pietrzykowski**

Poznan University of Economics and Business,

[maciej.pietrzykowski@ue.poznan.pl](mailto:maciej.pietrzykowski@ue.poznan.pl)

<https://orcid.org/0000-0003-0802-6371>

**Pauliina Airaksinen-Aminoff,**

Applied Research Center

Tampere University of Applied Sciences, Finland

[pauliina.airaksinen-aminoff@tuni.fi](mailto:pauliina.airaksinen-aminoff@tuni.fi)

<https://orcid.org/0009-0003-6368-0306>

## **Abstract**

The digital transformation, accelerated by the COVID-19 pandemic, has profoundly influenced sales practices, driving the rise of inside sales as a critical component of the B2B environment. Inside sales, defined by remote and virtual selling through phone calls, video conferencing, and digital platforms, offer efficiency and cost-effectiveness, making them indispensable in modern sales strategies. Despite their growing adoption, a clear understanding of the specific skills and requirements for inside sales roles in Europe remains limited. This study addresses this gap through a qualitative analysis of 500 job advertisements across five European countries: Italy, Austria, Poland, Denmark, and Finland. The findings identify five distinct categories of requirements for inside sales agents and highlight the importance of tailored training programs that integrate both technical and personal skills to meet industry needs.

Keywords: b2b sales, insidesales, saleskill, skill

**ID:50**

**Activities and Performance Gaps of Sales Agents: Insights from  
B2B Customer and Principal Interactions**

**Deva Rangarajan**

Department of Marketing, IESEG School of Management,  
Lille, France  
[d.rangarajan@ieseg.fr](mailto:d.rangarajan@ieseg.fr)

**Alessandro Romoli**

P.h.D. student  
University of International Studies of Rome, Rome, Italy  
[alessandro.romoli@unint.eu](mailto:alessandro.romoli@unint.eu)  
ORCID: 0009-0003-1750-4184  
(lead and corresponding author)

**Silvio Cardinali**

Politecnica delle Marche University  
Ancona, Italy  
[s.cardinali@univpm.it](mailto:s.cardinali@univpm.it)

**Christian Stadlmann**

University of Applied Sciences Upper Austria  
[christian.stadlmann@fh-steyr.at](mailto:christian.stadlmann@fh-steyr.at)

**Simone Severini**

PhD Student University of Macerata  
Faculty of Economic and Law, Italy  
[s.severini@unimc.it](mailto:s.severini@unimc.it)

**Abstract**

Independent Sales Agents (ISAs) hold a vital position in B2B markets by acting as key intermediaries between manufacturers and clients, significantly impacting global revenue generation. Despite their importance, there is limited research addressing the specific roles and activities of ISAs, particularly concerning the management of relationships with customers and principals. This study seeks to address this gap by examining the tasks performed by ISAs and identifying discrepancies between perceived importance and actual execution of these tasks. Using a structured survey, data were collected from 690 sales agents in Italy, a critical market for these professionals. The findings highlight essential elements in customer-oriented activities, such as leveraging technology, streamlining back-office processes, and fostering relationships. Similarly, the study identifies critical factors in principal-focused activities, including initial engagements and ongoing management. Notable gaps were identified, especially in the use of digital tools and the early phases of principal-agent

relationships, emphasizing the need for enhanced strategies and targeted actions. This research not only contributes to existing knowledge on sales activities but also offers practical recommendations to improve the performance of ISAs in B2B settings, providing both theoretical insights and actionable strategies for optimizing these indispensable relationships.

**Keywords:** Independent Sales Agents, B2B Markets, Sales Activities, Principal-Agent Relationship, Sales Management

## **Theoretical Background the Role of Sales agent and activities performed**

Independent Sales Agents provide companies with an efficient and cost-effective approach to accessing markets while reducing operational risks (Bergestuen et al., 2022b). Despite their relevance, research focusing specifically on ISAs remains scarce, with much of the attention on sales intermediaries directed toward Independent Manufacturers' Representatives (IMRs) (e.g., Bergestuen et al., 2002a; Thompson et al., 2022). IMRs, unlike ISAs, often operate within agencies and have primarily been studied in contexts such as foreign markets and complex product sales (Anderson & Coughlan, 1987; Dutta et al., 1995).

Significant contributions to understanding sales activities have emerged over time. Moncrief (1986) introduced one of the earliest empirical taxonomies categorizing sales tasks by frequency and importance, laying a foundation for understanding the varied roles of sales professionals. This framework was later expanded by Marshall et al. (1999) and refined further by Moncrief et al. (2006) to account for technological advancements and evolving sales strategies. More recently, Elhajjar, Yacoub, and Ouaida (2024) developed a taxonomy addressing the impact of digital transformation and artificial intelligence (AI) on sales practices, highlighting the need for professionals to adapt to modern technological tools. By building upon these frameworks, this study applies their principles to ISAs, providing a deeper understanding of their distinct activities within the B2B landscape.

### **Methodology**

This research employed a structured survey to explore the activities undertaken by ISAs in managing customer relations and principal partnerships. Italy was chosen as the study context due to its prominent ISA market. The questionnaire, grounded in established literature and refined through focus groups with ISAs and representatives from European commercial agent associations, comprised 89 activities categorized into two sections: customer management (Study 1) and principal management (Study 2). Respondents rated the importance and their performance on these activities using a 7-point Likert scale, enabling the identification of performance gaps.

Data were collected between February and May 2024, yielding 690 valid responses for Study 1 and 309 for Study 2 after data cleaning. An exploratory factor analysis (EFA) with Promax rotation identified key factors underlying the ISAs' activities, separately for customer and principal-focused tasks. The analysis included factors with loadings above 0.40, and paired t- tests were conducted to assess significant differences between importance and performance scores.

## **Results**

The results from the exploratory factor analysis (EFA) of customer-related activities revealed nine distinct factors:

1. Administrative Tasks
2. Relationship Building through Events
3. Utilization of Digital and Communication Tools
4. Sales Communication Skills
5. Customization of Offerings
6. Market Analysis and Forecasting
7. Traditional Business Development
8. Order Management
9. Follow-Up Communications

The largest performance gap was in Use Tech & Communication Tools, with a -18% gap, indicating that while ISAs recognize the importance of technology, they struggle with integrating it into their sales processes. Another significant gap was found in Administrative Activities (-10%), showing challenges in managing administrative tasks efficiently, which could impact overall sales performance. Similarly, Entertaining, focused on client relationship- building, showed a -10% gap, indicating that ISAs may not be investing enough in these interactions, which are key to maintaining strong client relationships. For principal- related activities, five factors were identified:

1. Routine Tasks
2. Initial Discussions and Scope Definition
3. Market and Client Analysis
4. Regular Meetings and Professional Development
5. Identifying and Onboarding Principals

The largest gap in principal-related activities was in Identify and Onboard the Principal (- 14%), indicating difficulties in early principal engagement. Discuss Scope and Activity also showed a significant gap (-12%), suggesting challenges in initial negotiations and alignment with principals.

### **Discussion**

The findings highlight critical areas where independent sales agents (ISAs) perceive themselves as underperforming, particularly in the use of digital tools and in initial engagements with principals. The significant gaps identified suggest that ISAs may need more support in adopting modern technologies and in aligning their activities with principal expectations. These insights

are crucial for both researchers and practitioners aiming to enhance ISA performance in B2B contexts. By addressing these gaps through targeted interventions, ISAs can improve their effectiveness, leading to better outcomes for both the agents and their principals. This study contributes to a deeper understanding of the complex roles ISAs play in modern B2B markets.

### **Theoretical and managerial contributions**

This study makes several important theoretical contributions. First, it extends the existing literature on sales activities by focusing specifically on independent sales agents (ISAs) in B2B markets, a group that has received limited attention despite their significant role in global sales. By applying and expanding upon the work of Moncrief et al. (2006), this research provides a more nuanced understanding of the activities that ISAs perform, both towards their customers and principals.

Second, the study contributes to the literature on principal-agent relationships by highlighting the distinct challenges ISAs face in managing these relationships. The identification of significant performance gaps, particularly in the adoption of digital tools and initial principal engagements, offers new insights into the areas where ISAs struggle, suggesting that traditional approaches to managing sales activities may need to be adapted for this unique group of sales professionals. Finally, this research underscores the importance of continuous adaptation in the sales profession, particularly in response to technological advancements, providing a foundation for future studies on how ISAs can better integrate these tools into their practices. From a managerial perspective, the findings highlight critical areas where both ISAs and their principals can improve. Principals should prioritize providing ISAs with better access to digital tools and training to close the gap in

technological adoption. Additionally, better support during the early stages of principal-agent relationships could improve alignment and performance. ISAs, on the other hand, should focus on refining their administrative efficiency and relationship-building efforts to meet the evolving expectations of both clients and principals.

### **Limitations and Future Research**

This study has several limitations. First, it focuses exclusively on ISAs in Italy, which may limit the generalizability of the findings to other regions or industries. Second, the study examines activities and performance perceptions without directly measuring their impact on business outcomes. Future research could explore cross-cultural comparisons to identify whether these gaps exist globally or are region-specific. Additionally, studying the direct link between the identified performance gaps and measurable sales or relationship outcomes could offer deeper insights into how addressing these gaps can enhance overall business performance.

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**ID:51**

## **The Interaction between Human Development, Trade Openness and Economic Growth: A Study in Emerging Countries**

**Jorge Pelayo-Maciel**

([jorge.pmaciel@academicos.udg.mx](mailto:jorge.pmaciel@academicos.udg.mx))

Universidad de Guadalajara, México Manuel Alfredo

**Ortiz-Barrera**

([manuel.ortiz@cucea.udg.mx](mailto:manuel.ortiz@cucea.udg.mx))

This research seeks to analyze the interaction between human development, trade openness and economic growth. The need for this analysis arises at a time when there has been increasing inequality in the income of individuals, even if they live in countries with a high national income, something that was catalyzed during the health and economic crisis generated by COVID-19, that is why institutional theory is used to explain the relationships between variables. A panel data analysis was used for 51 emerging countries, from which 450 observations were obtained during a period from 2013 to 2021. The results were that the years of schooling positively and significantly affect human development, but the life expectancy at birth is not significant; Regarding human development, it is obtained that financial freedom, investment freedom, and commercial freedom have positive and significant relationships.

**KEY WORDS:** Human development, economic development, trade openness, economic freedom.

Since the 1990s, the economic development of most of the emerging countries has focused on developing strategies focused on the privatization of state enterprises, decentralization of the state and democracy, generating a new economic model, which was based on the creation of free market institutions that would mean a more equitable welfare for most of the population and, although there has been a growth in terms of the development of wealth and economic growth, this has not been balanced for most of the population (Yang et al., 2020).

In addition to the above, it has been seen that the wealth of nations as a result of a business environment based on the free market, where foreign direct investment, the flow of capital, and the variables that make up the foreign trade of any country, reigns; This has generated a global hegemony in terms of the institutions that support economic development, but since 2020 it has been threatened by the health and economic crisis caused by the COVID-19, where the economic inequality of the population, especially in low-income countries, was exposed more than in other times; this has generated an increase in concern about the real beneficiaries of the hegemonic economic system and a greater discontent among the population (Aïssaoui & Fabian, 2021).

It has also been found that human interactions are necessary for the process of economic development, so there is a need to generate elements that encourage human development (Butzbach, 2021) and in turn underpin economic development, therefore, there is a need to expectancy taking into account mortality standards at birth; the knowledge of a nation, which in turn has three indicators, the adult literacy rate and the average years of compulsory education and the average years of compulsory education, and; the standard of living or the wealth of the people of a country, which is obtained by the Gross Domestic Product (GDP) per capita and measured in US dollars.

**ABSTRACT**

While economic growth can be popularly defined as productivity, there are indicators in addition to GDP, there is the GINI index, which measures the income equity of the citizens of a country, this indicator is taken into account since there will be countries with a good GDP growth rate, but generating inequalities in the population, as usually happens in low-income countries; while there will be countries with slow growth, but with greater income equity as commonly happens with developed countries (Citation).

When talking about human development, there are different variables that affect them, such as the study by Ali et al. (2021), who analyze low-income countries and the relationship of economic freedom with the variable mentioned above, finding that access to private credit, a wide money supply; while for Mardavov et al. (2020) business freedom, monetary freedom and investment freedom affect it positively. It has also been mentioned that foreign direct investment (FDI) is positively related (Akisik, 2020). In this last point FDI along with trade openness would affect human development according to Asada (2022), who developed his study in Thailand, so it has also been analyzed that the policy followed by a government in terms of its long-term development vision in terms of fiscal decentralization to fiscal decentralization which is seen as the transfer of control of the public budget to different levels of government and different territories of a nation (Hung and Thanh, 2020).

In order for developing countries to take advantage of the positive effects of trade openness and benefit from capital flows they must have a skilled and qualified labor force to make them attractive to multinational companies (Barzotto et al. 2016). Countries that invest in human capital can grow economically (Hamoudi and Aimer, 2017; Korle et al., 2020), if they are also supported by a globalization process, where multinational companies, exports and imports and in itself, all commercial relationship with the outside, and with this the market benefits from the advantages and obtains goods of acceptable quality and with very cheap prices (Haller, 2016). It is possible to understand the role that international companies have had in the growth of domestic consumption, as well as their ability to perform the stimulation of the competitiveness of export processes for all countries participating in that environment. Thus, emerging markets and mainly those of manufacturing, are the ones that benefit the most from this environment (Jacimovic, Bjelić and Marković, 2013). Because of the above, the globalizing process became fundamental to the system. Companies generated specialized competencies for participation in specific sectors, as well as the use of technologies and management skills, so that they gained competitive advantages that caused sustained growth (Egu and Aregbeshola, 2017).

Regarding the business environment, it is found that Kisel'áková et al. (2019) analyzed the competitive business environment, based on the Doing Business index of the World Bank, positively affects human development and that in turn having a quality institutional development leads to economic development where people's income is more equitable (Nouira and Saafi, 2021).

The processes imposed by globalization in emerging markets improve their competitiveness and therefore an improvement in their economies (Haller, 2016). It has been seen how developing countries expand beyond their traditional participation in international production, exporting capital, technology and other resources of the multinational company, but also emerging countries are major suppliers of inputs and finished products, which generates foreign exchange and triggers economic growth.

If we review one of the fundamental variables for a market to be competitive with respect to others, we have tariffs and for these, trade policies are implemented that should favor all those activities that external agents wish to carry out. Therefore, by developing a policy based on the government investing in infrastructure, security, health and education, which, in turn, is an incentive for attracting foreign direct investment (FDI), this at first glance would seem to be beneficial for the macroeconomic development of the country; however, there are studies where it has been seen that such investments have been mostly in manufacturing and service sector activities. This is due to cheap labor and raw materials (Bose, 2012); but not so much in research, development and innovation (R&D&I). It has been proven that R&D&I generates sustainable development and, therefore, the absence of this leads to insufficient sophistication (Forte, 2013). It is important to develop adequate conditions in developing countries: environmental factors such as the climate for doing business, the dynamism of the ecosystem, psychological factors such as risk aversion, the desire for autonomy and self-satisfaction and the ease of doing business; so as not to be only attractive in costs. Therefore, it has been found that entrepreneurship has an important relationship in economic growth since the speed of such growth depends on the initiatives to do business, so it is necessary to adopt policies that stimulate the creation of greater entrepreneurial performance that promote the entry of new ventures to the national market (Rusu et al., 2022). On the other hand, on the other hand if you have excessive government spending, it can have negative effects on economic development (Hajamini et al., 2018).

In addition to the above, evidence has been found that there is a positive relationship between human development and economic development especially in low-income countries (Ali et al., 2021; Akisik, 2020), in turn different studies identify the causal relationship of both variables and that they go hand in hand all the time, this that there can be no economic development without human development and vice versa (Wang et al., 2022; Rahman et al., 2022; Wijaya, et al., 2021).

## METHODOLOGY

To investigate the relationship between economic and human development in emerging countries, a basic empirical research model was constructed as Equation (1):

$$\ln PIB_{i,t} = \alpha_0 + \beta_1 \ln le_{i,t} + \beta_2 \ln neys_{i,t} + \beta_3 \ln msys_{i,t} + \beta_4 \ln gnipc_{i,t} + \varepsilon_{i,t} \quad (1)$$

The dependent variable is economic development, which is measured by the natural logarithm of the country's Gross Domestic Product (GDP) taken from the World Bank. There are four explanatory variables that are the dimensions of the Human Development Index of the United Nations Development Program, which are the natural logarithm of the index of life expectancy at birth ( $\ln le$ ), the natural logarithm of the expected years of schooling ( $\ln neys$ ), the natural logarithm of the average years of schooling ( $\ln msys$ ) and the natural logarithm of the gross national income per capita ( $\ln gnipc$ ). gross national income per capita ( $\ln gnipc$ ), while  $\varepsilon$  is the error term.

A second model is posed to analyze the relationships of trade policy with human development, represented in the following equation (2):

$$\ln HDI_{i,t} = \alpha_0 + \beta_1 \ln BF_{i,t} + \beta_2 \ln GS_{i,t} + \beta_3 \ln MF_{i,t} + \beta_4 \ln TF_{i,t} + \beta_5 \ln IF_{i,t} + \beta_6 \ln FF_{i,t} + \varepsilon_{i,t} \quad (2)$$

Where; the dependent variable is the natural logarithm of the human development index (lnHDI), with six explanatory variables that are the dimensions of the index of economic freedom published by The Heritage Foundation (2024), which are the natural logarithm of business freedom (lnBF), the natural logarithm of government spending (lnGS), the natural logarithm of monetary freedom (lnMF), the natural logarithm of trade freedom (lnTF), the natural logarithm of investment freedom (lnIF), the natural logarithm of financial freedom (lnFF), while  $\varepsilon$  is the error term. In both models we have a period spanning from 2013 to 2021 and taking 51 emerging countries in Asia and Latin America. The panel data regression technique with fixed effects (FE) regressions was used for both cases, where the Hausman test was developed to choose FE or RE. In addition, heteroscedasticity and serial autocorrelation were found to exist with the Wald and Wooldridge tests, respectively, with the above, 450 observations were obtained.

## ANALYSIS OF RESULTS

To analyze the relationship between economic and human development and the implementation of trade policies focused on economic freedom, a correlation matrix is first developed, which can be seen in Table 1. What is found is that all the trade indicators of economic freedom such as business freedom, monetary freedom, trade freedom, investment freedom, and financial freedom have positive and significant relationships, but when looking at the relationship between government spending and human development it is negative and not significant.

When observing the relationships of the dependent variable economic growth, it is found that the dimensions of the human development index generally have high levels of significance and positive relationships, so it can be affirmed that an increase in life expectancy at birth, more years of schooling and a higher gross national income per capita will increase economic development.

To analyze the effects of human development on economic growth, two methods were developed to correct the fixed effects panel data model in the presence of heteroscedasticity and autocorrelation, one was the standard error correction and the other was the generalized least squares (GLS) method, presented in Table 2. What is observed is that column one shows that years of schooling is significant at a level of 0.10, while the other variables are not.

En la columna dos se aprecia que las variables de ingreso nacional bruto per cápita, los años medios de escolaridad y los años de escolaridad, y tienen relaciones positivas y significativas; cada una con niveles de significancia de 0.01 respectivamente, pero la esperanza de vida al nacer resultado tener una relación negativa y sin significancia.

Table 3 shows the casual relationships of the human development model where column 3 shows that financial freedom and trade freedom have a significant relationship of 0.01 and 0.10, respectively with positive values, but the other variables do not have significant relationships;

column 4 shows that financial freedom is positive at a level of 0.05, investment freedom has a positive relationship at a significance level of 0.10 and trade freedom at a significance level of 0.05, while monetary freedom, business freedom and government spending do not have significant relationships. 05, investment freedom with a positive relationship at a significance level of 0.10 and trade freedom with a significance level of 0.05, while the variables of monetary freedom, business freedom and government spending are not significant.

Table 1. Correlation matrix

	LNBF	LNGS	LNMF	LNTF	LNIF	LNFF	LNHDI	LNle	LNeys	LNmys	LNgnipc	LNPIB
LNBF	1											
LNGS	-0.001	1										
LNMF	0.195***	0.030	1									
LNTF	0.037	0.097*	0.253***	1								
LNIF	0.107**	0.0455	0.365***	0.356***	1							
LNFF	0.128**	0.058	0.262***	0.515***	0.474***	1						
LNHDI	0.1029*	-0.061	0.171**	0.329***	0.298***	0.433***	1					
LNle	0.137***	0.034	0.143**	0.274***	0.310***	0.399***	0.814***	1				
LNeys	0.093*	-0.095*	-0.010	0.171***	0.076	0.287***	0.806***	0.578***	1			
LNmys	0.034	-0.140**	0.170**	0.366***	0.322***	0.440***	0.837***	0.536***	0.651***	1		
LNgnipc	0.079	0.024	0.168**	0.320***	0.275***	0.356***	0.884***	0.743***	0.575***	0.653***	1	
LNPIB	-0.0442	0.1186*	-0.234***	0.334***	-0.0448	0.207***	0.155**	0.192***	0.135**	0.0814	0.167**	1

Source: Own elaboration. \*, \*\*, \*\*\* are significance levels of 0.10, 0.5 and 0.0, respectively.

Table 2. Explanatory model of economic development

	1	2
	Coef.	Coef.
LNgnipc	0.237	0.265***
LNmys	0.487	1.254***
LNneys	1.036*	1.096***
LNle	0.400	-0.279
_cons	-3.029	-2.226
Obs	450	450
R <sup>2</sup>	0.556	

Source: Own elaboration, \*, \*\*, \*\*\* are significance levels of 0.10, 0.5 and 0.0, respectively.

Table 3. Explanatory model of human development

	3	4
	Coef.	Coef.
LNFF	0.272***	0.118**
LNIF	0.020	0.027*
LNTF	0.146*	0.083**
LNMF	0.027	0.053
LNGS	0.002	-0.000
LNBF	0.003	0.012
Cons	5.933	6.185***
Obs	450	450
R <sup>2</sup>	0.999	

Source: Own elaboration, \*, \*\*, \*\*\* are significance levels of 0.10, 0.5 and 0.0, respectively.

## CONCLUSIONS

Empirical findings show that there is a relationship between the dimensions of human development and economic development, particularly gross national income per capita, years of schooling, and average years of permanence in studies such as that of Bose (2012), who had found that investment in education is important for development; this implies that countries with a larger population with tertiary education would have better conditions of competitiveness, higher income and therefore greater economic growth (Gavrilită, et al., 2022), 2022); likewise, institutional conditions must be established where the population in general has equitable and sufficient income to meet their needs, in other words efficient access to capital (Nouira and Saafi, 2021). However, life expectancy is not significant.

In terms of human development, the variables that are positively and significantly related are financial freedom, which implies that a country that establishes greater banking freedom where the state does not interfere for the better development of the financial sector reduces the cost of access to credit, which means that the population can access capital efficiently or in other words that there is financial inclusion (Yu, 2022), in order to access a better quality of life and companies can also access credit and use the financial system to use operations in different currencies (Esubalew and Raghurama, 2020).

It is also appreciated that trade liberalization positively affects human development, which involves the commercial openness of an economy to the outside (Barzotto et al. 2016; Asada, 2022) that can lead to companies that are within this type of economy to seek the best talent and there are incentives for businesses and government to invest in generating high-value employee profiles and with good wages to be able to compete in different international markets (Hamoudi and Aimer, 2017; Korle et al., 2020).

Free investment has also been found to be apparently significant and positive for human development and this may be due to the fact that in a country where there are no restrictions on the flow of capital, individuals and companies will be able to mobilize their resources in specific activities that generate social and economic value (Mardavov et al., 2020; Akisik, 2020; Asada, 2022).

This study provides academic evidence on human and economic development in emerging countries, so that decision makers in these countries can formulate policies in the development of an institutional framework where trade openness can be developed and a government strategy to support quality tertiary education in the population, which have adequate mechanisms for cheap and efficient access to capital and in turn are triggers for greater equity in the income of individuals, there is investment in productive sectors to compete in foreign markets and thus achieve greater economic development. However, this study has limitations, since it uses a linear regression to analyze the relationship between variables and it is necessary to examine from a non-linear point of view, in addition to the fact that it has only focused on emerging countries and it would be necessary to include developed countries for subsequent work.

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**ID:53**

**Innovative Technologies and Sustainable Development: Bridging Strategy, Mindset, and Green Innovation**

**Samir Chatterjee**

Curtin University

Australia

[Samir.Chatterjee@cbs.curtin.edu.au](mailto:Samir.Chatterjee@cbs.curtin.edu.au)

**ABSTRACT**

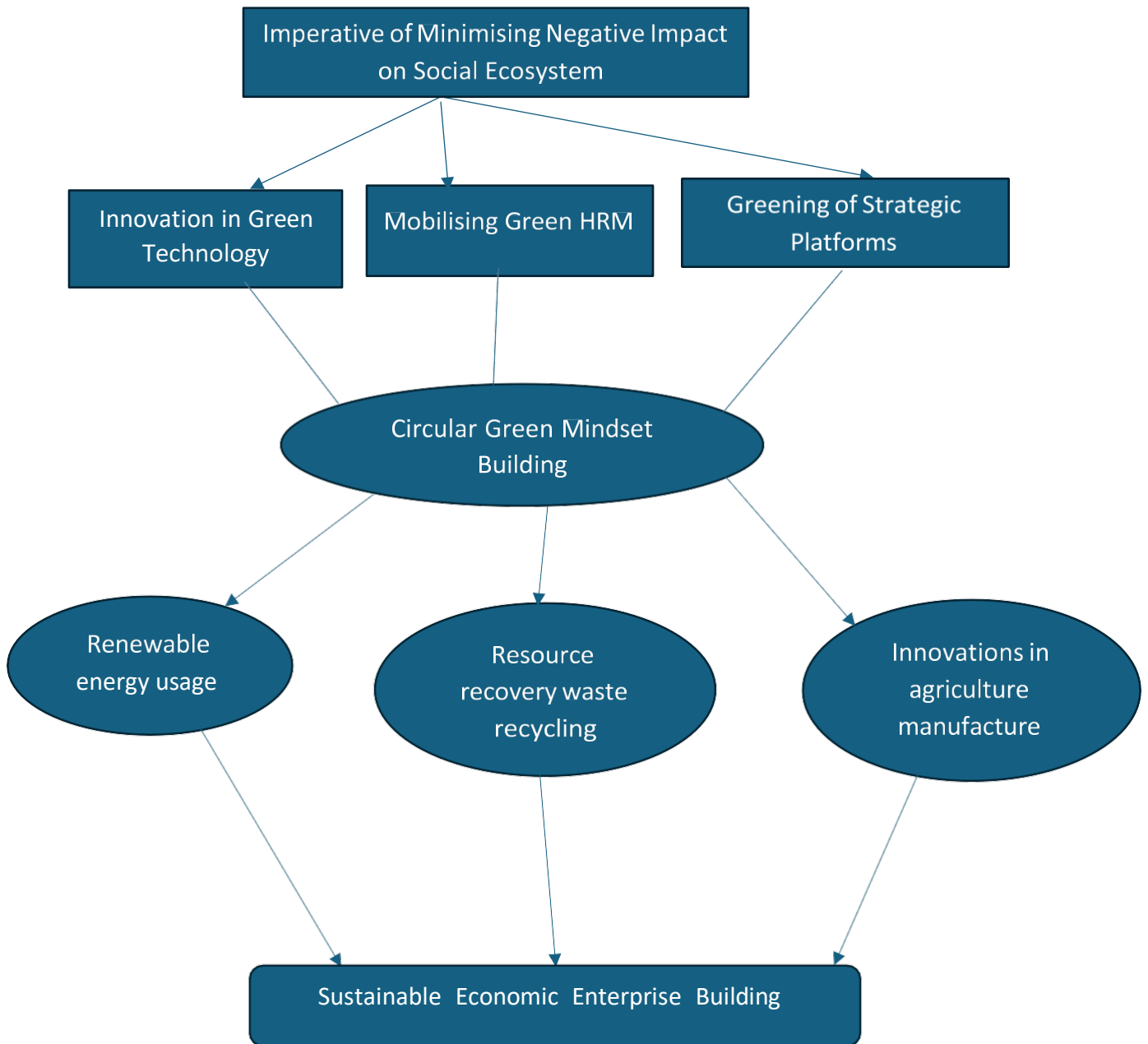
Over the recent decades, the imperative of minimising the negative impacts of economic activities on social eco-systems and business vision have emerged as the critical agenda. The 1987 Brundtland Report outlined three pillars of sustainable development, namely environmental protection, societal equity and economic viability. The classical economic models of Schumpeterian innovation perspectives primarily emphasized innovation as a catalyst for economic growth. However, a new dawn has arrived in meeting the challenges of achieving a sustainable development path through technology. Early Schumpeterian ideas have matured into ‘green technology’ with the potential to transform the managerial mindset around the planet. In the contemporary sustainability context, innovation has four critical dimensions namely, product orientation, process orientation, people orientation and finally, strategic platform orientation emphasizing ideas of ‘greening’ of the human resource mindset.

The key areas of new innovations are opening in solar technology – with energy storage and grid integration, revolution in waste management specifically conversion of wastewater. For example, Singapore is a global leader in advanced and innovative wastewater conversion. In addition, new frontiers in innovations in technologies is transforming not only at a business level specifically in the realm of infrastructure and transportation.

This paper attempted to synthesize the existing ideas of new and innovative technologies into economic activities and managerial mindset through a conceptual model. The nexus between resources and strategic platforms is strengthened to achieve a sustainable future. At an organizational level, establishment of ‘transition task force’ is emerging as a key imperative. In addition to the presentation of a hybrid conceptual model, this paper also includes several case examples from Asia. Several significant deployments of new and innovative technologies leveraging sustainability in agriculture, infrastructure and other fields have been adopted in China, India, Japan and a number of other Asian countries. Singapore’s vision of “city in a garden”, Philippines’ “Sectional Climate Change Plans”, Thailand’s 20-year National Strategy and Indonesia’s Forest conservation and land restoration area a few interesting case examples for this paper.

The emerging field of research explored in this paper intersects between innovation, technology and sustainability. The literature review on this thematic proposition indicates a significant gap. A link between innovative technologies, green human capabilities and mindset and strategic dimensions of sustainability is distinctly unavailable. This paper with its hybrid conceptual model serves as a preliminary effort in formalising this hybrid theoretical dimension.

## Framework for Leveraging Sustainability through Innovative Technology



**ID:55**

**Examining the Relationship Between a Firm’s Knowledge Network Complexity and Integration: The Moderating Role of Knowledge Diversity**

**T. Michael Santomauro**

Florida Institute of Technology,  
Melbourne, Florida, United States.

[tsantomauro2019@my.fit.edu](mailto:tsantomauro2019@my.fit.edu)

ORCID: <https://orcid.org/0009-0001-1951-4947>

**Charles E. Bryant**

Bisk College of Business, Florida Institute of Technology,  
Melbourne, Florida, United States.

[chuckbryant@mac.com](mailto:chuckbryant@mac.com)

**Rajshekhar (Raj) G. Javalgi**

Monte Ahuja College of Business Administration,  
Cleveland State University  
Cleveland, United States.

The purpose of this research is to analyze archived patent data to determine how the complexity of the firm’s knowledge network and the diversity of its knowledge flows influence its ability to integrate new knowledge. We empirically test the relationship between the firm’s knowledge network and knowledge integration using patent data from 40 firms in the global chemical industry between 2011 and 2015 and find support for a curvilinear relationship between the complexity of a firm’s knowledge network and its level of knowledge integration. Further, we find that the diversity of prior knowledge flows moderates this relationship by increasing overall integration capacity.

Keywords: knowledge-based view; knowledge network; complex adaptive systems; knowledge integration; knowledge diversity; patenting data

**Introduction**

A theory of the firm seeks to provide the necessary and sufficient conditions for its emergence in a market environment while providing a rationale for its boundaries, organization, and outcomes (Phelan & Lewin, 2000). Early theories of the firm assumed an economics-based focus. They centered on the emergence and organization of the firm as a result of the cost burden of using markets to gain a competitive advantage. More recently, strategic management literature has evolved to focus on the source, nature, and accumulation of strategic resources around which firms

emerge to establish and sustain competitive advantage. Theoretical perspectives such as the resource-based view, dynamic capabilities, and knowledge-based view (KBV) represent such strategic management approaches, each seeking the predictive power necessary to become a theory of the firm.

Of the literature surrounding these resource-based perspectives, the KBV posits a set of core assertions surrounding the premise that knowledge represents the firm's single, most important strategic resource (Grant & Phene, 2021). According to the KBV, the firm establishes and sustains competitive advantage through continually reconfiguring its knowledge network, instantiating knowledge integration as a "central concept of the firm" (Zahra et al., 2020, p. 160). The knowledge network, then, serves as the nucleus around which the firm emerges, and optimizing this knowledge network becomes the rationale for explicating firm boundaries as it continually interacts with its environment. Through this lens of open system dynamics and complex adaptive behaviors, a framework for understanding how the firm optimizes knowledge integration arises.

Turner and Baker (2019) describe complex adaptive systems (CAS) as dynamic, open systems that self-organize by reconfiguring resources as an adaptive mechanism that adjusts to interactions between the system and its environment. Firms regularly demonstrate evolving behaviors to overcome selection pressures in a competitive environment, demanding adaptation that converges on an optimum level of complexity (Carnabuci & Operti, 2013). By identifying regularities in information gathered through interactions with its environment, a firm will establish a set of schemata reflected in its organizational structure, routines, and strategic goals that serve as adaptive mechanisms evolving with each successive application (Gell-Mann, 1995). The firm's knowledge network reflects these evolving adaptive mechanisms through continual integration and reconfiguration, flowing naturally from the concept of innovation through the recombinant pairing of existing technologies.

In recent years, an expanding body of research has begun to use archival data found in patent portfolios, examining spatial and temporal relationships between the firm's knowledge network and its outcomes (Dibiaggio & Nasiriyar, 2009; Fleming & Sorenson, 2001; Yayavaram & Ahuja, 2008; Zakaryan, 2023). The patent portfolio captures two central characteristics debated early in the development of the KBV: the explicitness of knowledge in the form of utilized technologies and the tacitness of knowledge in the networked architectures combining them. By studying the changing combinations of technologies represented in the firm's knowledge network, we can directly examine the integration of explicit and tacit knowledge to establish a theoretical foundation for the progression of the KBV toward a theory of the firm. The purpose of this research is to analyze archived patent data to determine how the complexity of the firm's knowledge network and the diversity of its knowledge flows influence its ability to integrate new knowledge.

We organize the remainder of this paper as follows: in section one, we develop the theoretical foundations establishing a position on the relationship between knowledge network complexity, diversity, and integration. In section two, we develop hypotheses and present our conceptual model. Section three presents the methodology, including the data and operationalization of the variables. Next, we present our analysis and results. In the final section, we discuss the theoretical contributions and managerial implications of our findings, concluding with the study's limitations and providing areas for future research.

### **Theoretical foundations**

To formulate our hypotheses, we build upon theoretical foundations in knowledge network complexity through CAS, knowledge integration, and knowledge diversity.

#### ***Complex adaptive systems (CAS) theory***

The firm's ability to continually reconfigure its knowledge network through integrating and recombining technologies represents a critical capability for achieving and sustaining competitive advantage (Carnabuci & Operti, 2013). The firm performs these reconfigurations in a dynamic market environment. The set of recursive interactions between the firm, its knowledge network, and the environment results in the firm exhibiting the characteristics of a complex adaptive system, where, through the exchange of information and resources, it demonstrates self-organizing, emergent, and adaptive behaviors (Turner & Baker, 2019).

Kauffman (1993) formulated a theoretical foundation that serves as a lens through which we may understand the behavior of CAS. Seeking to determine the role of complexity in the development of heterogeneous specializations that contribute to success in evolutionary biology, he introduced a generalized model of complexity. This NK model, where N represents the number of components in the system, and K represents the degree of interdependencies between them, manifests as a graph of system fitness levels based on the contributions of individual components and their interdependence with other components comprising the system (Kauffman, 1993). These graphs provide a unique perspective on the role of complexity in explicating open system behaviors wherein the mean level of success in the system rises and falls with increasing complexity and suggest that an optimum level of complexity exists that maximizes overall fitness. It is this optimum level of complexity that bears relevance in the development of our hypotheses.

The extant literature suggests that firms, viewed through the lens of CAS, seeking to establish and sustain competitive advantage will do so through deliberate combinations of technologies within their knowledge network (Dibiaggio & Nasiriyar, 2009; Fleming & Sorenson, 2001; Katila & Ahuja, 2002; Yayavaram & Ahuja, 2008; Zakaryan, 2023). What is more striking, however, is the implication that technology itself appears to exhibit CAS characteristics, suggesting that CAS theory may prove fundamental to understanding any open system, including the firm. In 2001, Fleming and Sorenson examined technology combinations

within a body of patents irrespective of firm affiliation, providing evidence of a nonlinear relationship between technology combinations and patent usefulness (Fleming & Sorenson, 2001). Their conclusion that maximum innovative usefulness occurs at an optimum level of complexity demonstrates what we may intuit as a fundamental characteristic of any industry environment.

Extending Fleming and Sorenson's analysis to examine technology combinations within firms, Yayavaram and Chen (2015) mapped changes in the firm's knowledge network over time, revealing that complexity moderates the impact of changes to that network. They found that complexity diminished the negative impact of reduced innovative outcomes from exploitative combinations. They found that it also diminished the increased innovative outcomes from exploratory combinations. Their findings imply that firms can influence innovative performance by strategically manipulating their knowledge networks as they interact with their environment. Relating their findings to Kauffman's (1993) theoretical approach, Yayavaram and Chen (2015) provided evidence of an optimum level of complexity for innovative usefulness, demonstrating that mean performance rises and falls with increasing complexity. Such recursive interactions between the firm and environment exemplify CAS characteristics, providing a basis for developing our hypotheses.

These studies provide evidence of CAS behavior exhibited by firms that are tied to the continual reconfiguration of their knowledge stocks. This literature stream assumes that open, dynamic systems like firms function as CAS where path dependence, nonlinearity, self-organization, and adaptiveness lead to competitive advantage through knowledge integrative behaviors (Turner & Baker, 2019).

### **Knowledge integration theory**

Knowledge integration represents an organization's ability to combine disparate knowledge elements sourced "from within and beyond the organization" (Zahra et al., 2020, p. 163) to create productive combinations that provide the foundation for successful market competition. Examining the flow of knowledge across complex boundaries, Van de Ven and Zahra (2017) provided a theoretical categorization of various mechanisms for communicating knowledge across complex boundaries. These mechanisms serve as boundary-spanning objects and activities that facilitate knowledge transfer, translation, and transformation critical to integration and innovation.

According to Tell (2016), research and development (R&D) activities represent a transformational bridging mechanism that increases the firm's absorptive capacity through technology expansion and its diversity through prior knowledge flows. The firm's R&D activity provides a robust foundation within the interconnected network of technologies that form its knowledge network, from which it may extract syntactic and semantic associations that reduce the causal ambiguity of new knowledge (Karabag & Berggren, 2016; Page, 2010). As the volume and interdependence of the firm's knowledge network grow, its ability to "recognize, value, acquire, and assimilate" (Zahra et al., 2020, p. 181) externally sourced knowledge increases, resulting in greater complexity. The firm's ability to integrate knowledge then becomes dependent in part upon its relationship with the complexity of its knowledge network.

Building upon the work of Yayavaram and Ahuja (2008), Zakaryan (2023) examined patent data at the firm level of analysis in the global photographic equipment industry. The results of that study revealed a curvilinear relationship between the number of newly created knowledge components and the level of the firm's knowledge network decomposability,

identifying the existence of an optimum level of decomposability for innovation over the period studied. Additionally, the study used citations to prior art to provide evidence of a curvilinear relationship between knowledge sourcing and decomposability (Zakaryan, 2023). These nonlinearities in knowledge creation and search suggest that the firm's knowledge network represents a complex boundary-spanning problem that firms must solve (Van de Ven & Zahra, 2017). To this end, the complexity of the firm's knowledge network appears to influence its ability to integrate knowledge, changing over time as the network changes and resulting in path-dependent, nonlinear, self-organizing, emergent, and adaptive behaviors as it interacts with its environment (Gell-Mann, 1995).

In light of the literature presented here, the empirical setting for this study was the global chemical industry, where the flow of knowledge must necessarily cross national borders.

Because knowledge network complexity exhibits geographic boundedness (Balland & Rigby, 2017), knowledge locality becomes a factor in its integration. This geographic boundedness presents firms seeking to integrate foreign knowledge with the challenge of an increase in the complexity of boundary-spanning activities (Van de Ven & Zahra, 2017). The literature suggests that knowledge diversity may present itself as a mechanism for facilitating the integration of foreign knowledge, manifesting as a diversity in knowledge flows exhibited by patterns of citations to prior art in the patent portfolio and serving to increase its absorptive capacity (W. M. Cohen & Levinthal, 1990; Yamin & Otto, 2004).

### ***Knowledge diversity theory***

In his 2010 examination of the relationship between diversity and complexity, Page identified diversity as an enhancement of robustness in complex systems and that it drives productivity through innovation and recombination (Page, 2010, p. 8). For firms engaged in cross-border

knowledge integration, such as multinational enterprises (MNEs), the literature suggests that prior experience incorporating such knowledge results in diminishing transfer costs (Martin & Salomon, 2003). In a similar theoretical examination of knowledge transfer capacity, Martin and Salomon (2003) proposed an inverse relationship between knowledge transfer costs and the transfer capacity of a firm acting as a knowledge source or recipient. The firm's ability to recognize and value the characteristics of its knowledge network remains a crucial factor in its productive use, and building diversity within that network ensures continued functionality (Page, 2010).

The literature demonstrates a range of results associating firm performance with knowledge diversity. Lin (2011) operationalized knowledge diversity utilizing technology categories, failing to find support for a direct influence on firm performance. However, the study found a moderating effect on several variables influencing firm performance. Denicolai et al. (2014) measured knowledge diversity as an accumulation of knowledge within the firm, finding a moderating effect on the relationship between externally sourced knowledge and firm performance. With direct relevance to our study, Hohberger and Wilden (2022) measured the geographic diversity of knowledge inputs, finding an inverted U-shaped relationship with the innovative value of firm-generated patents. Indeed, Page (2010) detailed an intricate relationship between diversity and complexity, noting that diversity in and of itself carries with it several descriptions. He categorizes three types of diversity: variation, diversity, and composition.

Variation describes the diversity of a system as differences in the amount of a particular attribute. Diversity describes a system in terms of the different types of components that compose the system. Composition refers to differences in the arrangement of types within the system. For this study, we measured diversity in terms of variation, examining the moderating

influence of differing levels of foreign knowledge heterogeneity in firms on the relationship between the complexity of its knowledge network and its ability to integrate new knowledge. According to Page, this within-type difference lends complex systems robustness, exhibiting an optimal value before becoming detrimental to the system's functionality as the system struggles to find an appropriate exploration-exploitation balance (Page, 2010, p. 151).

## **Hypotheses development**

### ***Knowledge network complexity and integration***

Extant research provides several examples of mapping aspects of the firm's knowledge network using patent data (Dibiaggio & Nasiriyar, 2009; Yayavaram et al., 2018; Zakaryan, 2023). A firm's propensity to combine technology classes within a patent represents complementarity choices shaped by its explicit and tacit knowledge, with classes representing nodal components that comprise explicit knowledge and the edges representing the couplings between those nodes as tacit knowledge (Yayavaram & Ahuja, 2008). Dibiaggio and Nasiriyar (2009) quantified the integration of a firm's knowledge structure as a network of technology components within its patent portfolio, developing a construct that directly measures knowledge structure complementarity, a prerequisite for productive output. As firms follow recombinant search patterns seeking innovation, the technology class combinations described within the patent portfolio change, subject to internal and external influences. Such recombinant searches result in self-organising emergent behavior inherent in CAS.

Fleming and Sorenson (2001) discovered a curvilinear relationship between inventor efforts and the number of components per patent, postulating that inventors require a critical number of components from which to draw innovative ideas. Similarly, Page (2010) described

complexity and diversity as strengths of a system, providing a robust framework from which to formulate solutions to problems, but beyond a critical value, the number of combinations and interdependencies of possible solution sets confounds problem-solving activities. Building on Kauffman's (1993) original examination of CAS, literature evidence supporting the nonlinearity of complexity, and extending upon Van de Ven and Zahra's (2017) proposition focusing on the complexity of the boundary formed by the firm's knowledge network, we propose the following hypothesis:

H1: A curvilinear [inverted U] relationship exists between the complexity of a firm's knowledge network and its level of knowledge integration.

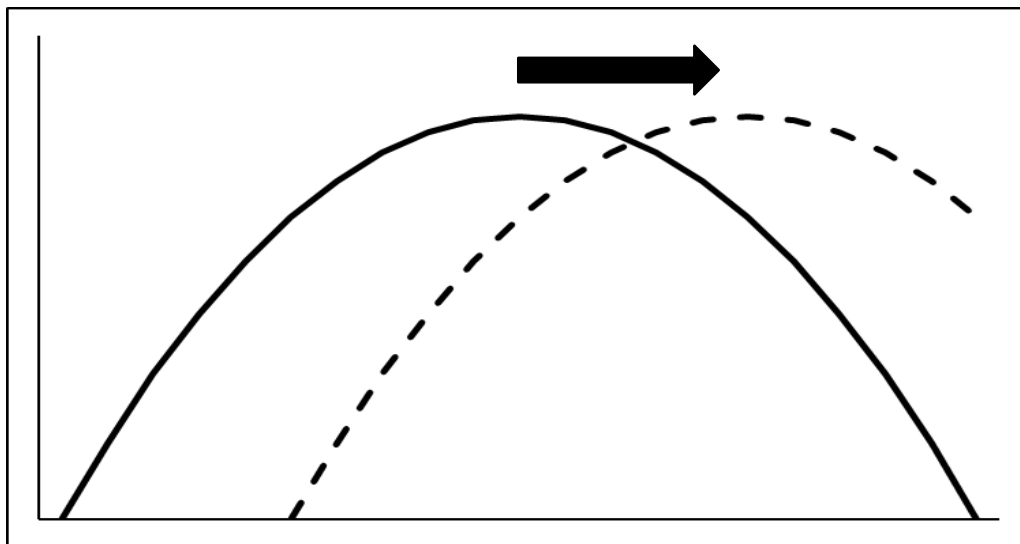
### ***Knowledge diversity as a moderator***

This study examines differing levels of heterogeneity in foreign knowledge flow within the firm's knowledge network. As we have hypothesized a curvilinear relationship between the complexity of the firm's knowledge network and its ability to integrate new knowledge, theory suggests that the moderating effect will manifest as two distinct changes in the curvilinear relationship (Haans et al., 2016). To better understand these moderating effects, we describe the manifestation of strengthening and weakening for each.

The first moderating effect we examine is the lateral translation of the curvilinear turning point, which indicates a change in the level of knowledge network complexity at which maximum integration occurs. We test this as hypothesis two (H2). Theory suggests that the curvilinear relationship between knowledge network complexity and integration assumes an inverted U shape (Fleming & Sorenson, 2001; Van de Ven & Zahra, 2017; Zakaryan, 2023). For such a relationship, the turning point represents a local maximum in the curve where knowledge integration ceases to rise and begins to decrease. A left translation of the turning point

demonstrates a weakening of the relationship, meaning that the knowledge integration local maximum occurs at a lower level of knowledge network complexity. This weakening would suggest that more foreign knowledge heterogeneity reduces the firm’s capacity to overcome the complexity of its knowledge network and integrate new knowledge. In contrast, a right translation denotes strengthening the relationship where firms continue successfully integrating knowledge as the complexity of their knowledge network increases. We present a graphical representation of a lateral shift in the turning point in Figure 1, with a strengthening effect depicted.

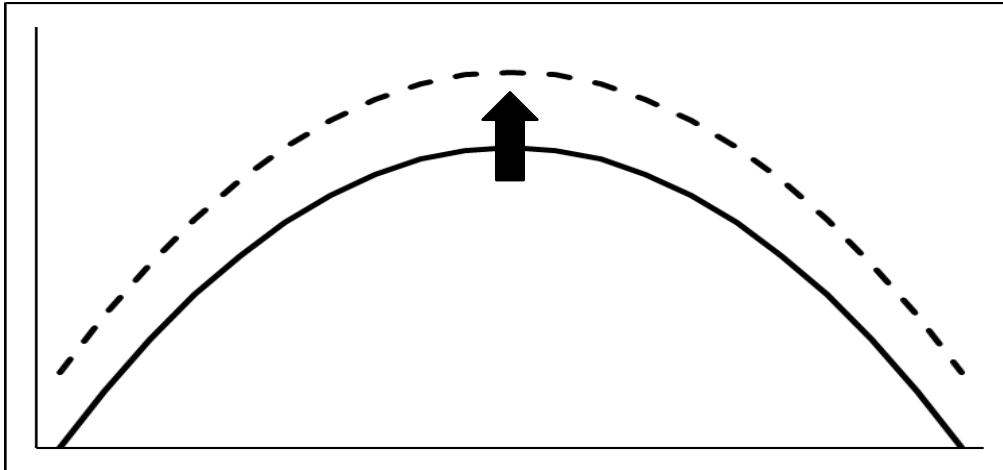
Figure 1. Lateral turning point shift (strengthening depicted)



The second moderating effect that knowledge diversity may have can manifest as a steepening or shallowing of the curve, resulting from the multiplicative interaction of the moderator with the independent variable (Haans et al., 2016). We test this as hypothesis three (H3). In this study, strengthening the relationship would result in a steepening of the curve and an increase in knowledge integration capability for a firm with increased heterogeneity in prior foreign knowledge flow. Conversely, a weakening of the relationship would result in a

shallowing of the curve. We present a graphical depiction of a vertical shift in the curve in Figure 2, with the steepening effect depicted.

Figure 2. Curve shift (steepening depicted)



The extant literature on diversity and absorptive capacity suggests that diversity may provide robustness for the system and facilitate sensemaking in the firm (W. M. Cohen & Levinthal, 1990; Martin & Salomon, 2003; Page, 2010). In a study of knowledge integration across multiple boundaries in open innovation, Bengtsson et al. (2015) supported the observation that innovation involves combining knowledge from different domains. Their findings suggest that geographic boundary crossing is beneficial for innovation. Further, Van de Ven and Zahra (2017) identified syntactic and semantic barriers to knowledge integration, suggesting that one mechanism for overcoming such barriers resides in the breadth of experience in the firm's knowledge network. Firms with broader experience incorporating foreign knowledge possess a deeper understanding and more expansive vocabulary that allow them to overcome the complexity of their knowledge network, facilitating the integration of new knowledge.

We expect that the geographic diversity of prior knowledge flows increases the firm's absorptive capacity, and an increase in the heterogeneity of previously incorporated foreign

knowledge will increase overall knowledge integration, as Page (2010) posited. To this end, we expect that more heterogeneous foreign knowledge within the firm's knowledge network will strengthen both moderating effects, shifting the turning point to the right and steepening the curve.

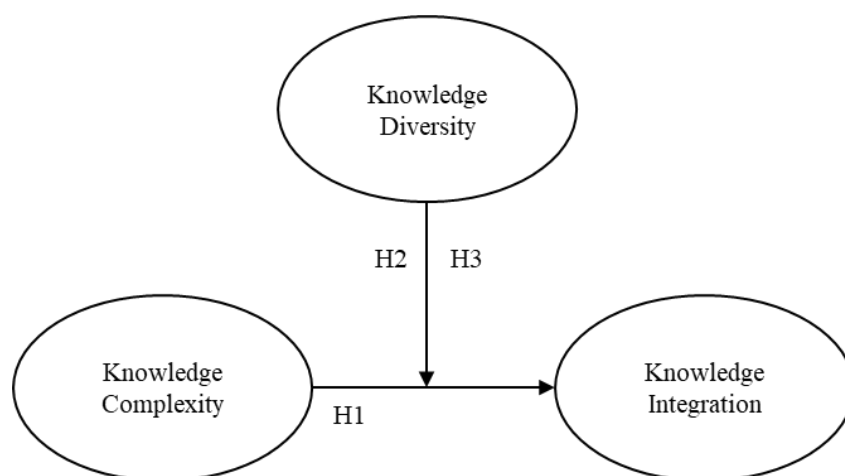
We therefore hypothesize that:

H2: Knowledge diversity moderates the relationship between the complexity of a firm's knowledge network and knowledge integration such that the peak level of knowledge integration will occur at higher levels of complexity in firms with higher levels of knowledge diversity.

H3: Knowledge diversity moderates the relationship between the complexity of a firm's knowledge network and knowledge integration such that it will steepen in firms with higher knowledge diversity.

We present a conceptual model for this study in Figure 3.

Figure 3. Conceptual model



## Methodology

### Sample

Our study leverages the global chemical industry from 2011 to 2015 as the empirical setting to test our hypotheses. This industry is relevant as prior research demonstrates that it possesses sufficient research-based patenting intensity to serve as a foundation for an archival data sample capable of operationalizing the variables. The period under study allowed a reasonable balance between data recency and the time necessary to complete the patenting process to support forming a complete primary data set (Chandler, 2009; Hall et al., 2005). With the firm as the unit of analysis, the top 50 (by revenue) global chemical companies in 2011, as ranked in *Chemical and Engineering News* (Tullo, 2012), constitute the baseline sample.

Expecting to eliminate some of these firms due to data completeness, we included additional firms identified in the joint report between the United States Patent and Trademark Office (USPTO) and the National Science Foundation (Patent Technology Monitoring Team, 2012).

We aggregated patents by firm, focusing on technology components within each patent to the subclass level to operationalize knowledge integration and complexity. Because we focused on a global industry with firms attempting to integrate knowledge from transnational sources, we used patent citations by country of origin to measure the diversity of knowledge flow through the firm, indicating the firm's experience incorporating knowledge from foreign sources (Griliches, 2007).

Utilizing patent data from the USPTO and the International Patent Classification (IPC) 8 concordance for standardization (Dibiaggio & Nasiriyar, 2009; Fleming & Sorenson, 2001), our data sample represents all patents applied for in the period under evaluation and granted by 2021. The study validated patent attribution using an independent patent research consulting firm to

ensure accuracy and account for variations in firm names, subsidiaries, and individual patent filings. Leveraging methods used in prior studies for the operationalization of knowledge integration (Dibiaggio & Nasiriyar, 2009), knowledge network complexity (Fleming & Sorenson, 2001; Yayavaram & Chen, 2015), and diversity in the firm's prior knowledge flow (Blau, 1977), we used counts of discrete technologies categorized to the subclass level and aggregated across each firm's patent portfolio to form a matrix representation of the firm's knowledge network. We then extracted vectors of technology combinations yielding magnitudes for the knowledge integration and complexity variables. Similarly, for the diversity of a firm's prior knowledge flows, we used counts of backward citations categorized by country of origin to calculate each firm's heterogeneity index (Blau, 1977).

### *Variables*

#### *Dependent variable – Knowledge Integration*

We operationalized the knowledge integration variable using the method of Dibiaggio and Nasiriyar (2009). Operationalizing knowledge integration in this way provided a measure of complementariness in the firm's knowledge network, proving necessary for its productive use and serving as an antecedent to innovation. For each focus year, we aggregated patents applied for over the previous five years to represent the knowledge structure of the firm, reducing the bias of significant changes in knowledge structure that result from year-on-year differences in patenting activity (Dibiaggio & Nasiriyar, 2009; Fleming & Sorenson, 2001; Yayavaram & Ahuja, 2008).

The mathematical development of the knowledge integration variable demonstrates the matrix-generating process that formed each firm's knowledge network in each year under study.

The variable represents the sum of fractional patent counts involving specific technology combinations weighted by the measured complementarity of each combination.

$$INT_f = \sum_{i=1}^K \frac{P_{if}}{\sum_i P_{if}} WAC_{if}.$$

Here,  $P_{if}$  represents the patent counts of firm  $f$  in technology class  $i$ , aggregated over five years to compensate for variability in patenting activity. Previous studies have used from three to five years to account for this variability (Ahuja & Katila, 2001; Yayavaram & Ahuja, 2008). We chose to use five years as it maximized the utility of our sample. At the heart of the integration variable,  $WAC_{if}$  represents the weighted average complementarity between technology  $i$  and the other technologies combined in the firm's patent portfolio during the same period, calculated as follows:

$$WAC_{if} = \frac{\sum_{j \neq i} \tau_{ij} P_{jf} \lambda_{ij}}{\sum_{j \neq i} P_{jf}}.$$

This term contributed to the knowledge integration variable by measuring each technology component's interdependence within the firm's patent portfolio. In the equation,  $\lambda_{ij}$  is an indicator variable that assumes a value of 1 when technologies  $i$  and  $j$  appear in a patent and 0 otherwise.  $P_{if}$  represents the number of patents of firm  $f$  from technology class  $i$ . The relatedness variable,  $\tau$ , compares the number of joint technology occurrences within a patent in the portfolio  $O_{ij}$  to the hypergeometric random variable  $\mu_{ij}$ , which measures the random combination of technologies from the universe of  $K$  patents in the firm's portfolio, normalized by variance  $\sigma_{ij}$ .

Ultimately, technologies demonstrating higher interdependency within the patent portfolio better complement the firm's overall knowledge network. As operationalized in this

study, knowledge integration becomes the sum of weighted averages of interdependent technology combinations. Firms with higher knowledge integration will be those that demonstrate a tendency to use more interrelated technology components.

*Independent variable – Knowledge network complexity*

We operationalized knowledge network complexity by examining the combination patterns of extant technologies exogenous to firm patent portfolios and applying the results to the combinations found in each firm’s knowledge network to determine the firm’s aggregate knowledge network complexity (Fleming & Sorenson, 2001; Yayavaram & Chen, 2015). In this study, the complexity variable is similar to the knowledge integration variable, except that, for the complexity construct, each technology component’s interdependence is a measure of its interdependence in the entire body of patents filed with the USPTO over the previous five years. The interdependence of each technology component represents their ease of recombination, as conceptualized by Fleming and Sorenson (2001). The measurement of the complexity variable began with calculating each technology component’s ease of recombination. The ease of recombination of subclass  $i$  ( $E_i$ ) assigned a value to a patent subclass,  $i$ , based on the count of combinations with other subclasses normalized by the count of patents containing subclass  $i$  (Fleming & Sorenson, 2001, 2004). The equation for  $E_i$  (Fleming & Sorenson, 2001, p. 1027) is:

$$E_i = \left( \frac{\text{count of subclasses previously combined with subclass } i}{\text{count of previous patents in subclass } i} \right).$$

The process continued by following Yayavaram and Chen (2015), using  $E_i$  to serve as the foundation for calculating domain complexity for each firm  $i$ , in year  $t$  ( $C_{i,t}$ ) as follows (Yayavaram & Chen, 2015, p. 387):

$$C_{i,t} = \sum g_{itk} * E_{tk}$$

Here,  $g_{itk}$  is a weighted measure of the fraction of patents of firm  $i$  in patent technology subclass  $k$  and year  $t$ .  $E_{tk}$  represents the ease of recombination of subclass  $k$  in year  $t$  (Yayavaram & Chen, 2015). Since patent counts in year  $t$  are represented by the aggregated patent applications for the five years before  $t$ , the five-year-averaged domain complexity  $C_{i,t}$ , accounts for the extended measurement period, representing the complexity variable (Yayavaram & Chen, 2015). Ultimately, the complexity of the firm's knowledge network represents the sum of the ease of recombination values for each technology component weighted by the fraction of patents in the patent portfolio containing each technology combination.

#### *Moderator – Knowledge Diversity*

Backward citation counts provide a well-established measure of knowledge flow through firms (Griliches, 2007). These backward citation counts represent connections to prior knowledge. For this study, we utilized the foreign origin of backward citations to demonstrate the firm's previous experience incorporating such knowledge. This experience provides a robust basis for encountering potential new knowledge from foreign sources (Page, 2010).

The USPTO lists patent citations of prior art that incorporate the nationality of the patent assignee. The Blau (1977) heterogeneity index in this study captured the firm's knowledge diversity as knowledge flows from foreign sources (Yamin & Otto, 2004), indicating the probability of two population members originating from different categories. In this study, knowledge diversity  $KD$  measured the level of foreign diversity found in the firm's knowledge network, aggregated from the citation counts of each firm's patent portfolio for each target year.

The equation is as follows (Yamin & Otto, 2004, p. 249):

$$KD_j = 1 - \sum_{j=1}^J (P_{ij})$$

$P_{ij}$  represents the proportion of foreign citations  $j$  within each patent  $i$ .  $KD_j$  represents the index of knowledge diversity. Patents aggregated over the five years before the focal year were used to calculate knowledge diversity, similar to the knowledge integration variable.

#### *Control variables*

We incorporated several control variables utilized in the literature to normalize the variety of knowledge network sizes and capacities for innovation. Because it affects the capacity for search and the ability to enter foreign markets, we measured *firm size* as the decimal logarithm of the number of employees in each year averaged over the same five-year period used for the knowledge integration variable (Ahuja & Katila, 2001; Yayavaram & Ahuja, 2008). As the knowledge network of the firm expands, more opportunities for interdependent couplings emerge. Therefore, the control variable *knowledge size* measured the sum of the number of patents included in the knowledge integration variable (Yayavaram et al., 2018).

*R&D Intensity* measured R&D investment as a proportion of the firm's net sales for each year (Dibiaggio & Nasiriyar, 2009). Because past performance affects the incorporation of domains of technological knowledge, *Return on Assets* measured the focal firm's return on assets (ROA), averaged over the five years used for the knowledge integration variable (Yayavaram & Ahuja, 2008). Technological diversity significantly impacts knowledge integration. Firms that conduct business across multiple industries engage in diverse FEMs, incorporating various knowledge domains (Nesta & Saviotti, 2005). *Tech Diversity* is a dichotomous variable that

assumes a value of 1 when the firm conducts business outside the chemical industry and 0 otherwise.

### **Analysis and results**

Before testing the hypotheses, we utilized correlation analysis to identify and remove any variable that demonstrated significant multicollinearity (Wooldridge, 2015). Hypotheses testing then progressed using ordinary least squares (OLS) regression using IBM SPSS Statistics version 29.0.2.0, with the data satisfying all Gauss-Markov assumptions. We mean-centred the complexity and knowledge diversity variables during our analysis to reduce structural multicollinearity. To reduce endogeneity and reverse causality, the time-series nature of the constructed data required lagging the independent and control variables and the moderator (Wooldridge, 2015).

Analysis of Pearson correlation coefficients and Variance Inflation Factors (VIF) for each variable revealed no severe multicollinearity. Table 1 indicates no correlation coefficient greater than 0.65, below the accepted 0.70 threshold that would indicate a multicollinearity issue (Wooldridge, 2015). Additionally, during regression testing, no VIF exceeded 2.5, below the accepted threshold value of 10 (J. Cohen et al., 2013).

[Table 1 here]

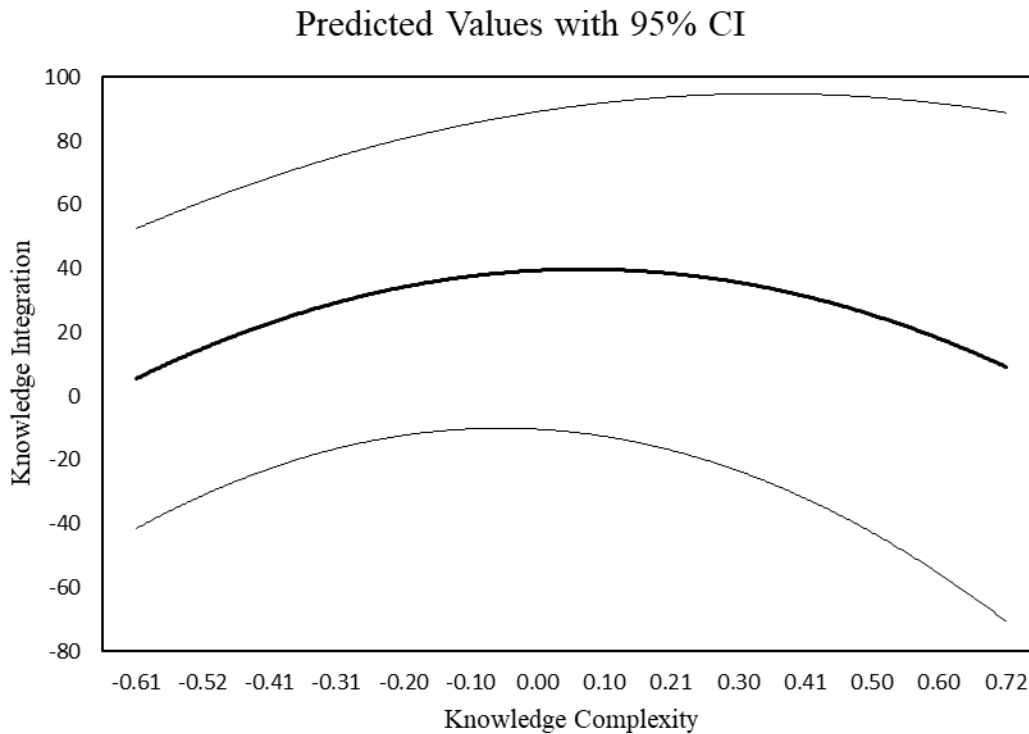
The first three models (Models 1 through 3), depicted in Table 2, used hierarchical OLS regression to test H1. Model 1 included the control variables: *knowledge size*, *firm size*, *R&D intensity*, *ROA*, and *technological diversity*. The control variables demonstrated some explanatory power:  $R^2 = .56$ , adjusted  $R^2 = .55$ ,  $F(5, 182) = 46.92$ ,  $p < .001$ , with *knowledge size*, *R&D intensity*, and *technological diversity* being significant. Model 2 included the independent

variable, *complexity* ( $\beta = 0.29$ ,  $p < .001$ ), which demonstrated a positive and significant contribution while improving the explanatory power of the model:  $R^2 = .61$ , adjusted  $R^2 = .60$ ,  $F(6, 181) = 47.67$ ,  $p < .001$ . Including the higher-order term *complexity (squared)* in Model 3 also improved the explanatory power of the model:  $R^2 = .64$ , adjusted  $R^2 = .63$ ,  $F(7, 180) = 45.43$ ,  $p < .001$ , with *complexity* ( $\beta = 0.23$ ,  $p < .001$ ) and *complexity (squared)* ( $\beta = -0.19$ ,  $p < .001$ ) being significant. The coefficients of the complexity variables in Model 3 suggest a curvilinear relationship between knowledge structure complexity and integration, supporting H1.

[Table 2 here]

We used the three-step approach suggested by Haans et al. (2016) and Lind and Mehlum (2010) to further confirm a curvilinear relationship. For the first step, the *complexity* and *complexity (squared)* coefficients were significant and of the appropriate sign to indicate an inverted U-shaped relationship suggested in the literature. The second step involved an evaluation of the steepness and significance of the slope at the extreme ends of the data set. For the extreme left-side data point,  $X_{low} = -0.608$ , the slope was of the expected sign with a value of 71.51. The two-tailed test demonstrated that the slope was significant ( $p < .001$ ). Similarly, for the extreme right-side data point,  $X_{high} = 0.715$ , the slope was again of the expected sign with a value of -42.62. The two-tailed test indicated it was also significant ( $p < .001$ ). The final step required checking whether the turning point was within the data set range. Using the Fieller method described in Beyene and Moineddin (2005), we constructed a 95% confidence interval for the turning point. Our calculations resulted in a 95% confidence interval [0.067, 0.693], within the range of the sample data set [-0.608, 0.715]. We provide the curve of predicted values for *knowledge integration* with 95% confidence intervals over the range of *knowledge network complexity* in Figure 4.

Figure 4. Predicted curve of knowledge integration with 95% confidence intervals



Models 4 and 5 in Table 2 represent the results of testing Hypotheses 2 and 3. In Model 4, we introduce the variable *knowledge diversity*. Including this variable did not improve the explanatory power of the model  $R^2 = .64$ , adjusted  $R^2 = 0.62$ ,  $F(8,179) = 39.54$ ,  $p < .001$ . The *knowledge diversity* coefficient demonstrated an inconsequential effect and was not significant ( $\beta = -0.01$ ,  $p = .89$ ).

Transitioning to Model 5, we introduced the interactions between *knowledge diversity* and the linear and squared terms of complexity,  $Comp * KD$  and  $Comp (squared) * KD$ . In testing for the moderation of a curvilinear relationship, the interaction of the linear variables is the test of the left (right) translation of the turning point,  $Comp * KD$ . Interaction with the higher order complexity term,  $Comp (squared) * KD$ , tests the shift of the curve up (down). Adding

these interactions improved the explanatory power of the model,  $R^2 = .66$ , adjusted  $R^2 = .64$ ,  $F(10,177) = 33.81$ ,  $p < .001$ .

Testing H2, the interaction *Comp* \* *KD* had the hypothesized sign but was not significant ( $\beta = 0.01$ ,  $p = .793$ ). However, the significance of this term is not necessary or sufficient to accept or reject H2. To complete this test, we leveraged the method suggested by Haans et al. (2016). We calculated the partial derivative of a change in the turning point in the curve with respect to the moderator term, *knowledge diversity*, over the relevant range of moderator values. Several multiplicative combinations of regression coefficients constitute this derivative, which changes over the range of the moderator. After calculating the range of values for the partial derivative, we conducted a two-tailed test of significance. We found that the calculated partial derivative was not significant ( $p = .318$ ), indicating no shift in the turning point and providing no support for H2.

We then evaluated the interaction *Comp (squared)* \* *KD*, finding that it did demonstrate significance ( $\beta = -0.20$ ,  $p = .005$ ), and, being negative, it denoted a steepening of the inverted U shape relationship. According to Haans et al. (2016), the significance of this coefficient is necessary and sufficient to support moderation of the interaction between knowledge network complexity and knowledge integration. Based on the sign of the coefficient (negative), we found that *knowledge diversity* increases the steepness of the curvilinear relationship, supporting H3; however, based on the work of Haans et al. (2016), the magnitude of the coefficient is insufficient to establish a magnitude of the effect.

In summary, our hypothesis testing supported H1 and H3 but did not support H2. For H1, we found a curvilinear [inverted U] relationship between knowledge network complexity and knowledge integration. The coefficients of the linear and squared terms had the appropriate signs

to suggest an inverted U-shaped relationship. We confirmed this finding by establishing the significance of the coefficients, the significance of the slopes at the extreme points of the data range, and the 95% confidence interval of the turning point within the sample range. For H2, our calculation of the partial derivative of the knowledge network complexity variable with respect to the knowledge diversity variable was not significant, suggesting no lateral shift of the turning point in the inverted U-shaped relationship. Regarding H3, the significance of the interaction between the squared term of knowledge network complexity and knowledge diversity provided necessary and sufficient conditions to suggest moderation of the relationship between knowledge network complexity and knowledge integration, with the sign of the coefficient supporting a steepening, or upward shift, of the curve.

## **Discussion and Conclusions**

This research aimed to analyze archived patent data to determine how the complexity of the firm's knowledge network and the diversity of its knowledge flows influence its ability to integrate new knowledge.

### ***Theoretical Contributions***

From a strategic management perspective, advancing our understanding of firm boundaries represents a critical step toward a unified theory of the firm (Phelan & Lewin, 2000). The KBV offers us a foundation for establishing the boundary of the firm, asserting that knowledge is its primary strategic asset and knowledge integration a central concept. These assertions require a first-principles approach to examining the firm's knowledge network in that the boundary of this network becomes the firm's fundamental boundary.

Our research makes three theoretical contributions to a growing body of literature that leverages the firm's patent portfolio to operationalize its knowledge network. The extant literature provides evidence of the influence of technology combinations on innovative outcomes (Yayavaram & Chen, 2015; Zakaryan, 2023). Our results extend this work by demonstrating a dynamic relationship between the complexity of the firm's knowledge network, the variational diversity of prior knowledge flows through its patent portfolio, and the firm's ability to integrate new knowledge. These findings suggest that the complexity of the boundary formed by the firm's knowledge network serves as the foundation upon which managers must establish boundary-spanning mechanisms to facilitate the productive use of this strategic resource (Van de Ven & Zahra, 2017). Stated succinctly, the boundary represented by the firm's knowledge network sets the stage for all successive boundaries, shaping the mechanisms required to facilitate knowledge integration as the firm interacts with its environment.

First, our study found evidence of an inverted U relationship between the complexity of the firm's knowledge network and its level of knowledge integration. This finding reinforces previous work that used patents as the unit of analysis to examine the relationship between technological complexity and usefulness, irrespective of firm boundaries (Fleming & Sorenson, 2001). Our finding extends this work by using the firm as the unit of analysis and operationalizing knowledge integration to measure the productive use of its knowledge network. This result suggests that complexity is a fundamental influencing characteristic of knowledge networks.

Second, we found that variational diversity in the geographic heterogeneity of prior knowledge flows through the firm moderated the relationship between the complexity of its knowledge network and its level of integration by increasing overall integration capacity. With

an understanding that knowledge exhibits geographic boundedness (Balland & Rigby, 2017), our result showed that firms with higher geographic heterogeneity in citations to prior art exhibited higher levels of knowledge integration over the range of measured knowledge network complexities. This finding substantiates Page's (2010) proposition that increased variational diversity within a system provides a more robust set of contextual experiences that the firm can leverage to improve the usefulness of its knowledge network.

Lastly, we found that geographic heterogeneity of prior knowledge flows did not shift the level of knowledge network complexity at which peak integration occurs. Our finding suggests that variational diversity does not affect the relationship between knowledge network complexity and integration. Operationalizing knowledge diversity differently, such as diversity in type or composition (Page, 2010), represents an area for future research.

### **Managerial Implications**

From a managerial perspective, our results highlight the importance of understanding how the characteristics of the knowledge network influence its usefulness. As research and development (R&D) managers lead their teams in the recombinant coupling of technologies to improve the usefulness of the firm's knowledge network, understanding its complexity and diversity would help them shape appropriate boundary-spanning mechanisms to facilitate integration. Van de Ven and Zahra (2017) suggest that these mechanisms can assume various forms across three broad categories.

The first category centers on knowledge transfer and selecting an appropriate communication medium to weaken the semantic and syntactic barrier imposed by a complex boundary. The second category focuses on translational mechanisms. These mechanisms can assume the form of a collection of agents from differing backgrounds within the firm capable of

creating shared meanings that help integrate knowledge. They can also assume the form of cross-firm collaborations such as strategic alliances and joint ventures. Mechanisms in the third category seek to transform knowledge through iterative translation by specialized teams or intermediary organizations.

Regarding these categorizations, no single mechanism may facilitate knowledge integration across the complex boundary of the knowledge network. As the complexity and diversity of the knowledge network change, managers will need to employ multiple concurrent or a succession of boundary-spanning mechanisms over time. Foundational to the argument that the boundary formed by the firm's knowledge network is the realization that this first boundary establishes and shapes all successive boundaries.

### ***Limitations and Future Research***

Several limitations in our study provide areas for future research. First, we relied on patents to examine the influence of the complexity of the firm's knowledge network on knowledge integration. Patents represent only one form of the firm's knowledge. Not all knowledge is patented, nor is it patentable. Future research may explore alternative measures of the firm's knowledge network. Second, as noted above, we limited our examination of the moderating effect of knowledge diversity to the variational diversity of the geographic heterogeneity of prior knowledge flows. Future research may find that diversity in knowledge type or composition moderates the relationship between knowledge network complexity and integration.

Finally, we examined knowledge complexity, diversity, and integration in a global context. Our assumption centered on incorporating knowledge from foreign sources into its knowledge network. Future studies could extend this work by examining how characteristics of the firm's knowledge network influence boundary-shaping mechanisms, establishing successive

boundaries, such as through foreign entry mode (FEM) choices. While a significant body of literature surrounding FEM examines specific modes, a better understanding of the influence of the firm's knowledge network on FEM choices across the full spectrum of modes would capture how the changing characteristics of this network influence successive boundaries.

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**ID:56**

**Pathways to Sustainability of Rural Communities: Perspectives from  
Developing Countries**

**Sivakumar Venkataramany**

Ashland University, OH  
United States  
[svenkata@ashland.edu](mailto:svenkata@ashland.edu)

**Jayachandran Chinnappa**

Montclair State University, NJ  
United States  
[jayachandre@montclair.edu](mailto:jayachandre@montclair.edu)

**Abstract**

While considerable literature is available on localization and performance of the Sustainable Development Goals studies on the role of local institutions, pathways to the sustainability of rural communities are sparse and understudied. Based on a review of conceptual and empirical studies, this paper examines the factors that influence the pathways to sustainability in rural communities. The paper analyzes different pathways using three case studies of multilateral collaboration, academic and corporate partnership, and a corporate social responsibility (CSR) program to foster sustainability in rural communities. This study concludes with a discussion on context-specific factors that influence pathways to rural sustainability.

**Keywords:** Entrepreneurship, Sustainability, Collaboration

**ID:57**

**Financial Distress Prediction Analysis for Banks using CAMEL Factors**

**Sivakumar Venkataramany**

Ashland University, OH

[svenkata@ashland.edu](mailto:svenkata@ashland.edu)

United States

**Abstract.**

The sound health of the banking industry is vital to an economy. The industry is dependent on adequate capital, prudent asset management, skilled professional managers, earnings capacity, and liquidity. Notwithstanding temporary assistance from the central bank through a discount window facility and a solid support of a deposit insurance mechanism, even a temporary distress experienced by one individual bank is likely to cause a huge contagion risk. This empirical study involves the banking industry of India from 2004 to 2023.

**Keywords:** Banking, Liquidity, Non-performing Assets, Distress

**ID: 58**

**Pitfalls of Unrealized Capital Gains Tax Policy**

**Sivakumar Venkataramany**

Ashland University  
United States  
[svenkata@ashland.edu](mailto:svenkata@ashland.edu)

**Daniel Fox**

Ashland University  
United States  
[dfox1@ashland.edu](mailto:dfox1@ashland.edu)

**Abstract.**

Capital gains tax is a source of huge revenues in addition to individual and corporate taxes for industrialized economies and developing countries. Barring a few countries such as Singapore or Switzerland with no capital gains, capital gains tax comprises 10 to 15% of the total tax revenues of most countries on an average. Burdened by massive interest payment commitment in each year on mounting debt, many governments are tempted to collect taxes on unrealized capital gains. This paper views the current tax policy and rates in select advanced, industrialized societies and transition economies., and proceeds to highlight the pitfalls of such a policy.

**Keywords:** Capital Gains Tax, Unrealized Capital Gains Tax, Inheritance Tax, Corporate Tax, Income Tax

**ID: 62**

## **Does Audit Committee quality enhance firm performance?**

**Hamza Naim**

Aligarh Muslim University, India

hamza.amu@gmail.com

**Lata Rani**

Delhi Skill & Entrepreneurship University, India

lata.rani@dseu.ac.in

**Takrar Ahmad Yattoo**

K R Mangalam University, India

Takrar.ahmadyattoo@krmangalam.edu.in

**Mohd. Anas**

K R Mangalam University, India

mohd.anas@krmangalam.edu.in

**Mohammed Nizamuddin**

K R Mangalam University, India

Mohammed.nizamuddin@krmangalam.edu.in

**Gouher Ahmed**

Horizon University College, UAE

gouherahmed@gmail.com

### **Abstract**

The present study considers the policies and amendments as per the enactment of Companies Act, 2013 in India regarding the audit committee measures. The audit committee measures including the independence of audit committee members, audit committee meeting frequency and size, presence of BIG 4 auditor clients and CEO Duality have been examined in estimating the quality of audit committee and its impact on the firm performance. The data has been taken from the Nifty 500 Index comprising of manufacturing and services companies and hence couldn't be generalised but the results are of specific concern for the manufacturing and services companies. The results states that the audit committee measures follows the norms as per Companies Act, 2013 thus maintaining the audit committee quality but the audit committee quality doesn't enhance the firm performance as this is due to the reason that the audit committee measures incorporation, functioning and implementation at the ground level is not up to the mark till present. Moreover, the presence of BIG 4 auditors as clients improves the accounting measures of firm performance and doesn't holds good for market measure of firm performance thus stating that the BIG 4 auditors are performing their duties very well with respect to the audit function but lacks in improvising shareholders and managers regarding the financial statements of the companies.

**Keywords:** Audit Committee, Firm Performance, Nifty 500, Audit fees, Auditor fees, Tobin's Q, ROA, ROE

**ID: 63**

**Bridging Financial Inclusion and Sustainable Development: The Role of Financial Innovations and ESG Frameworks in Achieving UN SDGs**

**Aqila Rafiuddin**

BITS Pilani Dubai Campus, UAE  
aqila.rafi@dubai.bits-pilani.ac.in

**Aryan Satwani**

BITS Pilani Dubai Campus, UAE  
aryansatwani@gmail.com

**Rajesh Mohnot**

Ajman University, UAE  
r.mohnot@ajman.ac.ae

**Yuvraj Ganesan**

Universiti Sains Malaysia, Malaysia  
yuvaraj@usm.my

**Abstract**

This research work analyzes the nexus between financial inclusion and the financial innovation and its impact on the SDGs set by the United Nations. This study focuses on ESG criteria, which serve as a cornerstone of sustainable living and give a deep understanding of how financial innovations can enhance transparency, accountability and accessibility within the ESG frameworks. Blockchain is a viable solution to increase transparency, decrease manipulation of records, and increase trust between various stakeholders. Additionally, various ESG indices have also been taken into consideration for the connectedness graph analysis, to show how they respond to global events. Along with this, forecasting with a hybrid LSTM-CNN-Transformer with Added Attention mechanism Architecture has also been done with an average of 1.16% deviation for the daily index prices in December using the past 10 years of day-to-day ESG index prices. This work shows that financial innovation provides solutions not only in the domain of financial inclusion but also in contributing to the UN's SDGs such as the removal of poverty and a reduction of inequalities which is becoming a more serious issue with every passing year.

**Keywords:** Financial Innovation, ESG Frameworks, Sustainable Development Goals (SDGs), Blockchain Technology, Forecasting ESG Indices, Hybrid AI Models.

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