

# PRERANA

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**Empirical Research Findings on the Suggestive  
stand-alone Business Model of  
SME Stock Exchanges in India**

Dr. Ravindhar Vadapalli



GRG School of Management Studies  
PSGR Krishnammal College for Women



# PRERANA: Journal of Management Thought and Practice

*PRERANA in Sanskrit means hope and inspiration. The primary objective of PRERANA journal is to enhance the standard of management education by drawing from conceptual and empirical research based articles reflecting current industry practices. PRERANA shall include contributions from eminent members of the academia and sharing of practices by experts from industry. The Journal will also contain book reviews, editorial abstracts and executive summaries of recent publications in management.*

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## FROM THE EXECUTIVE EDITOR

It is my pleasure to place before you the first issue of the fourteenth volume of '**PRERANA**: Journal of Management Thought and Practice.' The objective of **PRERANA** is to disseminate contemporary developments in the field of management in the form of empirical research that tests, extends or builds management theory and contributes to management practice. **PRERANA** encourages manuscripts that present strong empirical and theoretical contributions to the management field. Preference is given to submissions that test, extend, or build strong theoretical frameworks. **PRERANA**'s international and multi-disciplinary review team ensures maintenance of standards of excellence with regard to the quality of contents.

José G. Vargas-Hernández and Omar C. Vargas-González in their study analyzed the socio-intercultural entrepreneurship as capability building and development. They reviewed the literature to address the main issues of the socio-intercultural entrepreneurship. They concluded that socio-intercultural entrepreneurship competence is highly related to situational context and environment-dependent on awareness and understanding of cultural differences.

AUN, Isaac Iortimbir examined the influence of social networking on business performance of selected small businesses in University of Ilorin, Ilorin Nigeria. The study concluded that family background has a strong and significant effect on brand awareness, peer group influences business sustainability and educational institution has a significant effect on customer satisfaction.

Umar Gunu, O. J. Omolekan, and Abdulrahman in their study evaluated the influence of entrepreneurial networks on the performance of social enterprises. The objectives of the study were to examine the influence of personal network on access to fund and evaluate the effect of professional network on manpower resources. The study found statistically significant relationship between personal networks and access to fund. Professional networks significantly influence manpower resources. The study concluded that entrepreneurial networks influence social enterprises survival

Sisir Ghorai, Abhijit Sinha, and Sudin Bag in their study examined the issue of attitude towards organic food in the background of increasing awareness about health and environmental protection. The objectives of their study were to understand the attitude of consumers towards organic food and to understand whether there is difference in attitude because of different demographic characteristics.

Ravindhar Vadapalli in his study made an attempt to provide a document that helps policy makers and the stock exchanges to determine whether there exists a need for a separate, independent and alternative regulator to that of Securities Exchange Board of India (SEBI), specially for small and medium enterprises.

I thank all the authors for their contributions towards the first issue of the fourteenth volume of **PRERANA**. I look forward for novel, insightful and crafted conceptual work that challenges conventional wisdom concerning all aspects of organizations from academicians, bureaucrats and business executives for publishing in **PRERANA**. The focus of the articles could be on diverse aspects of management focusing on contemporary issues and future challenges.

- Dr. B. Sripirabaa, PhD

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## SOCIO-INTERCULTURAL ENTREPRENEURSHIP CAPABILITY BUILDING AND DEVELOPMENT

José G. Vargas-Hernández, M.B.A; Ph.D.\*  
M. C. Omar C. Vargas-González\*\*

### ABSTRACT

*This study aims to analyze the socio-intercultural entrepreneurship as a capability building and development. The analysis departs from the assumption that entrepreneurship is a cultural embedded concept, although the intercultural category used in entrepreneurial studies has not been founded full conceptual, theoretical and empirical support. Based on this existing research gap that this analysis reviews the literature to address the main issues of the socio-intercultural entrepreneurship focusing in the capability building and development to conclude that it is more situational context and environment oriented. The methodology used are the exploratory and analytical tools. Socio-intercultural entrepreneurship competence is highly related to be situational context and environment-dependent on awareness and understanding of cultural differences.*

**Keywords:** Capability building, development, entrepreneurship, socio-intercultural.

### INTRODUCTION

The world's population and companies are now more connected and mobile than ever in history, expanded worldwide with access to labor and resources pools but requiring more socio-intercultural communication and entrepreneurial skills. Empowerment and entrepreneurship are defining the engagement rules of this rapidly changing global situational context and environment. Nurturing the culture of empowerment and entrepreneurship is a challenge aimed to design some agile organizations in order to keep pace with the changing economic global situational context and environment.

The analysis of social entrepreneurship from a cultural perspective is limited (Dancin, Dancin & Tracey, 2011) and more from the point of view of socio-interculturality. The study and analysis of individual cultural differences and its influence on socio-socio-intercultural entrepreneurship have been neglected. However, the studies on socio-intercultural entrepreneurship are on the rise in a globalized world. Since the 1970s, the study of entrepreneurship has intensified and has become one of the most prolific and dynamic academic fields in management, economics, regional sciences, etc. (Aldrich, 2012; Shane and Venkataraman 2000).

Socio-intercultural entrepreneurship in global business is supported by the socio-intercultural framework and foundational concepts based on baseline understanding

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of socio-intercultural communication which can be applied in diverse cultures beyond the cultural learning of traditions, heritages, behaviors, values, customs, etc. of specific cultures.

This analysis approaches the socio-intercultural entrepreneurship focusing on the knowledge of determining and understanding the socio socio-intercultural situational context and environment facing the global business to establish common concepts to be used in the socio-intercultural communication regardless of specific cultures and situations. A deep knowledge of socio socio-intercultural systems applied in some different situational context and environments is a requisite to develop entrepreneurial skills to be used and implemented in entrepreneurial practices and tasks.

The paper is organized after this brief introduction, to state the relevance of the analysis as the motivation to review the main concepts and theories conducted to establish the basis for the study of the socio-intercultural profile of entrepreneurship. This entrepreneurial profile is complemented with the relevant findings of empirical research aimed to determine the required capability building and development for socio-intercultural entrepreneurship. Finally, some concluding remarks are offered

## **RELEVANCE OF THE STUDY**

Global and international organizations, companies, firms and people working across diverse cultures require to overcome cultural bias and preconceptions by promoting socio socio-intercultural entrepreneurial management that is adaptable and open minded to new situational contexts and environments, situations and individuals, to live, work, communicate and learn together. Dissimilar cultures around the shrinking world are influencing each other and leading to sources of synergies but also of conflicts which require the implementation of an socio-intercultural entrepreneurial capabilities, competences and skills.

Socio-intercultural entrepreneurial competence in a borderless world becomes crucial for the diversity in global business projects and ventures, which requires to develop competencies and skills to interact socio-interculturality and understand the diverse cultural backgrounds of individuals. However, socio socio-intercultural entrepreneurship is beyond sociocultural diversity initiatives.

Socio-intercultural entrepreneurial practices facilitate the understanding and use of cultural backgrounds of individuals to achieve innovation and creativity in decision making as the ultimate competitive advantage in any type of situational context and environment. The socio socio-intercultural entrepreneurial practices at the workplace aims at building its policies and individual identity based on the recognition that socio cultural diversity is the source and resource for economic growth, social development and environmental sustainability.

The continuous transformation of organizations leads to motivational processes of individuals who have initiative and develop creative attitudes to create and innovate based on technological advances. The strong achievement motivation of entrepreneurs contributes to explain they commitment for entrepreneurship.

## CONCEPTUAL AND THEORETICAL FRAMEWORK

Being an entrepreneur is fundamentally a personal act (Baum, Frese, Baron and Katz 2007) so that personal factors influence organizational success. Entrepreneurship is a term that has been used since the 1980s, in reference to the entrepreneurial spirit training system that emphasizes the development of skills for self-generation of employment (Del Solar, 2010, p.16). The concept of entrepreneur does not have a single definition. The entrepreneur is defined as the owner and manager of a company (Brockhaus 1980) that involves a new business or a new proposal in the organization (Lachman, 1980). Entrepreneurship is concerned with the discovery and exploitation of profitable opportunities (Shane S., Venkataraman S., 2000, pp. 217–226).

An entrepreneur is the person who starts a business initiative, creates his own company, alone or in association with its promoters, assuming the financial risks that this entails, contributing his work and taking care of the management of the company (Moriano, Trejo and Palací, 2001, p. 230). The entrepreneur is an innovative businessman who is willing to take risks, although the one who risks is not always an entrepreneur, just as creating a company is being an entrepreneur. The entrepreneur looks for opportunities and through innovation processes create a company and generate wealth (Stevenson, 2000, cited in Formichella 2004, p.10). It is concluded here that the entrepreneur is an independent, risk-taking individual organizing the people and resources necessary for creating and developing new business ventures.

Entrepreneurship is defined as the project development that has economic, socio-political, and other purposes. Entrepreneurship is the personal attitude to take on new projects, by innovating and adding value to an existing product, and advance in their goals and objectives. Entrepreneurship shares the elements of innovation and uncertainty. In this sense, entrepreneurship is defined as the sharing of uncertainty and innovation to the development of a project that pursues a certain economic, social political, and other purpose (Bittán 2017). Entrepreneurship is an innovative instrument for dealing with complex social needs (Peredo and McLean 2006). Entrepreneurship is the ability to act positively and creatively promptly in the face of setbacks and in difficult or new situations (Goleman 2005, p. 157).

The conceptualization of entrepreneurship is related to the drive for innovation and economic competitiveness in socio-productive contexts and environments. The entrepreneur dedicates time and efforts to the creation and development of business organizations, assuming psychological, financial, social risks, etc., undergoes processes of creating products or services with added value, with benefits and monetary rewards and more personal (Hisrich and Peters 1992; Sadler-Smith, Hampson, Chaston and Badger 2003).

The conceptualization of the social entrepreneur focuses on individual characteristics, actions, processes, resources and mission (Light, 2009, Sullivan Mort et al., 2003; Tracey et al., 2011; Dancin, Dancin & Tracey, 2011; Peredo & McLean, 2006). There is no consolidated definition of social entrepreneurship

while the debate focuses on the change in the Welfare State (Dees, 1998, Mair and Martí, 2006). Recently, the analysis of social entrepreneurship has emerged from theoretical and practical perspectives on entrepreneurship and from other approaches to define the specificities of social entrepreneurial activities (Alvord, Brown & Letts, 2004).

The definition of social entrepreneurship gives certainty to measure the results of their activities as something tangible considering that a certain degree of ambiguity is inevitable (Dees, 1998, Martin & Osberg, 2007, Peredo and McLean, 2006, Weerawardena & Mort, 2006). The social entrepreneur emerges in a specific situational context and environment of uncertainty Sarasvanthy (2001, 2004). Social entrepreneurs take advantage of environmental uncertainty in entrepreneurial activities (Wennekers, VanStel & Noorderhaven, 2010). The entrepreneur seeks to avoid uncertainty through the normalization of activities, a feature that can be contradictory to the high levels of uncertainty that occur in business development. This situation allows entrepreneurs to change their strategies in uncertain environments and depending on the transformations of the scarce resources available to them.

The behavior of the social entrepreneur is explained from an socio-intercultural perspective because it is born in an environment of uncertainty according to the effectuation theory (Sarasvanthy 2001, 2004) which arises from organizational learning under the assumption that entrepreneurs are based on instinct and intuition to determine possible strategic alternatives in decision making (Mitchellet al., 2007).

The effectuation theory enables the study of decision-making strategies in environments characterized by high levels of uncertainty and resource limitations (Smith & Stevens, 2010). The effectuation theory is based on the organizational learning of administrators who make decisions about strategic alternatives based on instinct and intuition (Mitchell et al., 2007), which allows changing strategies under conditions of uncertain environments to transform available resources they are scarce.

The effectuation theory method offers possibilities for the study of social entrepreneurship characterized by a high degree of uncertainty and resource limitations, for the formulation and implementation of strategies in decision-making (Smith & Stevens, 2010). social entrepreneurs take environmental uncertainty as a guide for business activity (Wennekers, Van Stel & Noorderhaven, 2010).

The concept of socio-intercultural sensitivity measures the levels of entrepreneurial skills. Socio-intercultural entrepreneurship is a high-risk activity, due to the factors that influence its social, economic, political, cultural and technological development. Socio-intercultural sensitivity has been defined as those human capacities to emit positive emotions and control those emotions that can harm socio-intercultural communication (Vilá, 2006). Hammer, Bennett and Wiseman (2003) define socio-intercultural sensitivity as the ability to identify and appreciate the most relevant cultural differences. Socio-intercultural sensitivity



is the individual ability to develop positive emotions towards understanding and appreciation of cultural differences capable of promoting effective and appropriate behaviors in socio-intercultural communication (Chen and Starosta, 1997 p. 5).

Socio-intercultural entrepreneurship is a concept that is relevant to any individual regarding if he or she is involved in business as the investor, the negotiator, the global project manager, etc. A conceptual framework of socio-intercultural entrepreneurial practices is based on shared heritage, behaviors, values, beliefs, etc., developed in cultural value creation leading to inter and intracultural creativity and innovation, forming micro cultures as an socio-intercultural assets contributing to the economic growth, social development and environmental sustainability.

A conceptual and theoretical framework for micro- socio-intercultural entrepreneurship are based on a range of contributions from the intra and inter sociocultural creativity and innovation processes creating cultural economy value beyond the cultural economy. Socio-inter culturalism goes beyond rational communication through concepts such as multilingual learning that goes beyond cultural, educational, social, economic positions, etc. (Fornet Betancourt 2009, 2005, 2000). Small groups of people framed as micro socio cultures sharing common heritage, behaviors, cultural values, beliefs, customs, traditions, etc., may be the base to develop a conceptual framework to support the socio socio-intercultural entrepreneurship development.

Socio-intercultural entrepreneurship integrates differentiated socio-cultural groups to undertake something that is possible for subgroups that require working on a common project with the guidance of an entrepreneur who makes use of their skills and abilities to promote socio-intercultural cooperation for the creation of joint ventures between socio-cultural groups.

## **SOCIO-INTERCULTURAL ENTREPRENEURIAL PROFILE**

The individual characteristics of entrepreneurs are explained from the characteristics of the environment (Dancin, Dancin & Tracey, 2011, Martin & Osberg, 2007). One of the entrepreneurship models that is explained in the economic environment of new business creations is that of Rauch and Frese (2007), it involves personal characteristics such as knowledge, skills, autonomy, locus of control, with the environment of the organization in situations such as organizational life cycle, risk factors, etc. with business results. The entrepreneurship model is based on personal and organizational characteristics to explain the phenomenon.

The personal characteristics of the social entrepreneur explain their behaviors and allow their comparison. The characteristics of socio-intercultural entrepreneurship are conceptualized at the interface between thought and action, innovation as a social commitment, and the creation of competitive markets. The characteristics of the entrepreneur according to Viera, Pérez and Paredes (2008, p.49), are the entrepreneurial spirit or entrepreneurial capacity to carry out productive actions and the psychosocial motivation to undertake.

The motivational disposition of the entrepreneurs encourages them to venture out and face the challenges of new cultural, economic, social and organizational contexts and environments. The authors Pablo, Begoña and Bueno, (2004 p. 818) classify the entrepreneurial profile in factors related to the personality of the individual or the psychological traits, the personal profile defined by the aptitudes, the motivations or drives of an individual to embark on a project; the capacities and competences, the abilities and knowledge of the individual resulted from the evolution of the aptitudes developed throughout life, learning and experiences.

The motivation of the entrepreneur is the force that induces to take action and the decision that have an influence on the lives of people (Porras, Oliveras and Vigier 2013). The psychological factors of the entrepreneur such as the motivational features, capacities and competences gathered through the experience that make to take action. These factors of the entrepreneurial profile show the psychological features of the entrepreneur (Pablo, Begoña and Bueno, 2004 p. 818). Entrepreneurs are more motivated to achieve, take risks and are innovative (Hodgetts and Kuratko, 2001). The motivational component of socio-intercultural competence includes self-efficacy and goal setting (De la Garza & Egri, 2010; Earley & Peterson, 2004).

Entrepreneurship is driven by leadership open to innovation, new ideas, to experiment and learn. Leadership may help to drive the desired entrepreneurial behavior as an outcome through encouragement and role modelling providing the confidence to individuals to behave like entrepreneurs. Leadership development is crucial to create a culture of entrepreneurship and empowerment. Entrepreneurs exercise leadership that involves behaviors, skills, abilities, knowledge, variables and personality traits to solve organizational problems (Connelly, Gilbert, Zaccaro, Threlfall, Marks and Mumford, 2000; Zaccaro, Mumford, Connelly, Marks and Gilbert, 2000).

The attributes of the entrepreneur characterize him as a person who assumes responsibilities, is free to make decisions and establishes goals and achieves them with his own effort (McClelland, 1971). People gifted with entrepreneurial aptitude take advantage of opportunities to achieve their goals and motivate others to achieve them even at the cost of forcing the rules in many cases and avoiding bureaucratic limitations.

The theoretical literature associates the entrepreneur with people who have internal control as a relevant personality trait (Shapero, 1975; Gartner, 1985; Shaver and Scott, 1991; Lee and Tsang, 2001). The locus of control is a differentiating and stable personality trait of individuals (Levenson, 1974). Individual internal locus of control is linked to entrepreneurial behavior and can be taken as an analysis construct, assuming that the highest the internal locus of control at work exerts indirect influence showing greater entrepreneurial behavior.

Entrepreneurial behaviors as independent means of achieving personal goals, are supported and attracted by the social norms. Some of the entrepreneurial

behaviors are the culture management and vision management. Some of the non-entrepreneurial behavior are process management, stakeholder management, as well as contexts and environments, and development management. Finally, the general behavior: performance management.

Entrepreneurs seek new business opportunities through the creation of business organizations because they develop skills, knowledge, experiences, personality traits and behaviors. Socio-intercultural entrepreneurship interactions are not guarantee by the understanding of the own sense of identity and personality traits which may have different meanings in different cultures (Walker, 2003, p. 203).

Social entrepreneurship initiatives are a distinctive trait associated with taking advantage of benefits (Dancin et al., 2011). Social entrepreneurship is based more on the socio-intercultural traits of a society to create more favorable social and economic environments for the development of initiatives that generate economic growth, equity, inclusiveness and social justice, as well as environmental sustainability and biodiversity of socio-ecosystems. The characteristics of social entrepreneurship are linked to some cultural traits Apetrei, Ribeiro, Roig, & Mas (2013) proposed by Hofstede (2001), that creates a favorable environment for the increase of social economy through the development of social entrepreneurship.

Socio-intercultural competence is defined as the complex behavioral action pattern that implies the management of knowledge, skills, values and motivational dispositions that are expressed in situations of an socio-intercultural relationship. Socio-intercultural entrepreneurship understanding as a competence is a source of competitive advantage in large organizational processes such as negotiating, entering into new markets or products, opening new business units and ventures, merging and acquiring new business etc. These entrepreneurial competencies are managed by the entrepreneur as an entrepreneur or small business owner with a focus on profitability and growth. The entrepreneur's competencies are grouped into three factors (Sadler-Smith, Hampson, Chaston, and Badger 2003).

Other competences that help the entrepreneur to achieve her objectives are socio-intercultural competence and negotiation skills. Development of socio-intercultural entrepreneurial competence involves the transference of skills that help people to become more self-aware of the needs of others, growth their mindset to be more effective by making more creative and innovative decisions. Socio-socio-intercultural entrepreneurship facilitates to understand and foster individual self-awareness, create, and transform identities of individuals with differing cultural backgrounds (Martin & Nakayama, 2010).

## **RELEVANT FINDINGS OF EMPIRICAL STUDIES**

Entrepreneurship is a cultural embedded concept, although cross-cultural, cross-national and intercultural categories used in entrepreneurial studies have not founded full empirical support (Lee and Tsang, 2001).

Empirical studies on socio-intercultural entrepreneurship define the variables of socio-interculturality and entrepreneurship to establish their relationships and statistically measured in different situational contexts and environments. There is plenty of room for opportunities to study these relationships associated socio-interculturality and entrepreneurship concepts with a sufficient level of depth and scope. Research has reported a relationship between entrepreneurial orientation, entrepreneurial skills, entrepreneurial intentions, and environmental factors (Ibrahim and Masud 2016).

Besides the national culture, the individual variables internal locus of control and the level of studies are related to greater individualism but the results do not have a direct association with entrepreneurial behavior. These results question the trait approach to the locus of control as an attribute that encourages entrepreneurial behavior (García, García, 2007).

Entrepreneurial behavior of individuals is motivated and influenced by the average demographic variables in a profile which may be estimated, analyzed and explained in terms of association with male sex (Begley and Tan, 2001; Cowling and Taylor, 2001; Ardichvili and Gasparishvili, 2003; Acs et al., 2005), young and mature but not old (Ardichvili and Gasparishvili, 2003; Acs et al., 2005) higher level of education (Harmadyova, 1997; Ardichvili and Gasparishvili, 2003; Acs et al., 2005). The demographic profile variables such as age, gender, level of education of the individuals, etc., are linked to entrepreneurial behavior. Research results find a positive association between education and entrepreneurial behavior (Wang and Wong, 2004).

The educational level is a relevant quality of the entrepreneur (Lee and Tsang, 2001). The variable gender has shown on the studies, a negative effect on entrepreneurial behavior. On the other hand, the gender variable, which turns out to be explanatory of entrepreneurial behavior according to the results obtained from the structural equations model, has a negative effect on entrepreneurial behavior, indicating the greater presence of this behavior. However, a study carried out by Verheul et al. (2006), found that unemployment exerts a more positive influence on the entrepreneurial behavior of females than males.

It has been reported (Diario Gestión 2015 and Revista Andina, 2017) that in the city of Tacna there is historical background for the development of socio-intercultural entrepreneurial activities in formal and informal merchants established in free zone and as the result of the presence of foreign tourists. According to INEI (2018), Tacna has almost 350 thousand inhabitants in the gymnasium area related to socio-intercultural entrepreneurship characterized in emerging services based on body care, cosmetic and global health trends besides the most traditional and conventional business, commercial, trade and mining activities (Diario Correo 2014). All these entrepreneurial activities have risen concerns from the existing relationships between socio-interculturality and entrepreneurship sensitivities.

Different cultural dimensions have different effects on socio-intercultural entrepreneurial activities and opportunities as an important factor for the creation of a firm and economic growth and regeneration (Radziszewska Czestochowa, 2014). The cultural values of the Hofstede dimensions have been related to the socio-intercultural characteristics of social enterprises in such a way that it facilitates the understanding of those cultures that are more involved in the socio-intercultural activities of enterprises with a social orientation. The cultural dimensions of Hofstede's model are based on value continuums ranging from individual to collective values, from male to female, those related to the avoidance of uncertainty and the distance from power.

The cultural dimensions more related to entrepreneurial activities, according to Hofstede (2001) include individualism, collectivism, masculinity, feminine, uncertainty avoidance, power distance. Individualism, low power distance, low uncertainty avoidance, long term orientation, human orientation, performance orientation and future orientation, are the cultural dimensions that influence more positively on entrepreneurship. Conclusions have been advanced that cultural values such as collectivism, femininity, higher level of uncertainty (Apetrei, Ribeiro, Roig, & Mas, 2013).

This individualistic cultural orientation has a direct positive effect on the locus of control that influences entrepreneurial behavior through educational level. In individualistic oriented cultures there are more entrepreneurs than in collectivistic cultures (Hofstede, 2001). Individualistic cultures support the individual initiative and autonomy leading to pursue individual interests and to low level of organizational loyalty. When investigating the locus of control, the cultural level of the individual is determinant of entrepreneurial behavior. Independent and individual entrepreneurial behavior aimed to achieve personal goals is supported by social norms. Low level of individualism leads to fewer entrepreneurial initiatives. On the other side, high level of individualism results in more entrepreneurial activities and ventures.

Collectivism of groups in societies is assumed to be negatively related to entrepreneurial activities and measures the individuals' expressions of pride, loyalty and cohesiveness (House et al., 2002, pp. 3–10) depending heavily on personal relationships and group goals.

The masculinity dimension has not been found to have a significant effect on entrepreneurial behavior not confirming the theoretical relationship based on the assumption that assertiveness, competitiveness and the need of achievement of male societies may have an accentuated entrepreneurial behavior. On the other side, Ardichvili and Gasparishvili (2003) found a negative association between masculinity and entrepreneurial behavior. Entrepreneurship attracts individuals as a means of achieving economic benefits and social status in higher masculine oriented cultures. High masculinity leads to entrepreneurship activities while low masculinity has the tendency towards less interest in entrepreneurial activities. In societies with more predominant masculine values, the entrepreneurs tend to attend success in entrepreneurial ventures and are more esteemed and recognized.

Feminine oriented cultures have less interest in entrepreneurial activities (Hofstede, 2001). The feminine cultural values in balance and combination with other values, promote social entrepreneurship is validated for certain cultures. Feminine values culture has a people orientation and including masculine values may develop socio-intercultural dimensions of entrepreneurship.

Power distance between individuals measures the degree of unequally distributed power relationships in societies. Power distance have a positive effect on entrepreneurial behaviors and activities linked to independence. Higher power distance limits the upward social mobility in society, with little acceptance for innovation and initiatives to create new business. Cultures with low power distance allows more entrepreneurial activities. In this sense, entrepreneurship is a tool used to achieve more independence and increasing the power position of individuals (House et al., 2002, pp. 3–10).

The socio-intercultural dimensions recognize cultural traits that promote innovation closely related to social entrepreneurship, such as the distance from power that measures power and the interpersonal relationship between leader and subordinate (Hofstede, 2001, p.83). According to Hofstede, in long term oriented and low power distance cultures favor entrepreneurship. The general consequence of low power distance is that allows access to entrepreneurial resources and opportunities. High power distance restricts access to entrepreneurial resources and opportunities making difficult entrepreneurship to emerge. Democratic pluralism has a close similarity to socio-interculturalism because it ensures consistency and socio-intercultural peace, apart from promoting discrimination or hostility between cultures (Pizzorno, 1985; Calderón and Gamarra, 2004 p.114).

The uncertainty faced by the entrepreneur when making decisions may explain the existence of patterns and mechanisms in the emergence and development of business. The premise that is based on the fact that cultures with a higher degree of uncertainty create a work environment that stimulates social entrepreneurs is highly questionable, since one of the functions of culture is to provide greater certainty in socio-intercultural management. Low uncertainty increases the willingness to take risks while increasing the individual initiative of entrepreneurial ventures.

The uncertainty of situational context and environment in cultures stimulates social entrepreneurs. In socio-intercultural management, the concept of uncertainty is framed with the uncertainty avoidance dimension of Hofstede (2001, 2007) and the Globe project (House et al., 2004). Reducing and absorbing uncertainty is essential for the design of socio-intercultural entrepreneurship strategies that is related to the propensity of individuals from a specific culture to accept a more entrepreneurial vision of the future. Absorbing the uncertainty related to socio-intercultural entrepreneurship requires a process of adaptation and implementation to the specific reality where it needs to be applied.

However, high level of uncertainty leads individuals to avoid risk and to have less initiative for entrepreneurial ventures. According to the model of the cultural dimensions of Hofstede (2001, 2007) and the Globe project (House

et al., 2004) there are cultures with a higher degree of avoidance or aversion of uncertainty. This cultural trait is contradictory to the concept of entrepreneurship in the new environment (Urbano, Toledo & Ribeiro, 2010) that encourages social entrepreneurship (Dancin et al., 2011). Therefore, Dancin, Dancin & Tracey (2011), conclude that social entrepreneurship is related to the level of uncertainty in the environment to create value in society by solving social problems (Austin et al., 2006; Mair & Martí, 2006).

The entrepreneurship faces the uncertainty with innovation to make better decisions and contributing to the emergence of new products, services and companies while prolonging their lifecycle patterns in the markets (Cantarero, Gonzalez-Loureiro and Puig 2017). The feature of avoiding uncertainty as a consequence of economic, technological, social, political changes, etc., seems to be in contradiction to the spirit of entrepreneurial development, although it can rather be said that the entrepreneurial culture is changing (Urbano, Toledo & Ribeiro, 2010).

Future orientation is the capability to imagine and engage in future-oriented behaviors, contingencies and activities such as planning, setting goals, investing, formulate socio-intercultural dimensions of entrepreneurial initiatives, design strategies, etc. High level of future orientation leads to higher quality activities of entrepreneurship such as planning, interacting and documenting, resilience to risks and changes, etc. (Hayton et al., 2002, pp. 33–52).

## **SOCIO-INTERCULTURAL ENTREPRENEURSHIP CAPABILITY BUILDING AND DEVELOPMENT**

Any investment in developing socio-intercultural competences and other diversity factors strengthens the entrepreneurial capabilities. Socio-intercultural competence and capability building involves socio-intercultural entrepreneurs skills development and learning from experiences, balancing support and challenge, absorbing uncertainty, reducing complexity, engaging ambiguity, reflection of values and life alignment etc. Building and developing some socio-intercultural business entrepreneurship capabilities requires to examine and engage in reflections about the assumptions, values, beliefs, expectations and other areas of personal life.

The notion of socio-intercultural competence has direct antecedents in the theoretical-methodological construct of cultural intelligence (Leung, Ang and Tan 2014) that in situations of complex interaction skills, interests, attitudes and values are implied. Socio-intercultural competencies of the small business entrepreneur and their negotiation skills in relation to the results of organizational performance.

Socio-intercultural entrepreneurship development as a competence involves disregard-the-box both and thinking in such a way that may be feasible to hold together two seemingly contrasting values and ideas at the same time to enhance creativity, innovation and synergy. The socio-intercultural relationships of the entrepreneur interaction such as the capacities and styles of negotiation (Mitchell, Busenitz, Bird, Gaglio, McMullen, Morse and Smith 2007; Artinger, Vulkan and Shem-Tov 2015) that suggest that there are positive and significant relationships



between the socio-intercultural competencies of entrepreneurs as mediating variables of integrative negotiation systems and organizational performance (Sadler-Smith, Hampson, Chaston and Badger, 2003).

Socio-intercultural entrepreneurship competence is highly related to be situational context and environment-dependent on awareness and understanding of cultural differences, going beyond the unilateral to mutual accommodation between people doing international business. Therefore, the socio-intercultural awareness goes beyond unilateral accommodation. Socio-socio-intercultural awareness of entrepreneurship processes clearly enhances competences necessary in global and international business settings.

An entrepreneur has motivation and drives to create the knowledge and learning, develop the abilities, skills, competences, capacities, aptitudes and experience that results from the evolution through life and leading to embark on a specific project (Pablo, Begoña and Bueno, 2004p. 818). Individuals develop the capacities to acquire new attitudes, abilities and skills that make them entrepreneurs (Del Solar, 2010, p.12).

The formation of entrepreneurial competencies oriented to the construction of new realities is based on the capacity for creative thinking from understanding information, establishing relationships with other data and configuring new meanings (Del Solar Sepúlveda 2010, p.39-304). Divergent practices give support to socio-intercultural entrepreneurship that facilitate the implementation of programs for the development of socio-intercultural skills and competencies with orientations towards the participatory and comprehensive construction of individuals committed to the socio-economic development of communities. Socio-intercultural entrepreneurship practices based on socio-intercultural competencies like cultural bridging and reframing the issues to find more innovative and creative solutions to support transformative socio-intercultural entrepreneurial learning and development.

Entrepreneur socio-intercultural competencies are measured as the variable related to cultural intelligence (Ang et al. 2007). On this scale, socio-intercultural competencies are measured with integrative negotiation and organizational performance. Organizational performance depends on the entrepreneurial socio-intercultural competencies developed, which turn out to be a mediating factor for the management of the socio-interculturality of individuals in organizations and interest groups, vision, processes, organizational performance and the development of the performance.

Organizational performance depends on entrepreneurial competencies, considering that socio-intercultural competencies are a mediating factor in the integrative negotiation of individuals from different cultures in internationalization processes. Socio-intercultural competences to develop entrepreneurial activity are related to organizational performance in the international situational context and environment.



One of the important functions of universities is the transfer of knowledge considering the needs and interests of the regions, taking advantage of the methodologies that promote the training of professionals with entrepreneurial characteristics and attitudes, considering that scientific training must be complemented with business training. An effective development program in socio socio-intercultural entrepreneurship should develop analytical, critical and practical skills profiting from knowledge and learning from an innovative approach from social and human sciences, in tune with economics, management, marketing, etc.

Education for the development of entrepreneurship contributes to the generation of socially desirable attitudes in young people. Education is the means by which behaviors and attitudes are modified, so it can be specified that education is related to the training of entrepreneurs and, therefore, it can be concluded that entrepreneurs are formed and not born. The inclusion of the topic of entrepreneurship in study plans and programs plays a critical role in the training of entrepreneurs.

In this sense, Viera, Pérez and Paredes, (2008, p.47) argue that university professional training programs must incorporate teaching mechanisms for the development of entrepreneurial skills so that as graduates they promote their self-employment as intrapreneurs and become employers or entrepreneurs. A professional socio socio-intercultural entrepreneur must develop an autonomous and integrated entrepreneurship performance to incorporate initiatives and practices in diverse socio socio-intercultural situational contexts and environments, dealing with socio socio-intercultural situations, addressing the needs of people and improving the interactions between business cultures, leveraging economic growth, social development and sustainable environment.

Education develops entrepreneurship by promoting favorable psychological qualities for entrepreneurial activity, such as self-confidence, self-esteem, self-efficacy and the need for achievement (Howard Rasheed 2000, Formichella 2004). Entrepreneurs who emerge as apprentices are curious and open to what serendipity generates in high spirits to present certain prototypes quickly to find solutions that satisfy users (Slocum, 2004). The development of the entrepreneurial spirit requires that the apprentice discover for himself or herself the concepts, behaviors, attitudes, techniques, processes and tools to develop initiative, creativity, autonomy etc.

Professional practice in socio socio-intercultural entrepreneurship requires interactive, analogical, contrastive and critical approaches of culture, economy, socio-politics, management, languages, socio-intercultural communication etc., to be applied to specific socio-socio-intercultural groups and situational contexts and environments. University study programs should be oriented so that the professionals they train acquire entrepreneurial skills capable of becoming agents of change and generating their self-employment, which also promote the improvement of the quality of life of the entire population in their communities.

Entrepreneurial activities and socio-intercultural learning have a lot of things in common that connect and are considered both as socio-intercultural entrepreneurship

development. Socio-intercultural learning is interaction with people from different cultural backgrounds. Socio-intercultural entrepreneurship is carried out in business situational contexts and environments by business men in need of business tools for practical applications of knowledge and experiences through meaningful interactions with other people to solve problems (Tomalin 2009:115) and to propose new business units, new ventures, new projects, new products, etc.

Socio-intercultural entrepreneurship is considered as a strategic tool of knowledge management for innovation and competitiveness that describes the attitudes, values, talents, abilities, skills and feelings that are intrinsic to the human being and that benefit from experience. Pro-entrepreneurial values serve as an incubator of entrepreneurship. As a movement that channels the participation of people, entrepreneurship strengthens social economies that meet the needs of society through actions with knowledge application tools.

Socio-intercultural knowledge may be the result of a personal learning facilitation process to growth and develop through personal opportunities such as the exposure to international education experiences, conversations with other people regarding the gender, ethnic, religious, etc., backgrounds. In the training of entrepreneurs, a constructivist approach centered on learning by doing by carrying out activities that define situations in conditions of uncertainty predominates, opportunities are identified in markets and the creation and development of companies are envisioned (Rusque, 2004, Viera, Pérez and Paredes 2008, p.48).

Research by Formichella, 2004, and Dehter 2002, confirmed that entrepreneur training programs exist only at the university level. From the perspective of a cognitive model of decision, Mitchell et al., (2000) have shown that mental schemes related to individual knowledge, skills, abilities and capacities, explain entrepreneurial decisions. However, using statistical modeling tools has found an indirect influence of the locus of control on the effect of level of studies on entrepreneurial behavior showing the relevance of knowledge resources available to the individuals and includes the internal control of individuals to invest on training.

## CONCLUSIONS

Traditional culture is conceptually related to the values of collectivism, humane orientation and higher power distance while modern culture is related to future and performance orientations and uncertainty avoidance. Socio-intercultural entrepreneurship is described according to cultural diversify characteristics and categorized into value or dimensions of cultures. Entrepreneurial socio-interculturality is a dynamic situational variable dependent on the context and environment where people are motivated by the need to generate their own employment or company and convert it into an opportunity to satisfy all the economic sectors in production, distribution and commercialization of goods and services.

Learning, knowledge, interaction, and cultural exchange processes, all enhance socio socio-intercultural entrepreneurial behaviors understandings across socio

cultural boundaries leading beyond the cultural economy to the creation of innovation, creativity and economic value. The relationship of education with entrepreneurship and employment as a transversal action is fundamental to understand the congruence with the satisfaction of human needs, mainly the needs of self-realization and subsistence of the subject based on the maximization of their potential. Socio-socio-intercultural entrepreneurship education should be practically designed for the future of global and international business, keeping in perspective the needs of people in mind.

The analysis of the cultural dimensions of Hofstede, the indicators indicate the existence of propitious situational contexts and environments for the development of social socio-intercultural enterprises in terms of social economies and cultural values proposed for the various cultures. However, it is important to consider the limitations of the indicators since the socio-culture variables are dynamic, in perpetual change. Moreover, professional profile of a socio socio-intercultural entrepreneurship articulates social and human sciences, history, politics, economic, management, communications, etc., required to become a proponent of socio socio-intercultural management as a strategic advantage, in diverse international cultural backgrounds.

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# EFFECT OF SOCIAL NETWORKING ON BUSINESS PERFORMANCE OF SELECTED SME'S IN ILORIN KWARA STATE, NIGERIA

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## ABSTRACT

*Organization that fails to utilize the benefit of social networking will face problem such as lack of brand awareness, low business sustainability and decrease in customer satisfaction which will in turn leads to low organizational performance. Therefore, the main objective of the study was to examine the influence of social networking on business performance of selected small businesses in University of Ilorin, Ilorin Nigeria. Other specific objectives were to: determine the impact of peer group on business sustainability and assess the effect of educational institution on customers' satisfaction. To achieve the objectives of the study, structured questionnaire was used in gathering information from the respondents. A complete census of 84 respondents was used to gather information from the selected small businesses in University of Ilorin. Three hypotheses were formulated and tested. The statistical technique used was multiple regression analysis. The results of the study showed that peer group have significant influence on business sustainability ( $R^2 = 0.525$   $p < 0.05$ ) and that educational institution have a strong impact on customer satisfaction ( $R^2 = 0.553$   $p < 0.05$ ). This result is statistically significant as the  $p$ -value of the results (0.000) is less than 0.05 level of significance set for the study. The study concluded that family background has a strong and significant effect on brand awareness, peer group influences business sustainability and educational institution has a significant effect on customer satisfaction. The study recommended that organizations should continue to help employees build their family background in order to create positive brand awareness for the company, and organizations should facilitate quality learning from educational institutions so as to increase customers' satisfaction.*

**Keywords:** Social Networking, Business performance, Business Sustainability, Educational Institutions, Brand Awareness.

## INTRODUCTION

Social networking is not a new phenomenon but definitely new with the use of computer-mediated communication especially the Internet. Social networking is a novel way of increasing a person's business and/or social acquaintances by connecting with other people. Technology, most importantly the Internet, has revolutionised the means by which people connect. The internet promotes social interaction and helps to exploit and develop a structure to the connections that

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people develop online. Social networks are vital to the psychological well-being of people (Durden, Hill & Angel, 2007). There are numerous interpersonal interaction stages which incorporate Facebook, YouTube and Instagram among others.

The online connections that users create on Social network are often already a part of their physical (offline) lives but computer mediated communication helps to manage, regulate and expand their social networks. Churchill & Halverson (2005) have related social networking to the concept of six degrees of separation that promotes the idea that everyone on the globe is separated from everyone else by no more than six intermediate personal relationships.

Business performance is the act of setting corporate goals, monitoring the methods used to achieve those goals, and then creating ways for managers to more effectively achieve those goals (Jones, 2012). Business goal is what a firm intends to become and to achieve at some point in time; these are often stated in competitive terms. Organizations must act in response to changes and be obliged to have individuals able to deal with the associated facing challenges regularly, and Feedbacks received from social media sites could be utilized to upgrade business plans and make changes admitting the desire of loyal customers (Diehl, 2015). Thus, this study examines the influence of social networking on business performance of selected Small businesses in University of Ilorin, Ilorin Nigeria.

### **Statement of the Problem**

Small businesses play a crucial role in economic development and survival, and are strong drivers of new innovation which is an impetus to job creation and economic rejuvenation. The relevance of small businesses towards economic prosperity, economic growth and advancement cannot be over emphasised. Umeh (2009) acknowledged that the role of small scale businesses in the development of Nigeria economy has made it very possible for firms to depend less on imported goods or materials.

Social networking has offered a free for all stage for using social network and friends to create awareness, and small business can leverage on this and advance their business in this manner prompting to enhanced sales contend that numerous small scale businesses in Nigeria don't comprehend the effect and the possibilities of utilizing social networking, and continue to depend on traditional media to speak with their audience. In spite of the tremendous marketing openings exhibited by web-based social networking, small scale business in Nigeria confront different difficulties, for example, the absence of staff assets accessible to actualize an online networking technique. Legal restrictions likewise introduce a barrier to a portion of the small scale business organizations in utilizing social networking. Numerous small scale businesses additionally evade the use of social networking in view of the expanding instances of cybercrime.

However, social network marketing and social media campaigns provide a window to market a product or service on the Internet through different social



networks. The most common and successful means of social media marketing are found on sites like Facebook, Twitter, LinkedIn, YouTube and even company blogs. The lack of research into social media use in a small business environment provides the motivation for the study. The study addresses this gap and contributes to existing literature.

### **Research Objectives**

This research aims at examining the influence of social networking on business performance. The specific objectives are to:

- i. determine the impact of peer group on business sustainability
- ii. assess the effect of educational institution on customers' satisfaction.

### **Research Hypotheses**

Ho1- Peer group does not have significant impact on business sustainability.

Ho2- educational institution does not affect customers' satisfaction.

## **LITERATURE REVIEW**

### **Conceptual Clarifications**

#### **Concept of Social Networking**

According to Daniel (2020) social networking involves the development and maintenance of personal and business relationships using technology. This is done through the use of social networking sites, such as Facebook, Instagram, and Twitter. These sites allow people and corporations to connect with one another so they can develop relationships and so they can share information, ideas, and messages. Family members who are far apart may remain connected through personal social networking sites like Facebook. They can share photos and updates on things that are going on in their lives. People can also connect with others (notably, strangers) who share the same interests. Individuals can find each other through groups, lists, and the use of hashtags (Daniel, 2020).

Buffer (2021) maintained that Social networking is commonly used by marketers so they can increase brand recognition and encouraging brand loyalty. Since it makes a company more accessible to new customers and more recognizable for existing customers, social media marketing helps promote a brand's voice and content. For example, a frequent Twitter user may hear of a company for the first time through a news feed and decide to buy a product or service. The more exposed people are to a company's brand, the greater the company's chances of finding and retaining new customers. Marketers use social networking as a way to improve conversion rates. Building a following provides access to and interaction with new, recent, and old customers. Sharing blog posts, images, videos, or comments on social media allows followers to react, visit the company's website, and become customers (Buffer, 2021).

According to Marx, (2009) social network is the finite set of nodes (actors) and edges (ties) that link these nodes. Although the concept of social network appears to be quite obvious, almost every researcher describes it in a slightly different way.

Some scientists define a social network in a very formal way, e.g. Yang, Dia, Cheng, and Lin while others prefer more sociological approach (Marx, 2009). Coyle and Vaughn, (2008) maintained that social networking is the use of a specific type of Web site focussed on the creation and growth of online social networks which allows users to interact (Coyle & Vaughn, 2008). Kriescher (2009) defines social networking as relationships that develop out of computer facilitated discussions about shared ideas or common interests. According to Oxford dictionary, social networking is the use of dedicated websites and applications to interact with other users, or to find people with similar interests to one's own. The main focus of all the definitions is the use of networked technology to facilitate social interaction (Delby, 2009).

Elizabeth, (2012) opined that social networking is built on the idea that there is a determinable structure to how people know each other, whether directly or indirectly. Notions such as “six degrees of separation” — that everyone on Earth is separated from everyone else by no more than six intermediate personal relationships — have popularized the idea that people can be (however unknowingly) connected through common associates (Elizabeth, 2012).

Social networking sites (SNS) are empowering a new kind of time and event driven communication that cannot be ignored. As new social networking sites are being introduced at a rapid pace, businesses cannot just be bystanders but need to join the social networking bandwagon to gain strategic competitive advantages. Social networking is not a new phenomenon but definitely new with the use of computer-mediated communication especially the internet. Social networking is a novel way of increasing a person's business and/or social acquaintances by connecting with other people (Ritesh, 2012).

Technology, most importantly the internet, has revolutionised the means by which people connect. The Internet promotes social interactions and helps to exploit and develop a structure to the connections that people develop online. Social networks are vital to the psychological well-being of people (Durden, Hill & Angel, 2007). Churchill and Halverson (2005) have related social networking to the concept of six degrees of separation that promotes the idea that everyone on the globe is separated from everyone else by no more than six intermediate personal relationships.

A growth of 350 million users in over a year demonstrates the increasing popularity of social networking. The trends in SNS show a shift towards specialisation of the social networks as they are segmented according to the types of market segment they serve. SNS like LinkedIn, Viadeo, Ryze, and Ning specifically target formal business related communication whereas Facebook, MySpace, and Orkut target informal social communication. But as the popularity of Facebook demonstrates, there is a grey area as a lot of formal business activity is carried out on Facebook. Barnes and Barnes (2009) have highlighted the importance of the ubiquitous nature of SNS and how they are currently being utilized by for-profit or non-profit businesses of all sizes (Barnes, 2009).

It is imperative that the business value of SNS is established and businesses attempt to understand and utilise it to build brands, promote products and services, and engage with stakeholders. Social networking is blooming in the business world enabling professionals and executives to rub virtual elbows with stakeholders and holds ever-growing importance for businesses (Kriescher, 2009).

### Classification of Social Networking

Erlandson (2008) has developed the following classification of social networking with a brief description and examples in each category (table 1).

Table 1: Classification of Social Networking

Social networking classification	Description	Examples
Social networking site	Online community of internet users where members connect with other members to share common preferences, interests and create social network	Facebook, MySpace, LinkedIn
Social publishing site	Any form of online content creation that connects the reader to the writer to offer feedback, ask questions, and facilitate conversations.	Youtube, Wordpress, Blogger
Social Bookmarking site	Tagging(bookmarking) a webpage that allows it to be accessed from anywhere	Delicious and Diigo
Social Cataloging site	Cataloging items of interest like books and CDs.	BookArmy, aNobii

### Dimensions of Social Networking

#### Peer Group

In sociology, a peer group is both a social group and a primary group of people who have similar interests (homophily), age, background, or social status. The members of this group are likely to influence the person's beliefs and behaviour. Peer groups contain hierarchies and distinct patterns of behavior. In a high school setting for example, 18 year olds are a peer group with 14 year olds because they share similar and paralleled life experiences in school together. In contrast, teachers do not share students as a peer group because teachers and students fall into two different roles and experiences.

During adolescence, peer groups tend to face dramatic changes. Adolescents tend to spend more time with their peers and have less adult supervision. Adolescents' communication shifts during this time as well. They prefer to talk about school and their careers with their parents, and they enjoy talking about sex and other interpersonal relationships with their peers. Children look to join peer groups who accept them, even if the group is involved in negative activities. Children are less likely to accept those who are different from them. (John, 2010).

Cliques are small groups typically defined by common interests or by friendship. Cliques typically have 2–12 members and tend to be formed by age, gender, race, and social class. Clique members are usually the same in terms of academics and risk

behaviors. Cliques can serve as an agent of socialization and social control. Being part of a clique can be advantageous since it may provide a sense of autonomy, a secure social environment, and overall well-being. Crowds are larger, more vaguely defined groups that may not have a friendship base. Crowds serve as peer groups, and they increase in importance during early adolescence, and decrease by late adolescence. The level of involvement in adult institutions and peer culture describes crowds (Li, 2012).

### **Educational Institution**

An educational institution is a place where people of different ages gain an education, including preschools, childcare, primary-elementary schools, secondary-high schools, and universities. They provide a large variety of learning environments and learning spaces (Lerindis, 2018). Higher education institutions are classified according to whether they organise university or non-university provision. Those providing non-university education are further subdivided into centres which offer advanced vocational training cycles and specialised education institutions (Eudice, 2018).

- i. **University Education:** University education is provided by universities, which may be public or private. Public universities are created and private universities are recognised through one of these two options: an Act passed by the Legislative Assembly of the Autonomous Community where the institution will be located, or an Act approved by the Spanish Parliament, at the proposal of the Government, in accordance with the Government Council of the relevant Autonomous Community. The initiation of the activities of universities must be authorised by the relevant body of the Autonomous Community, after verification of compliance with the requirements for their creation or recognition. In addition, universities must apply for the institutional accreditation of their centres from the National Agency for Quality Assessment and Accreditation (ANECA) or, where appropriate, the body for external evaluation of the Autonomous Community (Eudice, 2018).
- ii. **Public Universities:** They are integrated by University Schools, Faculties, Departments, University Institutes for Research, Doctoral Colleges and by other schools or structures necessary for the development of their functions.
- a. **University Schools and Faculties:** They are the institutions responsible for the organisation of their studies and in charge of the academic, administrative and management processes that lead to the conferment of the different university degrees. Their creation, modification and withdrawal, as well as the implementation and withdrawal of studies leading to the award of an official university degree and which is valid nationwide is agreed by the Autonomous Community to which the university belongs either through the Autonomous Community's initiative with the agreement of the Government Council of the university, or through the university's own initiative through a proposal of the Government Council. In both cases a previous favourable report by the Social Council is required.

- b. **Departments:** They are teaching and research units in charge of: coordinating studies of one or more fields of knowledge in one or more university centres, according to the teaching programme of the university supporting teaching and research activities and initiatives of the teaching staff performing all other duties determind by their statutes. The establishment, modification and withdrawal of departments correspond to the university, according to their statutes.
  - c. **University Research Institutes:** Their activity focuses mainly on technical and scientific research and on artistic creation. These centres are also entitled to offer and implement PhD studies and programmes and postgraduate studies. They can be created by one or more universities, or jointly with other public or private organisations by means of collaboration agreements or other means of cooperation. Furthermore, universities can create joint research institutes, in cooperation with other public research bodies, with the National Health Service and with public or private non-profit research centres.
  - d. **Integrated higher education areas:** Their creation is promoted by universities and public authorities. They develop new channels of collaboration between the production sector, universities, vocational training institutions and other dependent bodies, so as to encourage business and scientific innovation. They constitute the university campus which incorporates vocational training centres offering higher vocational training, whose professional families are related to the areas of specialisation of the campus.
  - e. **Doctoral colleges:** Their main objective is to organise PhD programmes into one or more interdisciplinary knowledge branches. They may also include official science-oriented Master programmes, as well as many other types of training activities in the area of research. These colleges may be created by one or more universities, with the possible participation of other bodies, centres, institutions or national and international entities which carry out R&D activities.
  - f. **Public or private associated centres:** They provide official studies. The association is established by means of an agreement that has to be approved by the Autonomous Community: if the association is to a public university, it is done at the proposal of the Governing Council of the university, subject to a favourable report from its Social Council; if the association is to a private university, it is done at the proposal of the university. They must be established within the territorial scope of the relevant Autonomous Community or count with the approval of the Autonomous Community where they are located. They must comply with the rules of the State and the Autonomous Communities, the joining agreement and their own organisational and operational rules.
- ii **Non university Education**
- a. **Advanced vocational training:** Higher level vocational training can be studied in: secondary education schools, which also provide compulsory secondary education and Bachillerato national reference centres integrated vocational training centres. For the academic year 2019-2020, in the whole country there

was 2,477 centres teaching on-site Advanced vocational training, of which 1,678 were public, 321 publicly-funded private and 478 private. As for distance Advanced vocational training, it was taught by 321 centres, of which 180 were public and 141 private. Some centers offer Advanced vocational training both in on-site and distance.

- b. Plastic Arts and Design Advanced Vocational Education:** These studies can be pursued in: public schools: integrated vocational schools, art schools, art and design colleges and secondary education institutes private institutions (both associated or not): specific vocational training, secondary education, plastic arts and design and various specialised establishments.
- c. Advanced Vocational Education in Sports:** These studies can be pursued in: public schools: sports schools, integrated vocational schools, secondary schools and vocational schools private institutions (both associated or not): sports schools, specific vocational training, integrated vocational training and various specialised establishments (Eudice, 2018).

### **Web-Based Social Networking Technique and Execution**

Srinivasan, Bajaj and Bhanot (2016) considered the effect of social media strategies utilized by SMEs on client acquisition and retention. The study found that social media participation strong influence on brand trust, which thus, affects customer acquisition and retention. It was likewise found that there is a solid positive connection a sales and amount of time spent on social media and that web-based social networking promoting techniques affect customer acquisition and retention and to increment in piece of the overall industry (Srinivasan, Bajaj & Bhanot (2016).

### **Business Performance**

According to Jones, (2012) business performance is the act of setting corporate goals, monitoring the methods used to achieve those goals, and then creating ways for managers to more effectively achieve those goals. Organizational performance comprises the actual output or results of an organization as measured against its intended outputs or goals and objectives. It encompasses three specific areas of firm outcomes: (a) financial performance (profits, return on assets, return on investment, etc.); (b) product market performance (sales, market share, etc.); and (c) shareholder return (total shareholder return, economic value added, etc.). Organization performance has gained increasing attention in recent decades, being pervasive in almost all spheres of the human activity (Richard, 2009).

Performance is a contextual concept associated with the phenomenon being studied (Hofer, 2007). In the context of organizational financial performance, performance is a measure of the change of the financial state of an organization, or the financial outcomes that results from management decisions and the execution of those decisions by members of the organization. In general, the concept of organizational performance is based upon the idea that an organization is the voluntary association of productive assets, including human, physical, and capital

resources, for the purpose of achieving a shared purpose (Alchian & Demsetz, 2006).

### **Brand Awareness**

Brand awareness consists of two components: brand recall and brand recognition. Several studies have shown that these two components operate in fundamentally different ways as brand recall is associated with memory retrieval, and brand recognition involves object recognition. Both brand recall and brand recognition play an important role in consumers' purchase decision process and in marketing communications. Brand awareness is closely related to concepts such as the evoked set and consideration set which include the specific brands a consumer considers in purchasing decision. Consumers are believed to hold between three and seven brands in their consideration set across a broad range of product categories. Consumers typically purchase one of the top three brands in their consideration set as consumers have shown to buy only familiar, well-established brands (Allen, 2008).

Brand awareness is a key indicator of a brand's market performance. Brands competing in a highly globalized market invest in global advertising and distribution to compete for consumers' attention and awareness. As capitalism and global transport contribute to consumer behavior, many marketers regularly monitor brand awareness levels. If these levels fall below a predetermined threshold, the advertising and promotional effort is intensified until awareness returns to the desired level. In marketing planning and brand management, it is important to set objectives to promote brand awareness to motivate consumers to purchase a given brand's products. Brand awareness is one of the major brand assets that add value to the product, service or company. Investing in building brand awareness can lead to sustainable competitive advantages, thus, leading to long-term value (Diehl, 2015).

### **Business Sustainability**

A sustainable business, or a green business, is an enterprise that has minimal negative impact or potentially a positive effect on the global or local environment, community, society, or economy a business that strives to meet the triple bottom line. They cluster under different groupings and the whole is sometimes referred to as "green capitalism." Often, sustainable businesses have progressive environmental and human rights policies. In general, business is described as green if it matches the following four criteria (Casaló, Luis V., Flavián Carlos, and Miguel Guinalíu. 2009):

- (i) It incorporates principles of sustainability into each of its business decisions.
- (ii) It supplies environmentally friendly products or services that replaces demand for nongreen products and/or services.
- (iii) It is greener than traditional competition.
- (iv) It has made an enduring commitment to environmental principles in its business operations.



## Customer Satisfaction

Customer satisfaction (often abbreviated as CSAT) is a term frequently used in marketing. It is a measure of how products and services supplied by a company meet or surpass customer expectation. Customer satisfaction is defined as “the number of customers, or percentage of total customers, whose reported experience with a firm, its products, or its services (ratings) exceeds specified satisfaction goals.” Customers play an important role and are essential in keeping a product or service relevant; it is, therefore, in the best interest of the business to ensure customer satisfaction and build customer loyalty (Liu, 2012).

## Theoretical Review

### Symbolic Interactionism Theory

*The pioneer of this theory is George Herbert (1863-1931). Symbolic Interactionism* claims that society is composed of ever-present interactions among individuals who share symbols and their meanings. This is a very useful theory for understanding other people, improving communication, and in understanding cross-cultural relations. Values, communication, witch-hunting, crisis management, fear from crime, fads, love, evil and sin, what's hot and what's not, alien abduction beliefs, “who I am,” litigation, mate selection, arbitration, dating joys and woes, and both personal and national meanings and definitions can all be better understood using Symbolic Interactionism. Once one realizes that individuals are, by their social natures, very symbolic with one another, then you begin to understand how to persuade your friends and family, how to understand others' points of view, and how to resolve misunderstandings. This theory is interested in meanings. Think about these three words, LOVE, LUST, and LARD. Each letter is a symbol. When combined in a specific order, each word can be defined. Because we memorize words and their meanings we know that there is a striking difference between LOVE and LUST. We also know that LARD has nothing to do with either of the other two terms. Contrast these word pairs hate versus hope, help versus hurt, advise versus abuse, and connect versus corrupt. These words, like many others carry immense meaning and when juxtaposed sound like the beginning of philosophical ideas. For the purpose of this study, Symbolic Interactionism Theory is adopted because it helps to understand people, improve communication, and enhance cross-cultural relations. With the application of this theory, family disintegration will reduce in the society and peace, tranquility and happiness will increase. Once employee realizes that individuals are, by their social natures, very symbolic with one another, then they begin to understand how to persuade their friends and family, how to understand others' points of view, and how to resolve misunderstandings.

## Empirical Review

Ayedun (2014) examined the impact of advertising procedures on corporate execution of estate surveying and valuation firms in Kaduna City of Nigeria. The



study found that there is a positive relationship between marketing methodologies adopted and corporate performance of the firms.

Dlodlo and Dhurup (2010) explored barriers to e- marketing adoption among SMEs in the Vaal Triangle of South Africa. It was found that the real obstacles towards the non-appropriation of e-marketing incorporate innovation incongruence with target markets, absence of learning, partner unreadiness, and innovation confusion and innovation recognition (Dlodlo and Dhurup, 2010).

Durkin & McGowan (2013) investigated web-based social networking reception in little to medium-sized ventures in Ireland. It was found that an assortment of various ways to deal with web-based social networking selection which regularly changed by hierarchical setting and staff competency level. It was additionally observed that organizations shared nervousness were they not to embrace what was seen to be another crucial tool for business development.

Kabue (2013) researched factors affecting adoption of social media advertising on development of SMEs in Nairobi County. The study discovered that a large portion of the respondents have access to web and are making a tremendous access in web-based social networking sites with less consideration regarding undertaking internet advertising (Kabue, 2013).

Nyambu (2013) explored the impact of social media marketing on performance of telecommunication firms in Kenya using the case of Safaricom Ltd. The study found that social media enhanced the performance of the organization as it offers a stage for advertising at a cheaper cost contrasted with different types of marketing accessible. The study additionally settled that special promotional campaign boosted performance of telecommunication firms in Kenya as it expanded deals and income past the advancement time frame (Nyambu, 2013).

## Methodology

To achieve the objective set for the study the researcher used simple random sampling to select the respondent because the population is relatively small which means all the population was used as the sample size, the study made use of primary source of data, the method used in gathering information was questionnaire. A complete census of 84 owners of SMEs was used to gather information from the selected small businesses in University of Ilorin. Two hypotheses were formulated and tested using multiple regression analysis.

## Test of hypotheses

**H<sub>01</sub>: Peer group does not have significant impact on business sustainability**

**Table 1: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.724	.525	.507	.431

*Source: field survey, 2021*

Predictor: (Constant), peer group

Table 1 presents the model summary. It shows that the correlation coefficient  $r$  is .724 (i.e.  $r = 0.724$ ) which indicates that there exists a very strong positive linear relationship between business sustainability (dependent variable) peer group (independent variable). It is also clear from the table 4.4.2a above that the  $r^2$  which is the coefficient of determination is 0.525 approximately 53%. This shows that 53% of business sustainability can be explained by peer group while the remaining 47% are variables that are not captured in the model.

Table 2: ANOVA

Model	Sum of Squares	Sum of Squares	Df	Mean Square	F	Sig.
1.	16.411	16.411	3	5.470	29.422	.000
	14.874	14.874	80	.186		
	31.286	31.286	83			

Source: SPSS output

a. Dependent Variable: business sustainability

b. Predictors: (Constant), peer group

Table 2 shows that the analysis of variance of the fitted regression equation is significant with F value of 29.422 this is an indication that the model is fit. Since the p-value is less than 0.05, it shows a statistically significant relationship between the variables at 95 per cent confidence level.

Table 3: ANOVA

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.910	.353		5.404	.000
	Gender	.056	.052	.084	1.084	.000
	Behavior	.051	.046	.090	1.120	.000
	Social class	.516	.061	.681	8.393	.000

Source: field survey, 2021

a. Dependent Variable: business sustainability

Table 3 above shows the estimated coefficient of the variables included in the regression model, standard error, calculated t-value and p-value. The coefficients of the individual independent variable indicated that gender (0.000), behavior (0.000) and the social class (0.000) have a significant influence on quality service. The t-statistics value of (1.084) gender, (1.120) behavior and (8.393) for the Visual control and Beta standard coefficients (0.840) for gender, (0.090) behavior and (0.681) for social class further suggest that there is a significant relationship between peer group and sustainability. Since alpha level of 0.05 is greater than the p-value of the variables. Social class has the highest impact on business sustainability. This is because employees social class impact on their physical health, their ability and their behavior at work which have a significant impact on the organization success.

Therefore the null hypothesis is rejected while the alternative hypothesis is accepted, which state that peer group has a significant effect on business sustainability. Peer group helps to determine and define employee's morality in senses that employee's social class impact on their physical health, their ability and their behavior at work which have a significant impact on the organization success.

## Ho2: Educational institution does not affect customer's satisfaction

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.743	.553	.536	.629

Source: Field Survey, 2021

Predictor: (Constant), Educational institution

Table 4 presents the model summary. It shows that the correlation coefficient  $r$  is .743 (i.e.  $r = 0.743$ ) which indicates that there exists a very strong positive linear relationship between customers satisfaction (dependent variable) and educational institution (independent variable). It is also clear from the table 4.4.3a above that the  $r^2$  which is the coefficient of determination is 0.553 approximately 55%. This shows that 55% of customer's satisfaction can be explained by educational institution while the remaining 45% are variables that are not captured in the model.

Table 5: ANOVA

	Model	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	39.142	3	13.047	32.962	.000b
	Residual	31.667	80	.396		
	Total	70.810	83			

a. Dependent Variable: customers satisfaction

b. Predictors: (Constant) educational institution

Table 5 shows that the analysis of variance of the fitted regression equation is significant with F value of 32.962 this is an indication that the model is fit. Since the p-value is less than 0.05, it shows a statistically significant relationship between the variables at 95 per cent confidence level.

Table 6: Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.769	.347		2.216	.000
	Educational diversity	.780	.130	.705	5.979	.000
	Educational level	.021	.241	.022	.088	.000
	Educational knowledge	.026	.211	.028	.122	.013

Source: field survey

a. Dependent Variable: customers satisfaction

The table above shows the estimated coefficient of the variables included in the regression model, standard error, calculated t-value and p-value. The coefficients of the individual independent variable indicated that level of educational diversity

(0.000), educational level (0.000) and educational knowledge (0.013) have a significant influence on customer's satisfaction. The t-statistics value of (5.979) educational diversity (0.088) Educational level and (0.122) for Educational knowledge and Beta standard coefficients (0.705) for Educational diversity (0.022) for educational level and (0.028) for Educational knowledge further suggest that there is a significant relationship between educational institution and customers satisfaction. Since alpha level of 0.05 is greater than the p-value of the variables. Educational diversity has the highest impact compare to other indicators. This is because diverse educational workforce helps to foster creativity and innovation in the firm. Therefore the null hypothesis is rejected while the alternative hypothesis is accepted, which state that educational institution has a significant effect on customer's satisfaction. Entrepreneurial education provides the individuals with the ability to recognize commercial opportunities, self-esteem knowledge and skills to act on them. It includes instruction in opportunities, recognition, commercializing a concept and managing resources in an effective and efficient manner.

## **Conclusion**

Based on the findings, it can be concluded that peer group influences business sustainability. A peer group allows an organisation to have access to information and resources which can be used to develop, expand and support their leadership system. It enables more deeply impact on work, team which leads to organizational effectiveness.

And lastly, the study concluded that educational institution has a significant effect on customer satisfaction. Educational institution facilitates quality learning all through the life among people of any age group, cast, creed, religion and region. It helps organisation to achieve knowledge, values, skills, beliefs, and moral habits which can be used to satisfy the customers effectively and efficiently.

## **Recommendations**

*Based on the findings and conclusion, the following will be recommended that:*

- (i) Organisations should also use peer group to influence business sustainability. This can be better achieved through recruiting appropriate gender, behavior and social class of people into the organisation in order to improve the sustainability of the company.
- (ii) And lastly, they should facilitate quality learning from educational institutions so as to increase customers' satisfaction. Organisation should recruit diversified workforce in order to enhance innovation and creativity which will in turn improves the organisational performance.

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# ENTREPRENEURIAL NETWORKS AND SURVIVAL OF SOCIAL ENTERPRISES IN NIGERIA

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## ABSTRACT

*The non-profit nature of social enterprises in addition to their social objectives imposes certain constraints on their performance which threatens their survival. Thus, they rely on their network of relationships to acquire the needed support, information, and resources to enhance the attainment of their objectives. In light of this, the study evaluated the influence of entrepreneurial networks on the performance of social enterprises. The objectives of the study were to; examine the influence of personal network on access to fund; and evaluate the effect of professional network on manpower resources. A survey research design was adopted and 106 Non-Governmental Organizations (NGOs) were sampled for the study. Data were collected through structured questionnaire and were as analyzed using Structural equation model with the aid of Smart PLS3 software. Thus, the study found statistically significant relationship between personal networks and access to fund. Also, professional network significantly influences manpower resources. The study concluded that entrepreneurial networks influence social enterprises survival. The study recommended that for social enterprises to increase the funds available to them as well as improve the quality of their workforce, they should improve their networking behaviors such as discussions with family, friends, acquaintances as well as active participation in professional associations as a way of building new contacts as well as strengthening and maintaining existing contacts so as to facilitate idea generation, access to funds, information, and referrals.*

**Keywords:** Entrepreneurial networks, social enterprises survival, personal network, professional network, NGOs.

## INTRODUCTION

Social enterprises otherwise called social economy organizations play an important role in advancing the wellbeing of members of the society in such areas as health care, education, poverty, social justice, and environmental protection (Tiwari, 2015). As opined by Dees (1998), a private organization dedicated to solving problems, serving the disadvantaged, and providing socially important goods or services that were not, in their judgment, adequately provided by public agencies or private markets is what is referred to as a social enterprise. In other words, social enterprises' core mission is concerned about creating social value for public good

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as opposed to the commercial enterprises which focuses on creating profitable operations resulting in private gain (Austin, Stevenson, & Wei-Skillern, 2006). However, in Nigeria there is no distinct and recognizable legal form or category of corporation called social enterprise. Thus, social enterprises in Nigeria mainly take the forms of NGOs or Foundations. This is not only peculiar to Nigeria but to other countries as well. For instance, Staicu (2017), submits that European social enterprises are often 'hidden' among existing legal forms as associations, foundations with commercial activities, cooperatives, and mainstream enterprises pursuing an explicit and primary social aim.

Furthermore, resource scarcity particularly insufficient funds and poor quality of workforce represents some of the biggest problems of social enterprises which hinder their performance. on the one hand, the problem of insufficient funds results from difficulty in securing grants, attracting donors and investors, on the other hand, the problem of poor workforce results from difficulties in attracting and retaining qualified and competent workforce (Baporikar, 2017; Briga, 2009). However, given the importance of networks of relationship, it is asserted that this problem can be mitigated if NGOs utilize their networks appropriately as networks have been shown to play a crucial role in enhancing the performance of business enterprises. Moreover, Leadbeater (1997) opined that social entrepreneurs will only succeed if they are good at establishing networks of support. Furthermore, extant literature on network effects predominantly focus on commercial enterprise performance where profit, sales, and market share are some of the main drivers of success (for example, Oprica, 2013; Busch, 2014; Brady & Haugh, 2016; Bjarsholm, 2019; Bernadino & Santos, 2019) whereas these drivers are not suitable for social enterprises whose focus is on social value not commercial value.

In addition, network studies focus on different dimensions of network analysis such as structural dimensions, relational and functional dimensions. The relational dimension of network is concerned about the qualities of ties and commitments, the structural dimension is concerned about the morphology (design) of network and the functional dimension is concerned about the function or content of ties (Bienzle, Gelabert, Jutte, Kolyva, Meyer, & Tilkin, 2007). However, studies on network appears to be skewed towards the structural and relational dimensions, whereas the functional dimension is also important. Moreover, the structural and relational perspectives fails to show the use or function of a network rather they describe the network as such the focus of this study is on the functional dimension of network analysis. In addition, it has been observed that few studies utilize a quantitative methods of analysis of networks and social enterprises (for example, Weber & Kratzer, 2013; Ferri, 2014). So also, there appears to be paucity of empirical studies in Nigeria which evaluates the effect of entrepreneurial networks on the survival of social enterprises. From the foregoing, this study focuses on the functional dimensions of personal network and professional network as they affect



the survival of social enterprises in the form of availability of fund and quality of workforce. Furthermore, the study also concentrates on Non-Governmental Organizations in Abuja, Nigeria. Therefore, the objective of this study is to examine the effect of entrepreneurial network types on the survival of social enterprises. Specific objectives were to:

- (i) assess the influence of personal network on availability of funds to social enterprises; and
- (ii) evaluate the effect of professional network on quality of workforce of social enterprises

The study also has the following Hypotheses:

**H01:** Personal network does not significantly influence availability of funds;

**H02:** Professional network has no significant effect on quality of workforce

## **2.0 Conceptual Review**

### **2.1 Concept of Entrepreneurial Network**

A network sometimes called a social network is the web of relationships that connect people. The term “social” is often used to distinguish a network of people from other types of networks or networks of objects such as computer or phone networks or even road networks. However, this type of network or relationship could be purely social, to include friends, family, acquaintances, or involve the flow of information or goods and services between people or business connections. Networks are made up of “nodes” and “ties”. Nodes refer to actors who could be individuals, groups, or organizations while ties are the connections or relationships between nodes. It has been opined that networks are useful to actors such that they provide resources, emotional as well as moral support. Specifically, among the most important resources that networks provide are information, access to finance, access to skills, knowledge, and advice (all of these aids competency), Social legitimacy, Reputation, and credibility, etc. (Klyver, Hindle, & Meyer, 2008). However, Entrepreneurial network is referred to as the sum total of relationships in which an entrepreneur participates and which provide an important resource for his/her activities (Dodd & Patra, 2002). This implies that entrepreneurial network is viewed from both inter-personal and inter-organizational perspectives and can include both individuals and firms. Similarly, (Perera, 2015) opined that an entrepreneurial network refers to any type of contact with external parties that the entrepreneur uses to gain access to external resources.

### **2.2 Entrepreneurial Network types**

Entrepreneurial networks have been categorized differently by different authors. For example, formal and informal networks (Birley, 1985), voluntary and compulsory networks (Curran, Jarvis, Blackburn, & Black, 1993), social network, business focused network, and inter-organizational strategic network (Butler & Hansen, 1991),



demand related network, supply related network, support networks (Bryson, Wood, & Keeble, 1993), social network, support network, inter-firm network (Premaratne, 2002) and personal, professional, associative, and institutional network (Carlos, Carmen, & Jesus, 2016). However, the focus of this study is on the personal network which is basically same as social, informal, or voluntary networks as identified by some authors and professional network which is basically same as business focused network, formal network, and supply related network as classified by other authors.

### **(i) Personal Network**

Personal network sometimes referred to as social network entails contacts and relationships with family, friends, and close acquaintance. This network is normally symmetrical (without hierarchies) and also involves voluntary relationships among individuals sharing common characteristics and interests (Carlos et.al. 2016). Personal networks are used interchangeable with social networks because they are basically made up of the same actors or members. Personal networks have been found to be useful at every stage of an organization such as entrepreneurial stage, business stage, and on-going stage (Premaratne, 2002). Literature on social capital often considers the benefit of personal networks to be related to bonding social capital which refers to the value embedded in the relationships between people in a group who know each other well (i.e., family members and close friends). Such networks are associated with strong ties, cohesiveness, trust, and reciprocity, which allow exchange of resources between members (Davidssonan & Honig, 2003). Personal networks offer an array of support to individuals in the forms of moral support, idea generation, and provision of fund. In addition, Dwyer and Handler (1994) reported that the critical forms of support received by entrepreneur's personal network were the promotion of the entrepreneurial concept, help with opportunity identification, and, especially, provision of finance. In addition, Premaratne (2002) reports that, entrepreneurs looking for funding from some formal sources such as banks, dealing with any other regular business activities, scarcely ever receive these things without personal contacts as a result of the inherent institutional problems in most developing countries such as corruption, political involvement, and traditional bureaucratic systems.

### **(ii) Professional Network**

Professional networks refer to relationships with partners, workers, suppliers, customers, and colleagues. This is sometimes referred to as business network and is always formal in nature. According to Davidson and Honig (2003), professional networks are related to the entrepreneur's past and present professional activities, and are an essential source of bridging social capital. Basically, social capital is referred to as the value embedded in social relationships of individuals or groups and it is largely classified as bonding social capital and bridging social capital. Bonding capital denotes ties among people who are very close to one another such as family,

close friends, neighbors. Usually actors that belongs to a bonding networks share common characteristics such as class, religion, education, etc. whereas, the bridging social capital denotes a more distant ties with people such as loose friendships and workmates who differ on key personal characteristics. According to Folmer et.al (2018), professional networks of social enterprises mostly provides them with information, general support, knowledge and also recruiting key expertise needed.

### **2.3 Concept of Social Enterprise**

Generally, there are three sectors in any given country which includes the public sector, the private sector and what is sometimes referred to as the social sector or social economy. The public sector is overseen by governments and is focused on provision of defense, public safety, education and several other public needs while the private sector is centered on profits for private purposes. The third sector is made up of private organizations who are driven by social mission rather than commercial mission.

Extant literature shows that there is no universally accepted definition of social enterprises. However, this study upholds the view of Dees (1998) that sees social enterprise as a private organization dedicated to solving problems, serving the disadvantaged and providing socially important goods or services that were not, in their judgment, adequately provided by public agencies or private markets. In this regard, social enterprises are non-profit organizations such as foundations, NGOs, and associations created to raise funds for social support. However, the organizational form that social enterprises take or adopt depends on the existing legal frameworks of the political economy, welfare provision, and on both cultural and historical traditions of non-profit development in each country (Wronka, 2013). In other words, their main purpose of social enterprises is to provide goods and services either to their member or to the community at large (Staicu, 2017).

Defourny and Nyssens (2012), proposed three indicators for identifying social enterprises but these indicators are not intended to represent the set of conditions that an organization should meet to qualify as a social enterprise as they merely describe an “ideal-type” in Weber’s terms. These dimensions are the social dimension, economic/entrepreneurial dimension and participatory governance dimension. The Social dimension reflects an explicit aim to benefit or serve the community or a specific group of people. The economic and entrepreneurial dimension reflects a continuous activity of producing goods and/or services which represents one of the main reason for the enterprises existence as well as a significant level of economic risk i.e. the financial viability of social enterprises depends on the efforts of their members to secure adequate resources for supporting the enterprise’s social mission. The Participatory governance dimension entails that Social enterprises have a high degree of autonomy such they are not managed, directly or indirectly, by public authorities or other organizations. Thus, NGOs as social enterprises are legally

constituted corporations created by natural or legal people that operate independently from any form of government (Stankowska, 2014). Xavier (2019) posits that NGOs may be classified on the basis of scale of operation, location, and focus area. On the basis of scale of operations, they are large scale NGOs and small scale NGOs. On the basis of location, they are Regional, national, and international NGOs. On the basis of focus area, NGOs focus on areas such as Environment, human right, social issues, campaigning groups, watch-dog organization, education, emergency relief and reactive priorities, emergency prevention and proactive properties. However, as per World Bank classification, NGOs are either operational NGOs with their main purpose as the design and implement the development-related projects or Advocacy NGOs with their main purpose as the promotion of a specific cause such as raising awareness and knowledge by doing various activities like lobbying, press work and sector activist events.

## **2.4 Organizational Survival**

The term organizational survival is loosely defined and does not have a universal definition. It has been opined that the construct depends on a number of factors associated with each organization. Thus, a lack of universal definition makes it challenging for professionals to concur about what exactly they mean by organizational survival. Luo and Wang (2012) opine that there are as many interpretation of the term as the studies that have used the construct. However, it should be measured in economic (a focus on financial and market outcomes) and operational terms (a focus on observable indices like firms social capital and competitive edge derived from capabilities and resources). In the context of this study and with respect to social enterprises, two indicators in the form of availability of funds and quality of workforce are used to measure survival of social enterprises.

### **(i) Availability of Funds**

It is noteworthy that no organization can survive without funds for its operation. In fact, availability of funds is critical to survival as it can be used to acquire other vital resource. With respect to social economy organizations, particularly NGOs, Burger and Owens (2011) posits that the main determinant of survival and sustainability appears to be access to grants (Finance) and NGOs without such access struggle to survive. Financial resources are basically the funds at the disposal of the enterprise and intended for the implementation of the current costs and expenses for expanded production, for the fulfillment of financial obligations and economic incentives for employees (Cullen, 2003). In furtherance, business entrepreneurs funds primarily come from the sale of goods or services that are offered to the market as well as some credit facilities whereas, a social entrepreneur's funds come, in many cases, from donations or grants (Simo'n-Moya, Revuelto-Taboada, & Ribeiro-Soriano, 2012). As a non-profit organization, NGOs rely on several sources of funding such as private donations, grants from other non-profits, government funding, sales of

goods and services, and membership dues (<https://www.investopedia.com/ask/answers/13/ngos-get-funding-asp>).

## **(ii) Workforce quality**

Basically, the workforce of an organization refers to the people engaged in or available for work either in an area or in a particular firm or industry (concise oxford dictionary). Workforce is sometimes referred to as human resources when viewed as a factor input in the production of goods or services. In line with this, human resources is the skills, energies, knowledge (competence) of people which are applied to production of goods or rendering of services. Similarly, Carlos et.al (2016), viewed human resource as the professional quality and qualifications of the workforce or personnel of an organization. It has been opined that the ability to attract and retain skilled workforce is an indicator of organizations credibility and their ability to produce tangible results (Amagoh & Kabdiyeva, 2012). According to Iwuet.al (2015), important criteria in evaluating the organizational effectiveness in non-profit organisation include human resources.

## **2.5 Theoretical Review**

A theoretical review refers to the theory that a researcher chooses to guide him/her in his/her research. Thus, a theoretical framework is the application of a theory, or a set of concepts drawn from one and the same theory, to offer an explanation of an event, or shed some light on a particular phenomenon or research problem (Imenda, 2014). Drawing from the extant theories relating to networks the social capital theory was adopted. This theory was chosen because it explains the value of networks which is the theme of this study. In other words, Social Capital theory focuses on the functional dimension of networks explaining the use and benefits accruable from networks of relationship which is expected to facilitate survival of an entity by providing crucial resources, information, and flow of funds.

### **2.5.1 Social Capital Theory**

The development of social capital theory has been largely credited to the works of Bourdieu, Coleman, and Putnam. Though their views vary slightly, the underlying theme of their works is centered on the value of network of relationships. Alfred (2009), opines that four components namely networks, resources, norms, and trust are a common characteristics of the works of the aforementioned authors. Social capital theory is basically built on the assumption that a person's family, friends, and associates constitute an important assets that can be capitalized on in times of need, leveraged for capital gain, or enjoyed purely for human interaction it affords ( Alfred, 2009). According to Bourdieu (1986), social capital refers to the actual or potential resources that are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance and recognition of membership in a group which provides each of its members with the backing of

the collectively owned capital. In addition, Nahapiet and Ghoshal (1998), submits that social capital is the sum of the actual and potential resources embedded within, available through, and derived from the network of relationships an individual has. According to Lin (2001), certain benefits accrue through social networking and they include;

- (i) facilitates the flow of information from those with access to those with a need to know
- (ii) Social ties influence those in power positions to behave favorably towards those who are in less desirable positions and who rely on them for help in improving their conditions
- (iii) Those in power positions may serve as social credentials for those seeking entry in employing organizations and other institutions

Social relations are expected to reinforce an individual's identity and visibility within a social group or community.

Social capital facilitates acquisition of resources by promoting a flow of information and funds from diverse sources, and it drives the creation of intellectual capital by establishing the conditions for exchange or aiding the development of new resources (Carlos, et.al, 2016).

## 2.6 Empirical Review

Extant literature on Network studies shows a focus on different network dimensions and types as well as on variety of organizations operating in different sectors. For instance, Weber and Kratzer (2013), conducted a study on social entrepreneurship, social capital and social value creation using quantitative analysis. Using an international data of 390 social enterprises from the Schwab foundation database, the study utilized quantitative techniques (OLS regression analysis) to determine the effects of social networks on social enterprises success. The study focused on the structural dimensions of networks such as network quantity, network widespread and network diversity on success of social enterprises which is measured by social impact, social replicability, and financial resources. However, it was found that social impact, social replicability, and financial resources are significantly influenced by large network size, dispersed or widespread networks, and network diversity. This study focused on the structural aspect of network as such it is only able to capture the influence of network design on success of social enterprises and not the function or use of the network itself.

Carlos et.al. (2016) in their study of entrepreneurs' social capital and the economic performance of small businesses sought examine the effects of personal networks, associative network, professional network, and institutional network on small firms' economic performance. Specifically, the study measured the aforementioned networks in terms of their contribution to achieving financial

resources, technological resources and innovation capabilities, business capabilities, management capabilities, and human resources. utilizing a survey research design, the study elicited responses from 951 small and medium enterprises in Spain and a moderated hierarchical regression analysis was performed which revealed that professional and institutional networks had a significant influence on the economic performance of small and medium enterprises while the effects of personal and associative networks on economic performance were not significant.

Folmer et.al (2018) conducted a study on Network importance and use by commercial and social enterprises. The study sought to understand the importance of entrepreneurial networks to the emergence and growth of social and commercial enterprises as well as what these networks are used for. Haven interviewed 23 entrepreneurs; the study found that networks are highly important to both social and commercial enterprises. However, social enterprises largely rely on their networks to achieve legitimacy and to access intangible assets such as knowledge, advice, information and ideas. Specifically, the study found that social enterprises use associative network to gain legitimacy, institutional network to access tangible resources particularly finance, and professional network for finding new opportunities. Although the study has investigated the importance of network to social enterprises which appears to be an underexplored area, the use of quantitative analysis is also required to be able to determine not only the importance of these networks and what they are used for, but the extent to which they contribute to the emergence and growth of social enterprises.

Das and Goswami (2019), researched on the effect of entrepreneurial networks on small firm performance in Kamrup, a district of Assam. The study focused on the structural characteristics of entrepreneurial networking using network size, density and centrality dimensions as well as two types of network namely; competitive networks and supportive networks. The study utilized 35 firms whose manager/owners were interviewed to elicit response in a bid to achieve its stated objectives. Furthermore, a hierarchical regression analysis was performed to determine the effects of the independent variables on the dependent variable of subjective firm performance. Findings of the study shows that network density and centrality have a positive impact on firm performance. In addition, high level of density increases the closeness and high level of centrality increases the quickness in quality of resources and information. However, in case of network size, competition and supportive network don't play a significant role in increasing in firm performance.

### **3.0 Methodology**

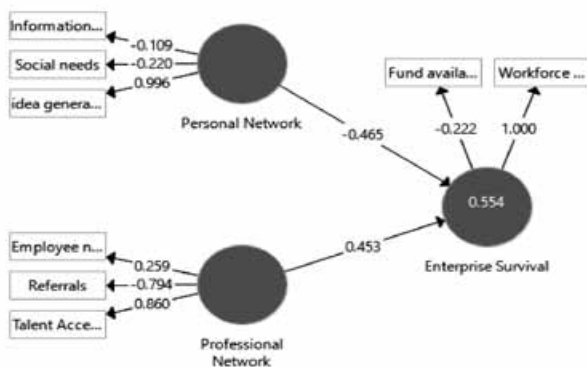
In order to achieve the stated objectives, the study adopted a survey research design because the data needed for the study requires the opinions of the respondents being surveyed. The Population of this study comprised NGOs in Abuja from which a member of the management team of each NGO is selected to respond to the questionnaire items. Abuja is chosen because there is a relatively large

number of NGOs concentrated in this area. Multi-stage sampling techniques which comprised of stratified, purposive and availability sampling were used to select the respondents. Furthermore, efforts to identify and obtain a list containing all the NGOs in Abuja through the Corporate Affairs Commission (CAC) was futile because the commission has no distinct list for NGOs but rather a robust list containing different forms of organizations. Therefore, the researchers opted for a list of NGOs who are domiciled in Abuja and registered with the Nigerian Network of NGOs (NNGOs) which is an organization or membership body for civil society organizations in Nigeria and has been operational in Nigeria since 1992. Thus, the study sampled those NGOs whose main purpose fits with the operational NGOs as categorized by the World Bank. Basically, operational NGOs focus primarily on the design and implementation of development related projects while advocacy NGOs primarily focus on promoting or defending a specific cause and influence policies and practices of the government. In light of the above, a list of NGOs obtained from the official website of the NNGOs as at June 2020 revealed a total number of 367 NGOs operating in Abuja. Based on the thematic areas by which the association grouped its members, a total of 106 NGOs were operational NGOs while the remaining 261 were advocacy NGOs. Thus, 106 NGOs were sampled for the study out of which 17 of them were unwilling to participate in the study upon contact with them. Thus a total of 89 copies of validated questionnaires with Cronbach's Alpha of 0.82 were administered by the researchers' with the aid of research assistants. Information obtained from the questionnaire was collated, scrutinized, and analyzed using Structural Equation Model (SEM) with the aid of SMARTPLS 3 software.

#### 4.0 Data Presentation and Analysis

The collated data were scrutinized and the usable instruments were seventy eight out of 89 with a success rate of 87.6%. The path model of the variables is shown in the next page:

Figure 1: Social Networks and Survival of Social Enterprises' path model



Source: Researchers' Path Model, 2021



The figure 1 shows the path model analysis of the social networks influence on social enterprises survival. Social networks adopted for the study are personal networks – proxied by information accessibility, idea generation and social needs/capital; and professional networks – proxied by talent accessibility, referrals and employee needs. These variables were checked against the social enterprises survival proxies which were fund availability and quality of workforce. Figure 1 present interaction effects where more than single variables contribute to the latent variables.

Table 1: PLS Path Coefficients

	Enterprise Survival	Personal Networks	Professional Networks
Enterprise Survival			
Personal Networks	-0.465		
Professional Networks	0.453		

Source: SMARTPLS Output, 2021

The findings from the path coefficients table show a given standardization of weight ranging from -1 to +1 and the closeness of the weight to absolute 1 shows the strongest paths. On the other hand, weights close to zero reflect the weakest paths (Risher, 2018). All the personal networks metrics measured show a negative contribution to the latent variable. The absolute magnitude of professional networks gives a better coefficient to social enterprises survival. This implies that professional networks path of talent accessibility, referrals and employee needs are good model for the prediction of social enterprise survival. The identified variables contribute significantly to the prediction of social enterprises survival of the sampled social enterprises.

Table 2: Outer loading

	Enterprise Survival	Personal Networks	Professional Networks
Employee needs			0.259
Fund availability	-0.222		
Information accessibility		-0.109	
Referrals			-0.794
Social needs		-0.220	
Talent accessibility			0.860
Workforce Quality	1.000		
Idea generation		0.996	

Source: SMARTPLS Output, 2021

The outer model shows the indicators contribution to the definition of the latent variables. Though, the closer the loading to 1 the better, the convention of well-fitting reflective model state that the path loading must be above 70% (criterion for minimum measurement loading) which explained about half of the variance in the indicator and its factor should be greater than error variance. From the result outputs, employee needs, fund availability, information accessibility, and social needs

could have been dropped but dropping the indicators did not improve composite reliability. Outer weight model vary from zero to an absolute maximum lower than 1, it has been established that the more the indicators for a latent variable, the lower the maximum and the lower the average outer model weight. The results of outer model weights justify why the weak loading could not be dropped as all the loading weights were greater than 0.50 except social need. Also, these variables were major constituents of the latent variables from the social enterprise literature.

Table 3: R Square

	R Square	R Square Adjusted
Enterprise Survival	0.554	0.542

Source: SMARTPLS Output, 2021

The common effect size measure in the path shows the R square of 0.554 which implies that 55.4% of the variance in social enterprise survival can be explained by the joint model of social enterprise networks metrics proxies by personal and professional networks. This is a moderate effect as the identified variables influence social enterprise survival which implies that the remaining 44.6% is due to other variables not included in the model. Though, R-square greater than 80% suggests a possible multicollinearity problem (Tolerance = 1- R<sup>2</sup>) but in this case, there is no multicollinearity problem as tolerance in this data set is greater than 0.25 at the extreme. However, adding predictors to a regression model tends to increase R<sup>2</sup>. The adjusted R-square of 0.542. The adjusted R<sup>2</sup> is close to the unadjusted R square in this model because of the small number of variables involved in the model.

Table 4: f square

	Enterprise Survival	Personal Networks	Professional Networks
Enterprise Survival			
Personal Networks	0.437		
Professional Networks	0.415		

Source: SMARTPLS Output, 2021

The weight of these variables is shown in the f square table where the changes in contributions of social enterprise networks metrics were revealed according to their importance. The f square result revealed the strength of the path in the change effect. The contributions change of social enterprise network metrics are 0.437 and 0.415 to the latent variable (Social enterprise survival). The variance in the change effect of social enterprise networks metrics are close and have significant effect. With this, information accessibility and social needs of personal network have significant change effect but the weight path coefficient is negative which implies that chances of survival of social enterprises with strong personal networks is high. The change effect of personal network (proxied by information accessibility, social needs and idea generation) and professional networks (proxied by talent accessibility, referrals

and employee needs) was major predictor of social enterprise survival. This is important because the goal of social enterprises is majorly to solve social problems without profit motives. For their survival, it is important to create channels and build networks of relationship and support. The implication of this is that talent accessibility, information accessibility, referral, social needs/capital, and idea generation contributed most significantly to the change effect of social enterprise survival in terms of fund availability and quality of workforce. Thus, it is important for the social enterprises facilitators to take these variables seriously to enhance social enterprise survival.

Table 5: Bootstrapping Path Coefficients

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV )	P Values
Personal Networks -> Enterprise survival	-0.465	-0.440	0106	4.370	0.000
Professional Networks -> Enterprise survival	0.453	0.479	0.124	3.664	0.000

Source: SMARTPLS Output, 2021

The PLS bootstrapping output showing the t and p value revealed that any t value above 1.96 will be significant at 95% confidence interval and 5% significance level. From the output result in table 5, it was observed that both personal and professional networks indices were significant in the prediction of social enterprise survival at .05 probability level. This implies that identified social enterprise networks influence social enterprise survival. Though, the identified variables of the study were capable of predicting social enterprise survival of the selected enterprises.

The output of the analysis revealed that for the social enterprises to discharge their responsibility of solving social problems and still survive in terms of fund availability and quality of workforce which is capable of enhancing business survival and continuity, there is need for social enterprise facilitators' families to support their social entrepreneurship drive. The society should be ready to support social entrepreneurs and give them the necessary support. Funds should be made available for seed and survival capital for the smooth running of their businesses and windows of opportunities such as donations should be made available by government to encourage and support social enterprises. Likewise, avenues should be created for collaborations with some local and international agencies in solving some identified social problems to corroborate government efforts towards a better society. It was also revealed that the loading weight of fund availability of social enterprise survival was also below the 0.70 cut off suggested for the loading weight. The enterprise survival is likely to increase if information accessibility and social needs/capital are enhanced. However, social enterprise networks metrics influence social enterprise survival in Nigeria.

## 4.5 Discussion of findings

The study evaluated the influence of social enterprise networks on the survival of social enterprises. Specifically, it examined the influence of the personal network on the availability of funds, and professional network on quality of the workforce.

From the analysis of the influence of the personal network on the availability of funds, the study found that personal networks have a statistically significant effect on the availability of funds to social enterprises. Specifically, the study found that social enterprises that can access information, generate ideas for problem-solving and social capital through their networks can improve the availability of funds to them in the forms of grants and donations. Thus, variations in the availability of funds to social enterprises studied can be explained by their networks. In other words, social entrepreneurs use their personal networks to source for funding needed for their operation. This finding is in part consistent with the finding of Carlos et.al (2018) where they found personal networks to contribute significantly to the financial resources of small businesses. The finding also conforms to that of Anderson, Jack, and Dodd (2005), where they reported that among other supports from family and friends, finance is one of the most important support received. Similarly, this in part conforms to Dwyer and Handler (1994) who also reported that the critical forms of family support received by entrepreneurs were the promotion of the entrepreneurial concept, help with opportunity identification, and, especially, provision of finance.

With respect to effect of professional network on quality of workforce, the findings revealed that variation in the workforce quality of the social enterprises studied can be explained by their professional networks. Specifically, this is to say that the professional network of social enterprises influences the quality of the workforce of the organization by providing access to talents, referrals and helping the enterprise develop skills to better meet the employee needs and the organization as a whole. This finding is in line with those reported by Carlos et.al (2016) where it was stated that amongst all other networks, a professional network contributes the most to an organization's human resources and quality management capabilities.

## 5.2 Conclusion and Recommendations

Based on the data analysis and findings of the study, it was concluded that Personal networks positively influence the availability of funds. Specifically, the study concluded that social enterprises' personal networks provide them with access to information, generates ideas for problem-solving, and serves as social capital which positively improves the availability of funds to them in the forms of grants and donations.

The study further concludes that professional networks positively influence the quality of the workforce of social enterprises. Notably, access to talents, referrals, and support in developing skills to better meet the employee needs as provided

by their professional network positively influence the quality of their workforce in form of a workforce with high morale, competency, and loyalty. Thus, it is recommended that for social enterprises to ensure or increase the availability of funds in the forms of accessing grants and receiving donations, they should improve the accessibility of information, ideas generated, and social capital effects from their personal networks. This can be done through conscious efforts of improving their networking behaviors such as discussions with family, friends, and acquaintances which is an important source of resources, information, ideas, and advice.

It is also recommended that social enterprises should actively strive for large and diverse networks, even when time and energy are limited. This can be done by cultivating the attitude of building, maintaining, and using professional networks. Moreover, large and diverse networks have more benefits attributable to the survival of Social Enterprises. For instance, this can be achieved by increasing their membership and taking part in professional association meetings and activities as well as passing information that might be of importance to an acquaintance from another organization as a way of strengthening or maintaining their contacts.

#### **5.4 Recommendations for further studies**

The study evaluated the influence of the entrepreneurial network on the survival of social enterprises in Abuja. The study examined the influence of the functional aspects of the personal network and professional network on the survival of social enterprises which is measured by the availability of funds and quality of the workforce. Thus, this study is limited to NGOs in Abuja as such it is recommended that similar studies should be conducted in other geographical areas in Nigeria. Specifically, states which are less urbanized or poorer states than Abuja. It is also recommended that other studies should be conducted to capture other entrepreneurial networks variables as well as social enterprise performance variables not captured in this study to develop a more comprehensive model that can be used to better predict the survival of social enterprises.

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# ATTITUDE OF CONSUMERS TOWARDS ORGANIC FOOD – DO DEMOGRAPHIC CHARACTERISTICS MATTER?

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## ABSTRACT

*The present study deals with the issue of attitude towards organic food in the background of increasing awareness about health and environmental protection. The investigation is based on 446 respondents whose responses are collected on a 5-point Likert scale. The overall finding shows that the attitude is on the higher side. The exploration of data shows that there is significant difference towards attitude when age, income, family type and profession are considered. There is, however, no significant difference in case of gender, educational qualification and domicile.*

**Keywords:** Organic food, Attitude, Fishbein model, Mean difference

## 1. INTRODUCTION

Awareness of the destruction of natural resources has raised the issue of environmental protection, which in turn created “green consumerism” (Moisander, 2007). As a result, consumers are willing to purchase green products that are organic and not harmful to the environment (Lee et al., 2014). As most studies were conducted in developed countries, socio-demographic characteristics are likely to cause difference in acceptance and consumption behavior towards organic food.

Based on past studies, organic food attitudes are influenced by gender, age, level of income, level of education and the presence of children in the household (Wier & Calverley, 2002). Recently, it has been suggested that women and young consumers have positive attitude and are prone to purchase organic products. (Doorn & Verhoef, 2011). The consumption of organic products is also associated with consumers’ income (Magnusson et al., 2001), education (Storstad & Bjorkaug, 2003) and varying family composition (Fotopoulos & Krystallis, 2002). As consumer environmentalism becomes more popular in the world, purchase of green products shows a rise (Chen, 2010). Thus, there is an inclination towards the purchase of organic food.

## 2. Review of literature on demographic factors affecting attitude

### 2.1 Age

Age is frequently used to segment markets (Hawkins et al., 2007) while conducting research on consumer behavior (Kim & Kim, 2004). The studies by Doorn and

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Verhoef (2011) found that the younger generation considered organic food more important.

## **2.2 Gender**

Daneshvary and Schower (2000) found women to be more interested in organic food than men as also supported by Storstad and Bjorkhaug (2003).

## **2.3 Educational level**

Fisher et al. (2012) found the influence of education on attitude towards organic food. Paco et al. (2009) and Kumar and Kumar (2019) found more-educated consumers to be more knowledgeable about green products.

## **2.4 Income**

Awad (2011) found income to be a strong influencer on purchase of green products. The factor has mixed effect on attitude; positive effect as per Lockie et al. (2002) but no effect as per Durham (2007).

## **2.5 Marital Status**

The presence of children and their age are also considered a significant factor which positively influences attitude and buying behaviour towards organic food (Fotopoulos & Krystallis, 2002; Wier & Calverley, 2002).

## **2.6 Research gap**

The extant literature shows the following gaps -

- ▶ There is low coverage of this issue in the context of emerging economies like India.
- ▶ There are few evidences in the Indian context that highlight the issue of demographic factors in the attitudinal studies towards organic food.

## **3. Objectives and hypotheses of the study**

The study has dual objectives -

- (a) To understand the attitude of consumers towards organic food.
- (b) To understand whether there is difference in attitude because of different demographic characteristics.

The null hypotheses are:

- (i) There is no difference in attitude based on gender.
- (ii) There is no difference in attitude based on age.
- (iii) There is no difference in attitude based on educational qualifications.
- (iv) There is no difference in attitude based on domicile.
- (v) There is no difference in attitude based on income.
- (vi) There is no difference in attitude based on family types.
- (vii) There is no difference in attitude based on profession.

#### 4. Research design

The present investigation is based on a sample of 446 respondents collected using the multi-stage sampling method. The research instrument is a close-ended questionnaire with statements on a 5-point Likert scale. For computing the attitude, the Fishbein model is considered. After that, for understanding difference in the attitude based on demographical characteristics, appropriate mean tests are applied.

#### 5. Analysis and findings

The following sub-sections highlight the results of this study.

##### 5.1 Demographic profile of respondents

The respondents are distributed across ages with 39% age more than 40, 37% in the age group of 26 to 40 years and the remaining in the 18-25 years category. In respect of gender, around 61% are male respondents, whereas the remaining are females. With respect to family status, 65% are married (including children) and the remaining 35% are unmarried. In respect of educational qualification, the maximum response is obtained from those who have studied till graduation or post-graduation. With respect to the domicile, all the areas viz. rural, semi-urban and urban are adequately represented. In respect of monthly income, there is adequate representation from different categories. 33% respondents are from the below Rs. 10000 income group, 23% from the income level of between Rs.10000 and 25000, 32% in the income range of Rs. 25000 to Rs. 50000 and the least (around 12%) from the more than Rs.50000 category. In respect of profession-wise distribution, the maximum (32%) are government employees, 27% are self-employed having their own business, 16% are private sector employees, whereas students comprise 19% of the respondents. The remaining is covered by non-working women.

##### 5.2 Attitude score analysis based on demographic variables

The following part of the analysis makes a detailed discussion about the attitude of respondents of different profile based on their demographic characteristics. The details of the mean attitude score of the sample classified on the basis of demographic characteristics is discussed below.

##### 5.3 Attitude score based on gender

For analysis purpose, researchers processed data in a way that gives an understanding about the scores given by males and females. On the basis of refinement, the following table is prepared -

Table: 1 Attitude on the basis of gender

Gender	No. of respondents	Mean score		
		5	4	3
Males	271	42 (15.50)	212 (78.22)	17 (6.27)
Females	175	26 (14.86)	137 (78.29)	12 (6.86)

Source: Computed by researchers

Figure in the parentheses represent percentage

Based on the above table (no. 1), it is shown that 271 male responses have been analyzed, where 16% of the respondent's mean attitude score exist 5. Here, 5 denotes 'Strongly Agree' to the statement relating to the attitude which was put in the affirmative sense. 78% of the respondents show mean attitude of 4 which denote 'Agree' to the statements relating to the attitude which were put in the affirmative sense and 6% had a mean attitude score of 3 which denotes 'Neither Agree Nor Disagree' to the statement. It can therefore be concluded that the overall attitude of the sample respondents is on the higher side.

Based on the above table (Table: 1), it is shown that 175 female responses have been analyzed where 15% of the respondents mean attitude score exist 5. Here, 5 denote 'Strongly Agree' to the statement relating to the attitude which was put in the affirmative sense. 78% of the respondents attain mean attitude of 4 which denote 'Agree' to the statement which was put in the affirmative sense and 7% of the respondents attain mean attitude score of 3 which denote 'Neither Agree Nor Disagree' to the affirmative statements on attitude. It can therefore be concluded that the overall attitude of the sample respondent is on the higher side.

#### 5.4 Attitude score based on domicile of respondents

The researchers process data to see the attitude shown by respondents of different areas. The following table is prepared on the basis of analysis.

Table: 2: Attitude on the basis of domicile

Area Type	No. of respondents	Mean score		
		5	4	3
Rural	158	28 (17.72)	108 (68.35)	22 (13.92)
Semi Urban	114	18 (15.79)	89 (78.07)	7 (6.14)
Urban	174	22 (12.64)	152 (87.36)	

Source: Computed by researchers

Figure in the parentheses represent percentage

The above table (Table: 2) shows that 158 responses have been analyzed from rural areas. In respect of the response from the rural areas, 28% of respondents attain a mean score of more than 4.5 (thereby considered as 5), 68% show mean attitude score of 4 and 14% of the respondents give their response towards a mean score of 3 which is a neutral response. So, it can be concluded that the overall attitude of the sample respondents from the rural areas is on the higher side. With respect to the semi-urban respondents, 18% give mean attitude rating of more than 4.5 on a scale of 5. A significant 78% of the respondents of this category attain a mean attitude score between 3.5 and 4. The mean score of only 6% respondents in this domicile group support the 'neither agree nor disagree' scale. So, it can be concluded that the overall attitude of sample respondents is also on the higher side. From the urban areas, 174 responses are collected. In this group, 13% respondents have a mean attitude score of more than 4.5 (hence rounded off to 5) which denote their strong agreement to the statements in the questionnaire. The mean score in the range of

3.5 to 4 is obtained in the case of response from 152 respondents. So, it can be concluded that the overall attitude of the sample respondents are on the higher side those who are situated on urban areas.

### 5.5 Attitude score based educational qualification

The following section looks at the summarized response in respect of attitude towards organic food given by respondents of different qualifications.

Table: 3: Attitude score based on educational qualification

Edu. qualification	No. of respondents	Mean score		
		5	4	3
Upto Madhyamik	33	4 (12.12)	23 (69.70)	6 (18.18)
H. S.	52	12 (23.08)	35 (67.31)	5 (9.62)
Graduate	204	27 (13.24)	164 (80.39)	13 (6.37)
Post Graduate	150	24 (16)	122 (81.33)	4 (2.67)
Others	7	1 (14.29)	5 (71.43)	1 (14.29)

Source: Computed by researchers

Figure in the parentheses represent percentage

The above result (Table: 3) shows that the response from 33 respondents whose educational qualification is upto Madhyamik has been analyzed. In 12% of these cases, the mean attitude score exceeds 4.5 (hence considered as 5). For 70% of the respondents, the mean attitude score is in the range of 3.5 to 4 and 18% of the respondent's report a mean attitude of 3 which denotes neutral response to the statements. So, it can be said that the overall attitude of the sample respondents is on the higher side for those whose educational qualification is upto Madhyamik. There are 52 respondents from those who have studied till Higher Secondary. In this group also, the average attitude score lies between 4.5 and 5. Only around 10% have an average between 2.5 and 3. Similar analysis is made for the other categories under the demographic character of educational qualification. So, it can be said that the overall attitude of the sample respondent is on the higher side whose educational qualifications are other than the above.

### 5.6 Attitude score based on profession

Table: 4: Attitude score based on profession

Profession	No. of respondents	Mean score		
		5	4	3
Student	82	19 (23.17)	57 (69.51)	6 (7.32)
Businessman	110	11 (10)	90 (81.82)	9 (8.18)
Govt. Employee	137	23 (16.79)	111 (81.02)	3 (2.19)
Pvt. Sector employee	71	7 (9.86)	60 (84.51)	4 (5.63)
Homemaker	46	8 (17.39)	31 (67.39)	7 (15.22)

Source: Computed by researchers

Figure in the parentheses represent percentage

The above table (Table: 4) analyzes the attitude of the respondents based on the profession of the respondents. 82 responses have been collected from students of whom 23% report an average attitude score in the range of 4.5 to 5. 70% of the respondents show mean attitude score of close to 4, whereas 7% of the respondents show mean score of 3. Thus, the attitude of students is on the higher side. Similar observation is made on the response given by the others. It is seen that in majority of the cases, the mean attitude lies in the range of 3.5 to 4 (hence considered as 4) followed by 5 which shows that the attitude is positive irrespective of the profession one is engaged in.

### 5.7 Attitude score based on income

Table: 5: Attitude score based on income

Monthly Income	Total Respondent No.	Mean score		
		5	4	3
Upto Rs. 10000	148	33 (22.30)	99 (66.89)	16 (10.81)
Rs. 10001 to Rs. 25000	101	14 (13.86)	74 (73.27)	13 (12.87)
Rs. 25001 to 50000	142	18 (12.68)	124 (87.32)	
Rs. 50001 and above	55	3 (5.46)	52 (94.54)	

Source: Computed by researchers

Figure in the parentheses represent percentage

The above table shows that 148 responses have been analyzed from the group having monthly income upto Rs. 10,000. 90% of the respondents show an average score of more than 3.5 which is very positive. A similar response is obtained for the other categories also. In fact, for the group having the highest income slab, all respondents have given a score due to which the mean attitude tends towards four or five.

### 5.8 Attitude score based on marital status

Table: 6: Attitude score based on marital status

Marital Status	No. of respondents	Mean score		
		5	4	3
Unmarried	157	30 (19.108)	116 (73.89)	11 (7.01)
Married with Children	252	34 (13.49)	205 (81.35)	13 (5.16)
Married	37	4 (10.81)	28 (75.68)	5 (13.51)

Source: Computed by researchers

Figure in the parentheses represent percentage

The above table (Table: 6) shows that 157 responses have been collected from those who are unmarried and the remaining from the categories of either married or married with children. The analysis of the response sheet shows that major percentage of the respondents (more than 85% considering the three categories)

have mean attitude score of four or more. Thus, the overall attitude towards organic food is on the higher side.

## 6. Mean difference test of attitude score

The researchers apply the non-parametric test as the responses are collected on ordinal data. In the cases where there are two categories, the Mann Whitney-U test is applied and Kruskal-Wallis test otherwise. The results are presented below.

Table: 7

Results of mean difference test

Demographic variable	p-value	Inference on null hypothesis
Gender	0.683	Acceptance
Age	0.000	Rejection
Educational Qualification	0.688	Acceptance
Area	0.246	Acceptance
Monthly Income	0.000	Rejection
Family Type	0.000	Rejection
Profession	0.010	Rejection

Source: Computed by researchers

## 7. Conclusions

The issues of environmental protection and health are gaining importance and presently the aspect of environmental sustainability has gained tremendous importance. There are positive developments in various countries that show the increasing popularity of organic foods due to various reasons ranging from the positive impact on health to environment. The research explores the attitude of people having different demographic characteristics towards organic food. This is necessary for marketers to get guidance for designing appropriate marketing strategies regarding organic food products. The positive aspect is the overall positive towards organic food. Hence, the perception of people towards organic food is very positive. In respect of the difference in the score based on demographic characteristics, it is noted by the researchers that there is significant difference in the attitude score when characteristics like age groups, income bands, family type and profession are considered. That implies that there is a need for companies promoting organic foods to focus on advertisement campaigns with a stress on these issues that makes sense to the general public. The factors like gender, educational level and domicile are seen to have no significant difference in respect of the attitude score. The overall study brings about a feel-good factor with respect to the attitude towards organic food. The key issue that, therefore, remains a matter of concern is the identification of factors that have an effect on the actual purchase of such goods, despite people having positive feeling towards these goods. The research finds that attitude is not influenced by gender which varies from the evidence in Tsakiridou et al. (2008) but similar to Janssen et al. (2009) who stated that women



were predominantly responsible for purchasing food products in the household. Similar is the case with educational level and domicile as supported by studies of Lin et al. (2008) and Rimal et al. (2005). However, there is a contradiction with the inferences in Lea and Worsley (2005) where educational level shows minimal differences in propensity to purchase organic food. The findings of the study are therefore interesting and definitely give insights to marketers with respect to the marketing of organic food in the Indian consumer market.

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# EMPIRICAL RESEARCH FINDINGS ON THE SUGGESTIVE STAND-ALONE BUSINESS MODEL OF SME STOCK EXCHANGES IN INDIA

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## ABSTRACT

*Many countries have established or are in the process of establishing SME Exchanges to provide financing to SMEs, but only a few have succeeded, due to the inborn problems with the adapted Business Model and further adapting other SME Stock Exchange Business Model operative in other countries with little customization along with unsuitable Business Propositions. In India National Stock Exchange (NSE) Emerge is one the SME Exchange operating without much success when given high potential SME market. In India. This empirical research based article takes the stock of the suggestions specific to the Business Model of SME Stock Exchanges currently operated in India. Traders of Worldwide Stock Exchanges that are the members of World Federation of Exchanges (WFE) and in India SME Exchange Investors and the stake Holders actively took part in this empirical research project and suggested a stand-alone model of SME Stock Exchanges suitable India SME Market.*

**Keywords:** SME Exchange, Listing, Graduating, Main Exchange, Business Model, Dedicated Exchange, Stand Alone Exchange

**JEL Classification:** G15, G18, G23 O16

## INTRODUCTION

One of the most successful and largely cited international stock market for small and growing companies are the United Kingdom's Alternative Investment Market (AIM), the London Stock Exchange, TSX Venture Exchange (TSXV) in Canada, and the Australian Securities Exchange (ASX) in Australia. Thereafter some success stories of GreTai Securities Market in Taipei and Warsaw Stock Exchange (WSE) New Connect in Poland have been witnessed by the World Federation of Exchanges. In south Asia Pakistan, Sri Lanka and Bangladesh have attempted to develop Independent SME Exchange (s) but could not develop due to the complexities that exist in the Government, tricky bureaucracy, audit, reporting and compliance procedures and further demanding adequate infrastructure from SME'S. In the present times in India, SME exchange functions within a recognized stock exchange only as a platform.

## DEFINITION OF SME EXCHANGE AND TWO STAGE EMPIRICAL RESEARCH

"SME Exchange" is defined in the Chapter XB of the (SEBI) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations as a trading platform of a recognized stock exchange or a dedicated exchange permitted

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by SEBI to list the securities issued in accordance with Chapter XA of SEBI (ICDR). Upholding the Definition of SME Exchange in India as defined by SEBI, a two stage yearlong online empirical research was conducted from January 2019 to January 2020.

**In the Stage- I**, a Global appraisal on working of India SME Exchanges and Dual Role of SEBI as a regulator of both regular stock exchanges and SME Stock Exchanges is being conducted through a global survey where in the traders of member stock exchanges of **World Federation of Exchanges** actively participated.

*In the Stage – I of this empirical research a survey was conducted to find out whether:*

*Is there a better Business Model of Operating SME Exchange other than what is being practiced in India where in SME exchange functions within a recognized stock exchange only as a platform?*

*Is there a better regulatory model for SME Exchanges other than existing SEBI which looks after compliance and market discipline of both regular stock exchanges and SME exchanges?*

In the Stage – II of this empirical research a survey was conducted with in India Ascertaining *why a large number of Stake Holders of SME's are not keen to get listed, in spite of them meeting financial threshold for listing of their companies in SME Exchanges*

*Is there a need for existence of Dedicated Regional SME Exchanges established all over state capitals of India?*

*Are Investors satisfied with the working of SME Exchanges in terms of reflection of actual performance of listed and inter-related SME's in India?*

### **The goal of this empirical research paper:**

The goal of this empirical research paper is to provide a document that helps policy makers and the stock exchanges to determine whether there exists:

1. Need for a Separate, Independent and Alternative Regulator to that of Securities Exchange Board of India (SEBI), Specially for SME Exchanges or Special SME Exchanges. In other words, SEBI should look after only the Regular Listed Companies and Investors thereof.
2. Need to setup a Special, New and Independent SMESEBI with a new and fresh act of Parliament specially for SMESEBI.
3. Need for SMESEBI and fully dedicated SME EXCHANGE,
4. Need for huge promotional campaign all over India to draw the attention of SME's for listing of their companies in the SME Exchanges.
5. Need to setup regional SME EXCHANGES in every state capital of India, thereby drastically increase the scale of operation covering pan India
6. Need to examine the efficient of operation SME Exchanges in terms of reflection of actual performance of listed and inter-related SME's in India?

## EXECUTION OF TWO STAGE EMPIRICAL RESEARCH THROUGH ONLINE SURVEY

This Empirical Research Project is executed in two stages Stage -I consist of online survey exercised on the traders of the Member Stock Exchanges of World Federation of Stock Exchanges in London, United Kingdom. A total of 2,970 Top Rated Traders from the Sixty-Six (66) various Countries Stock Exchanges located different countries across the world were interviewed through online survey method.

The stage-II consist of online survey exercised on a total of 566 Investors who invested in the SME stocks listed on NIFTY SME EMERGE Index. Further this research extends its study to the 3,362 owners or stakeholders of unlisted SME's who are financially capable of getting their SME's Listed.

### Tabular output of Empiricannl Research:

The responses of the participants are recorded and tabulated in Table 1, Table 2 and Table 3 (In the following Pages) for identifying the location, attributes of the participants and professional affiliation of the participants. The findings are recorded and presented at the end of each respective Table.

### Survey Software Used in this project:

The survey software namely Captterra was used in this project. **Usage of CATI (Computer Assisted Telephonic Interview System)** Nearly 10% of the online survey participant's submission have been cross checked and interviewed over telephone call through IP Phones.

TABLE 1  
GLOBAL SURVEY RESULT ON THE INDIA'S SME EXCHANGE OPERATION MODEL

S.No	Stock Exchange Name	No. Of Traders Interviewed	Attribute & Response
1	Abu Dhabi Securities Exchange	12	<b>Attribute:</b> Traders Actively Interacted through FII's In the Indian Secondary Market <b>Response:</b> <b>Dedicated SME Exchange</b> With Dedicated <b>SMESEBI</b> IS REQUIRED FOR INDIA, GIVEN HUGE SME MARKET IN INDIA
2	Amman Stock Exchange	11	<b>Attribute:</b> Have deep understanding on the working of Indian Stock Markets <b>Response:</b> <b>Dedicated SME Exchange</b> With Dedicated <b>SMESEBI</b> IS REQUIRED FOR INDIA, GIVEN HUGE SME MARKET IN INDIA
3	Athens Stock Exchange (ATHEX)	30	<b>Attribute:</b> Have deep understanding on the working of Indian Stock Markets <b>Response:</b> <b>Dedicated SME Exchange</b> With Dedicated <b>SMESEBI</b> IS REQUIRED FOR INDIA, GIVEN HUGE SME MARKET IN INDIA
4	Australian Securities Exchange	78	<b>Attribute:</b> Traders Actively Interacted through FII's In the Indian Secondary Market <b>Response:</b> <b>Dedicated SME Exchange</b> With Dedicated <b>SMESEBI</b> IS REQUIRED FOR INDIA, GIVEN HUGE SME MARKET IN INDIA

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5	B3 - Brasil Bolsa Balcão	17	<b>Attribute:</b> Have deep understanding on the working of Indian Stock Markets <b>Response:</b> <b>Dedicated SME Exchange</b> With Dedicated <b>SMESEBI</b> IS REQUIRED FOR INDIA, GIVEN HUGE SME MARKET IN INDIA
6	BME Spanish Exchanges	33	<b>Attribute:</b> Have deep understanding on the working of Indian Stock Markets <b>Response:</b> <b>Dedicated SME Exchange</b> With Dedicated <b>SMESEBI</b> IS REQUIRED FOR INDIA, GIVEN HUGE SME MARKET IN INDIA
7	Bahrain Bourse	21	<b>Attribute:</b> Have deep understanding on the working of Indian Stock Markets <b>Response:</b> <b>Dedicated SME Exchange</b> With Dedicated <b>SMESEBI</b> IS REQUIRED FOR INDIA, GIVEN HUGE SME MARKET IN INDIA INDIA, GIVEN HUGE SME MARKET IN INDIA
8	Bahrain Bourse	20	<b>Attribute:</b> Have deep understanding on the working of Indian Stock Markets <b>Response:</b> <b>Dedicated SME Exchange</b> With Dedicated <b>SMESEBI</b> IS REQUIRED FOR INDIA, GIVEN HUGE SME MARKET IN INDIA
9	Bolsa Mexicana de Valores	19	<b>Attribute:</b> Have deep understanding on the working of Indian Stock Markets <b>Response:</b> <b>Dedicated SME Exchange</b> With Dedicated <b>SMESEBI</b> IS REQUIRED FOR INDIA, GIVEN HUGE SME MARKET IN INDIA
10	Bolsa de Comercio de Buenos Aires	31	<b>Attribute:</b> Have deep understanding on the working of Indian Stock Markets <b>Response:</b> <b>Dedicated SME Exchange</b> With Dedicated <b>SMESEBI</b> IS REQUIRED FOR INDIA, GIVEN HUGE SME MARKET IN INDIA
11	Bolsa de Comercio de Santiago	24	<b>Attribute:</b> Have deep understanding on the working of Indian Stock Markets <b>Response:</b> <b>Dedicated SME Exchange</b> With Dedicated <b>SMESEBI</b> IS REQUIRED FOR INDIA, GIVEN HUGE SME MARKET IN INDIA
12	Bolsa de Valores de Colombia	0	None Participated
13	Bolsa de Valores de Lima	0	None Participated
14	Borsa İstanbul	43	<b>Attribute:</b> Traders Actively Interacted through FII's In the Indian Secondary Market <b>Response:</b> <b>Dedicated SME Exchange</b> With Dedicated <b>SMESEBI</b> IS REQUIRED FOR INDIA, GIVEN HUGE SME MARKET IN INDIA
15	Boursa Kuwait	21	<b>Attribute:</b> Have deep understanding on the working of Indian Stock Markets <b>Response:</b> <b>Dedicated SME Exchange</b> With Dedicated <b>SMESEBI</b> IS REQUIRED FOR INDIA, GIVEN HUGE SME MARKET IN INDIA

16	Bourse de Casablanca	1	<b>Attribute:</b> Have deep understanding on the working of Indian Stock Markets <b>Response:</b> <b>Dedicated SME Exchange</b> With Dedicated <b>SMESEBI</b> IS REQUIRED FOR INDIA, GIVEN HUGE SME MARKET IN INDIA
17	Bursa Malaysia	54	<b>Attribute:</b> Have deep understanding on the working of Indian Stock Markets <b>Response:</b> <b>Dedicated SME Exchange</b> With Dedicated <b>SMESEBI</b> IS REQUIRED FOR INDIA, GIVEN HUGE SME MARKET IN INDIA
18	CME Group	3	<b>Attribute:</b> Have deep understanding on the working of Indian Stock Markets <b>Response:</b> <b>Dedicated SME Exchange</b> With Dedicated <b>SMESEBI</b> IS REQUIRED FOR INDIA, GIVEN HUGE SME MARKET IN INDIA
19	Cboe Global Markets	1	<b>Attribute:</b> Have deep understanding on the working of Indian Stock Markets <b>Response:</b> <b>Dedicated SME Exchange</b> With Dedicated <b>SMESEBI</b> IS REQUIRED FOR INDIA, GIVEN HUGE SME MARKET IN INDIA
20	China Financial Futures Exchange	34	<b>Attribute:</b> Have deep understanding on the working of Indian Stock Markets <b>Response:</b> <b>Dedicated SME Exchange</b> With Dedicated <b>SMESEBI</b> IS REQUIRED FOR INDIA, GIVEN HUGE SME MARKET IN INDIA
21	China Securities Depository and Clearing Corporation Ltd.	21	<b>Attribute:</b> Have deep understanding on the working of <b>Indian Stock Markets</b> <b>Response:</b> <b>Dedicated SME Exchange</b> With Dedicated <b>SMESEBI</b> IS REQUIRED FOR INDIA, GIVEN HUGE SME MARKET IN INDIA
22	Colombo Stock Exchange	77	<b>Attribute:</b> Traders Actively Interacted through FII's In the Indian Secondary Market <b>Response:</b> <b>Dedicated SME Exchange</b> With Dedicated <b>SMESEBI</b> IS REQUIRED FOR INDIA, GIVEN HUGE SME MARKET IN INDIA
23	Cyprus Stock Exchange	29	<b>Attribute:</b> Have deep understanding on the working of Indian Stock Markets <b>Response:</b> <b>Dedicated SME Exchange</b> With Dedicated <b>SMESEBI</b> IS REQUIRED FOR INDIA, GIVEN HUGE SME MARKET IN INDIA
24	Dalian Commodity Exchange	2	<b>Attribute:</b> Have deep understanding on the working of Indian Stock Markets <b>Response:</b> <b>Dedicated SME Exchange</b> With Dedicated <b>SMESEBI</b> IS REQUIRED FOR INDIA, GIVEN HUGE SME MARKET IN INDIA
25	Dares Salaam Stock Exchange PLC	5	<b>Attribute:</b> Have deep understanding on the working of Indian Stock Markets <b>Response:</b> <b>Dedicated SME Exchange</b> With Dedicated <b>SMESEBI</b> IS REQUIRED FOR INDIA, GIVEN HUGE SME MARKET IN INDIA



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26	Deutsche Börse AG	77	<b>Attribute:</b> Have deep understanding on the working of Indian Stock Markets <b>Response:</b> <b>Dedicated SME Exchange</b> With Dedicated <b>SMESEBI</b> IS REQUIRED FOR INDIA, GIVEN HUGE SME MARKET IN INDIA
27	Dhaka Stock Exchange Ltd.	45	<b>Attribute:</b> Have deep understanding on the working of Indian Stock Markets <b>Response:</b> <b>Dedicated SME Exchange</b> With Dedicated <b>SMESEBI</b> IS REQUIRED FOR INDIA, GIVEN HUGE SME MARKET IN INDIA
28	Dubai Financial Market	48	Have deep understanding on the working of Indian Stock Markets <b>Response:</b> <b>Dedicated SME Exchange</b> With Dedicated <b>SMESEBI</b> IS REQUIRED FOR INDIA, GIVEN HUGE SME MARKET IN INDIA
29	The Depository Trust and Clearing Corporation	78	<b>Attribute:</b> Traders Actively Interacted through FII's In the Indian Secondary Market <b>Response:</b> <b>Dedicated SME Exchange</b> With Dedicated <b>SMESEBI</b> IS REQUIRED FOR INDIA, GIVEN HUGE SME MARKET IN INDIA
30	The Egyptian Exchange	31	<b>Attribute:</b> Have deep understanding on the working of Indian Stock Markets <b>Response:</b> <b>Dedicated SME Exchange</b> With Dedicated <b>SMESEBI</b> IS REQUIRED FOR INDIA, GIVEN HUGE SME MARKET IN INDIA
31	Hochiminh Stock Exchange	30	<b>Attribute:</b> Have deep understanding on the working of Indian Stock Markets <b>Response:</b> <b>Dedicated SME Exchange</b> With Dedicated <b>SMESEBI</b> IS REQUIRED FOR INDIA, GIVEN HUGE SME MARKET IN INDIA
32	Hong Kong Exchanges and Clearing	78	<b>Attribute:</b> Traders Actively Interacted through FII's In the Indian Secondary Market <b>Response:</b> <b>Dedicated SME Exchange</b> With Dedicated <b>SMESEBI</b> IS REQUIRED FOR INDIA, GIVEN HUGE SME MARKET IN INDIA
33	Indonesia Stock Exchange	34	<b>Attribute:</b> Have deep understanding on the working of Indian Stock Markets <b>Response:</b> <b>Dedicated SME Exchange</b> With Dedicated <b>SMESEBI</b> IS REQUIRED FOR INDIA, GIVEN HUGE SME MARKET IN INDIA
34	Intercontinental Exchange, Inc.	23	<b>Attribute:</b> Have deep understanding on the working of Indian Stock Markets <b>Response:</b> <b>Dedicated SME Exchange</b> With Dedicated <b>SMESEBI</b> IS REQUIRED FOR INDIA, GIVEN HUGE SME MARKET IN INDIA
35	Japan Exchange Group, Inc.	65	<b>Attribute:</b> Traders Actively Interacted through FII's In the Indian Secondary Market <b>Response:</b> <b>Dedicated SME Exchange</b> With Dedicated <b>SMESEBI</b> IS REQUIRED FOR INDIA, GIVEN HUGE SME MARKET IN INDIA

36	Johannesburg Stock Exchange	43	<b>Attribute:</b> Traders Actively Interacted through FII's In the Indian Secondary Market <b>Response:</b> <b>Dedicated SME Exchange</b> With Dedicated <b>SMESEBI</b> IS REQUIRED FOR INDIA, GIVEN HUGE SME MARKET IN INDIA
37	Kazakhstan Stock Exchange	21	<b>Attribute:</b> Have deep understanding on the working of Indian Stock Markets <b>Response:</b> <b>Dedicated SME Exchange</b> With Dedicated <b>SMESEBI</b> IS REQUIRED FOR INDIA, GIVEN HUGE SME MARKET IN INDIA
38	Korea Exchange	76	<b>Attribute:</b> Traders Actively Interacted through FII's In the Indian Secondary Market <b>Response:</b> <b>Dedicated SME Exchange</b> With Dedicated <b>SMESEBI</b> IS REQUIRED FOR INDIA, GIVEN HUGE SME MARKET IN INDIA
39	London Stock Exchange Group	100	<b>Attribute:</b> Traders Actively Interacted through FII's In the Indian Secondary Market <b>Response:</b> <b>Dedicated SME Exchange</b> With Dedicated <b>SMESEBI</b> IS REQUIRED FOR INDIA, GIVEN HUGE SME MARKET IN INDIA
40	Luxembourg Stock Exchange	3	<b>Attribute:</b> Have deep understanding on the working of Indian Stock Markets <b>Response:</b> <b>Dedicated SME Exchange</b> With Dedicated <b>SMESEBI</b> IS REQUIRED FOR INDIA, GIVEN HUGE SME MARKET IN INDIA
41	Malta Stock Exchange	3	<b>Attribute:</b> Have deep understanding on the working of Indian Stock Markets <b>Response:</b> <b>Dedicated SME Exchange</b> With Dedicated <b>SMESEBI</b> IS REQUIRED FOR INDIA, GIVEN HUGE SME MARKET IN INDIA
42	Moscow Exchange	26	<b>Attribute:</b> Have deep understanding on the working of Indian Stock Markets <b>Response:</b> <b>Dedicated SME Exchange</b> With Dedicated <b>SMESEBI</b> IS REQUIRED FOR INDIA, GIVEN HUGE SME MARKET IN INDIA
43	Muscat Stock Exchange	11	<b>Attribute:</b> Have deep understanding on the working of Indian Stock Markets <b>Response:</b> <b>Dedicated SME Exchange</b> With Dedicated <b>SMESEBI</b> IS REQUIRED FOR INDIA, GIVEN HUGE SME MARKET IN INDIA
44	NZX Limited	78	<b>Attribute:</b> Have deep understanding on the working of Indian Stock Markets <b>Response:</b> <b>Dedicated SME Exchange</b> With Dedicated <b>SMESEBI</b> IS REQUIRED FOR INDIA, GIVEN HUGE SME MARKET IN INDIA
45	Nairobi Securities Exchange	6	<b>Attribute:</b> Have deep understanding on the working of Indian Stock Markets <b>Response:</b> <b>Dedicated SME Exchange</b> With Dedicated <b>SMESEBI</b> IS REQUIRED FOR INDIA, GIVEN HUGE SME MARKET IN INDIA

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46	Nasdaq	450	<b>Attribute:</b> Traders Actively Interacted through FII's In the Indian Secondary Market <b>Response:</b> <b>Dedicated SME Exchange</b> With Dedicated <b>SMESEBI</b> IS REQUIRED FOR INDIA, GIVEN HUGE SME MARKET IN INDIA
47	Nigerian Exchange Group Plc (NGX Group)	7	<b>Attribute:</b> Have deep understanding on the working of Indian Stock Markets <b>Response:</b> <b>Dedicated SME Exchange</b> With Dedicated <b>SMESEBI</b> IS REQUIRED FOR INDIA, GIVEN HUGE SME MARKET IN INDIA
48	OCC - The Options Clearing Corporation	10	<b>Attribute:</b> Have deep understanding on the working of Indian Stock Markets <b>Response:</b> <b>Dedicated SME Exchange</b> With Dedicated <b>SMESEBI</b> IS REQUIRED FOR INDIA, GIVEN HUGE SME MARKET IN INDIA
49	Palestine Exchange	0	None Participated
50	Philippine Stock Exchange	132	<b>Attribute:</b> Traders Actively Interacted through FII's In the Indian Secondary Market <b>Response:</b> <b>Dedicated SME Exchange</b> With Dedicated <b>SMESEBI</b> IS REQUIRED FOR INDIA, GIVEN HUGE SME MARKET IN INDIA
51	Qatar Stock Exchange	5	<b>Attribute:</b> Have deep understanding on the working of Indian Stock Markets <b>Response:</b> <b>Dedicated SME Exchange</b> With Dedicated <b>SMESEBI</b> IS REQUIRED FOR INDIA, GIVEN HUGE SME MARKET IN INDIA
52	SIX Swiss Exchange	78	<b>Attribute:</b> Traders Actively Interacted through FII's In the Indian Secondary Market <b>Response:</b> <b>Dedicated SME Exchange</b> With Dedicated <b>SMESEBI</b> IS REQUIRED FOR INDIA, GIVEN HUGE SME MARKET IN INDIA
53	Saudi Stock Exchange (Tadawul)	33	<b>Attribute:</b> Traders Actively Interacted through FII's In the Indian Secondary Market <b>Response:</b> <b>Dedicated SME Exchange</b> With Dedicated <b>SMESEBI</b> IS REQUIRED FOR INDIA, GIVEN HUGE SME MARKET IN INDIA
54	Shanghai Futures Exchange	276	<b>Attribute:</b> Traders Actively Interacted through FII's In the Indian Secondary Market <b>Response:</b> <b>Dedicated SME Exchange</b> With Dedicated <b>SMESEBI</b> IS REQUIRED FOR INDIA, GIVEN HUGE SME MARKET IN INDIA
55	Shanghai Stock Exchange	236	<b>Attribute:</b> Traders Actively Interacted through FII's In the Indian Secondary Market <b>Response:</b> <b>Dedicated SME Exchange</b> With Dedicated <b>SMESEBI</b> IS REQUIRED FOR INDIA, GIVEN HUGE SME MARKET IN INDIA
56	Shenzhen Stock Exchange	23	<b>Attribute:</b> Traders Actively Interacted through FII's In the Indian Secondary Market <b>Response:</b> <b>Dedicated SME Exchange</b> With Dedicated <b>SMESEBI</b> IS REQUIRED FOR INDIA, GIVEN HUGE SME MARKET IN INDIA

57	Singapore Exchange	103	<b>Attribute:</b> Traders Actively Interacted through FII's In the Indian Secondary Market <b>Response:</b> <b>Dedicated SME Exchange</b> With Dedicated <b>SMESEBI</b> IS REQUIRED FOR INDIA, GIVEN HUGE SME MARKET IN INDIA
58	Stock Exchange of Mauritius	8	<b>Attribute:</b> Traders Actively Interacted through FII's In the Indian Secondary Market <b>Response:</b> <b>Dedicated SME Exchange</b> With Dedicated <b>SMESEBI</b> IS REQUIRED FOR INDIA, GIVEN HUGE SME MARKET IN INDIA
59	The Stock Exchange of Thailand	16	<b>Attribute:</b> Traders Actively Interacted through FII's In the Indian Secondary Market <b>Response:</b> <b>Dedicated SME Exchange</b> With Dedicated <b>SMESEBI</b> IS REQUIRED FOR INDIA, GIVEN HUGE SME MARKET IN INDIA
60	TMX Group Limited	18	<b>Attribute:</b> Traders Actively Interacted through FII's In the Indian Secondary Market <b>Response:</b> <b>Dedicated SME Exchange</b> With Dedicated <b>SMESEBI</b> IS REQUIRED FOR INDIA, GIVEN HUGE SME MARKET IN INDIA
61	Taipei Exchange	20	<b>Attribute:</b> Traders Actively Interacted through FII's In the Indian Secondary Market <b>Response:</b> <b>Dedicated SME Exchange</b> With Dedicated <b>SMESEBI</b> IS REQUIRED FOR INDIA, GIVEN HUGE SME MARKET IN INDIA
62	Taiwan Futures Exchange	20	Traders Actively Interacted through FII's In the Indian Secondary Market <b>Response:</b> <b>Dedicated SME Exchange</b> With Dedicated <b>SMESEBI</b> IS REQUIRED FOR INDIA, GIVEN HUGE SME MARKET IN INDIA
63	Taiwan Stock Exchange	20	<b>Attribute:</b> Traders Actively Interacted through FII's In the Indian Secondary Market <b>Response:</b> <b>Dedicated SME Exchange</b> With Dedicated <b>SMESEBI</b> IS REQUIRED FOR INDIA, GIVEN HUGE SME MARKET IN INDIA
64	Tel-Aviv Stock Exchange	51	<b>Attribute:</b> Traders Actively Interacted through FII's In the Indian Secondary Market <b>Response:</b> <b>Dedicated SME Exchange</b> With Dedicated <b>SMESEBI</b> IS REQUIRED FOR INDIA, GIVEN HUGE SME MARKET IN INDIA
65	Tunis Stock Exchange	1	<b>Attribute:</b> Traders Actively Interacted through FII's In the Indian Secondary Market <b>Response:</b> <b>Dedicated SME Exchange</b> With Dedicated <b>SMESEBI</b> IS REQUIRED FOR INDIA, GIVEN HUGE SME MARKET IN INDIA
66	Zhengzhou Commodity Exchange	0	None Participated
	<b>Total Participants</b>	<b>2,970</b>	

### Research Outcome and Findings from Table 1 Data:

This empirical research project has interviewed the traders working at the stock exchanges that are the members of World Federation of Stock Exchanges. These traders have actively participated in the Indian Stock Markets through various FII's and their Corresponding Dealers.

World-wide Traders are at the opinion that India has huge potential augmenting the largest SME Stakeholders with a clear capacity to list their SME Businesses in the SME stock exchanges. In order to augment such a large scale India needs a Dedicated SME exchange with a Dedicated SEBI which could be SMESEBI that plays focussed regulatory role on SME. Dual Regulatory role focussing both on regular exchanges and SME exchanges is not something what SME Stake holders are looking at. SME Stake holders are awaiting specific, dedicated and targeted stand-alone stock market approach towards the establishment of SME EXCHANGES.

Nearly Ninety-nine percent of the global traders have expressed that SME EXCHANGES In India have poor volume and turnover thereby poor liquidity. Global Image of SMESTOCK EXCHANGE in India is unclear and Global Investors and Traders are not comfortable with the dual role of SEBI, NSE and BSE serving both regular and SME stock exchanges at a time.

Table 2  
INDIA SME SECONDARY INVESTOR SURVEY RESULT ON THE INDIA'S SME EXCHANGE  
OPERATION MODEL

Company Name	Industry Attribute	Investors Interviewed	Listing Affiliation	Response on NIFTY SME EMERGE Index
A B Infrabuild Ltd.	CONSTRUCTION	8	NSE	Does not Reflect SME performance with in 12 Months holding Period
A and M Jumbo Bags Ltd.	INDUSTRIAL MANUFACTURING	6	NSE	Adequately Reflects SME Performance with in 12 months holding period
AAA Technologies Ltd.	IT	8	NSE	Does not Reflect SME performance with in 12 Months holding Period
ANI Integrated Services Ltd.	SERVICES	9	NSE	Does not Reflect SME performance with in 12 Months holding Period
ASL Industries Ltd.	AUTOMOBILE	12	NSE	Does not Reflect SME performance with in 12 Months holding Period
AVG Logistics Ltd.	SERVICES	4	NSE	Does not Reflect SME performance with in 12 Months holding Period
AVRO INDIA LTD.	CONSUMER GOODS	16	NSE	Does not Reflect SME performance with in 12 Months holding Period

Airo Lam Ltd.	CONSUMER GOODS	2	NSE	Does not Reflect SME performance with in 12 Months holding Period
Atal Realtech Ltd.	CONSTRUCTION	4	NSE	Does not Reflect SME performance with in 12 Months holding Period
B&B Triplewall Containers Ltd.	INDUSTRIAL MANUFACTURING	7	NSE	Does not Reflect SME performance with in 12 Months holding Period
Beta Drugs Ltd.	PHARMA	3	NSE	Does not Reflect SME performance with in 12 Months holding Period
Bodhi Tree Multimedia Ltd.	MEDIA ENTERTAINMENT & PUBLICATION	2	NSE	Does not Reflect SME performance with in 12 Months holding Period
Bohra Industries Ltd.	FERTILISERS & PESTICIDES	8	NSE	Does not Reflect SME performance with in 12 Months holding Period
Brand Concepts Ltd.	CONSUMER GOODS	6	NSE	Does not Reflect SME performance with in 12 Months holding Period
Bright Solar Ltd.	INDUSTRIAL MANUFACTURING	8	NSE	Does not Reflect SME performance with in 12 Months holding Period
CMM Infraprojects Ltd.	CONSTRUCTION	9	NSE	Does not Reflect SME performance with in 12 Months holding Period
Cadsys (India) Ltd.	IT	12	NSE	Does not Reflect SME performance with in 12 Months holding Period
Continental Seeds and Chemicals Ltd.	SERVICES	4	NSE	Does not Reflect SME performance with in 12 Months holding Period
DRS Dilip Roadlines Ltd.	SERVICES	16	NSE	Does not Reflect SME performance with in 12 Months holding Period
Debock Sales and Marketing Ltd.	INDUSTRIAL MANUFACTURING	2	NSE	Does not Reflect SME performance with in 12 Months holding Period
Dev Information Technology Ltd.	IT	4	NSE	Does not Reflect SME performance with in 12 Months holding Period
E2E Networks Ltd.	IT	7	NSE	Does not Reflect SME performance with in 12 Months holding Period
Emkay Taps and Cutting Tools Ltd.	INDUSTRIAL MANUFACTURING	3	NSE	Does not Reflect SME performance with in 12 Months holding Period

Empirical Research Findings on the Suggestive stand-alone  
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Euro India Fresh Foods Ltd.	CONSUMER GOODS	2	NSE	Does not Reflect SME performance with in 12 Months holding Period
Felix Industries Ltd.	SERVICES	8	NSE	Does not Reflect SME performance with in 12 Months holding Period
Focus Lighting and Fixtures Ltd.	CONSUMER GOODS	6	NSE	Does not Reflect SME performance with in 12 Months holding Period
Ganga Forging Ltd.	INDUSTRIAL MANUFACTURING	8	NSE	Does not Reflect SME performance with in 12 Months holding Period
Globe International Carriers Ltd.	SERVICES	9	NSE	Does not Reflect SME performance with in 12 Months holding Period
Hindcon Chemicals Ltd.	CHEMICALS	12	NSE	Does not Reflect SME performance with in 12 Months holding Period
Innovana Thinklabs Ltd.	IT	4	NSE	Does not Reflect SME performance with in 12 Months holding Period
Innovative Tyres and Tubes Ltd.	AUTOMOBILE	16	NSE	Does not Reflect SME performance with in 12 Months holding Period
Jakharia Fabric Ltd.	TEXTILES	2	NSE	Does not Reflect SME performance with in 12 Months holding Period
Jalan Transolutions (India) Ltd.	SERVICES	4	NSE	Does not Reflect SME performance with in 12 Months holding Period
Jet Freight Logistics Ltd.	SERVICES	7	NSE	Does not Reflect SME performance with in 12 Months holding Period
Jet Knitwears Ltd.	TEXTILES	3	NSE	Does not Reflect SME performance with in 12 Months holding Period
KHFM Hospitality And Facility Management Services Ltd.	SERVICES	2	NSE	Does not Reflect SME performance with in 12 Months holding Period
Kritika Wires Ltd.	METALS	8	NSE	Does not Reflect SME performance with in 12 Months holding Period
Kshitij Polyline Ltd.	CONSUMER GOODS	6	NSE	Does not Reflect SME performance with in 12 Months holding Period
Ksolves India Ltd.	IT	8	NSE	Does not Reflect SME performance with in 12 Months holding Period



Lagnam Spintex Ltd.	TEXTILES	9	NSE	Does not Reflect SME performance with in 12 Months holding Period
Laxmi cotspin Ltd.	TEXTILES	12	NSE	Does not Reflect SME performance with in 12 Months holding Period
Lexus Granito (India) Ltd.	CONSUMER GOODS	4	NSE	Does not Reflect SME performance with in 12 Months holding Period
Madhya Pradesh Today Media Ltd.	MEDIA ENTERTAINMENT & PUBLICATION	16	NSE	Does not Reflect SME performance with in 12 Months holding Period
Mahickra Chemicals Ltd.	CHEMICALS	2	NSE	Does not Reflect SME performance with in 12 Months holding Period
Marshall Machines Ltd.	INDUSTRIAL MANUFACTURING	4	NSE	Does not Reflect SME performance with in 12 Months holding Period
Marvel Decor Ltd.	CONSUMER GOODS	7	NSE	Does not Reflect SME performance with in 12 Months holding Period
Milton Industries Ltd.	CONSUMER GOODS	3	NSE	Does not Reflect SME performance with in 12 Months holding Period
Mohini Health & Hygiene Ltd.	HEALTHCARE SERVICES	2	NSE	Does not Reflect SME performance with in 12 Months holding Period
Nandani Creation Ltd.	TEXTILES	8	NSE	Does not Reflect SME performance with in 12 Months holding Period
Par Drugs and Chemicals Ltd.	PHARMA	6	NSE	Does not Reflect SME performance with in 12 Months holding Period
Penta Gold Ltd.	CONSUMER GOODS	8	NSE	Does not Reflect SME performance with in 12 Months holding Period
Power & Instrumentation (Gujarat) Ltd.	INDUSTRIAL MANUFACTURING	9	NSE	Does not Reflect SME performance with in 12 Months holding Period
Prolife Industries Ltd.	CHEMICALS	12	NSE	Does not Reflect SME performance with in 12 Months holding Period
Pulz Electronics Ltd.	CONSUMER GOODS	4	NSE	Does not Reflect SME performance with in 12 Months holding Period
R M Drip and Sprinklers Systems Ltd.	INDUSTRIAL MANUFACTURING	16	NSE	Does not Reflect SME performance with in 12 Months holding Period

Empirical Research Findings on the Suggestive stand-alone  
Business Model of SME Stock Exchanges in India

Rajshree PolyPack Ltd.	INDUSTRIAL MANUFACTURING	2	NSE	Does not Reflect SME performance with in 12 Months holding Period
S K S Textiles Ltd.	TEXTILES	4	NSE	Does not Reflect SME performance with in 12 Months holding Period
S.S. Infrastructure Development Consultants Ltd.	SERVICES	7	NSE	Does not Reflect SME performance with in 12 Months holding Period
SMVD Ploy Pack Ltd.	INDUSTRIAL MANUFACTURING	3	NSE	Does not Reflect SME performance with in 12 Months holding Period
Sarveshwar Foods Ltd.	CONSUMER GOODS	2	NSE	Does not Reflect SME performance with in 12 Months holding Period
Servotech Power Systems Ltd.	INDUSTRIAL MANUFACTURING	8	NSE	Does not Reflect SME performance with in 12 Months holding Period
Shree Tirupati Balajee FIBC Ltd.	INDUSTRIAL MANUFACTURING	6	NSE	Does not Reflect SME performance with in 12 Months holding Period
Shree Vasu Logistics Ltd.	SERVICES	8	NSE	Does not Reflect SME performance with in 12 Months holding Period
ShreeOswal Seeds And Chemicals Ltd.	CONSUMER GOODS	9	NSE	Does not Reflect SME performance with in 12 Months holding Period
Shubhlaxmi Jewel Art Ltd.	CONSUMER GOODS	12	NSE	Does not Reflect SME performance with in 12 Months holding Period
Sigma Solve Ltd.	IT	4	NSE	Does not Reflect SME performance with in 12 Months holding Period
Sikko Industries Ltd.	FERTILISERS & PESTICIDES	16	NSE	Does not Reflect SME performance with in 12 Months holding Period
Silver Touch Technologies Ltd.	IT	2	NSE	Does not Reflect SME performance with in 12 Months holding Period
Softtech Engineers Ltd.	IT	4	NSE	Does not Reflect SME performance with in 12 Months holding Period
Solex Energy Ltd.	INDUSTRIAL MANUFACTURING	7	NSE	Does not Reflect SME performance with in 12 Months holding Period
Sonam Clock Ltd.	CONSUMER GOODS	3	NSE	Does not Reflect SME performance with in 12 Months holding Period

Surani Steel Tubes Ltd.	METALS	4	NSE	Does not Reflect SME performance with in 12 Months holding Period
Tara Chand Logistic Solutions Ltd.	SERVICES	16	NSE	Does not Reflect SME performance with in 12 Months holding Period
Thejo Engineering Ltd.	SERVICES	2	NSE	Does not Reflect SME performance with in 12 Months holding Period
Uniinfo Telecom Services Ltd.	TELECOM	4	NSE	Does not Reflect SME performance with in 12 Months holding Period
United Polyfab Gujarat Ltd.	TEXTILES	7	NSE	Does not Reflect SME performance with in 12 Months holding Period
Uravi T and Wedge Lamps Ltd.	AUTOMOBILE	3	NSE	Does not Reflect SME performance with in 12 Months holding Period
Ushanti Colour Chem Ltd.	CHEMICALS	4	NSE	Does not Reflect SME performance with in 12 Months holding Period
Vadivarhe Speciality Chemicals Ltd.	CHEMICALS	16	NSE	Does not Reflect SME performance with in 12 Months holding Period
Vasa Retail and Overseas Ltd.	CONSUMER GOODS	2	NSE	Does not Reflect SME performance with in 12 Months holding Period
Vaxtex Cotfab Ltd.	TEXTILES	4	NSE	Does not Reflect SME performance with in 12 Months holding Period
Vera Synthetic Ltd.	TEXTILES	7	NSE	Does not Reflect SME performance with in 12 Months holding Period
Vinny Overseas Ltd.	TEXTILES	3	NSE	Does not Reflect SME performance with in 12 Months holding Period
Wonder Fibromats Ltd.	CONSUMER GOODS	4	NSE	Does not Reflect SME performance with in 12 Months holding Period
Zodiac Energy Ltd.	CONSTRUCTION	6	NSE	Does not Reflect SME performance with in 12 Months holding Period
Total		566		

### Research Outcome and Findings from Table 2 Data

This empirical research project has interviewed the Investors who invested in the listed companies of NIFTY SME EMERGE, Investors are not satisfied with the performance of NIFTY SME EMERGE as It does not represent and reflect India's SME performance. The listed SME performance does not reflect interconnected SME profitability and price relationships in any given calendar year.

## INDIA SME STAKE HOLDER SURVEY RESULT ON THE INDIA'S SME EXCHANGE OPERATION MODEL

Table: 3

S.No.	No of SME'S MEETING LISTING THRESHOLD ATTRIBUTE OF NSE EMERGE Platform (NSE).	State Name (In English)	EXPORTING GOODS TO FOREIGN COUNTRIES (Gulf Countries, North America and EU	RESPONSE: WHTHER INTERESTED TO GO FOR LISTING IN NSE EMERGE PLATFORM
1	35	ANDAMAN AND NICOBAR ISLANDS	YES,	NO
2	228	ANDHRA PRADESH	YES	NO
3	12	ARUNACHAL PRADESH	YES	NO
4	18	ASSAM	YES	NO AWARENESS
5	510	BIHAR	YES	NO
6	444	CHANDIGARH	YES	NO
7	122	CHHATTISGARH	YES	NO
8	6	DADRA AND NAGAR HAVELI	YES	NO AWARENESS
9	25	DAMAN AND DIU	YES	NO
10	707	DELHI	YES	NO
11	303	GOA	YES	NO
12	24	GUJARAT	YES	NO AWARENESS
13	106	HARYANA	YES	NO
14	2	HIMACHAL PRADESH	YES	NO
15	1	JAMMU AND KASHMIR	YES	NO
16	20	JHARKHAND	YES	NO AWARENESS
17	29	KARNATAKA	YES	NO
18	32	KERALA	YES	NO
19	31	LAKSHADWEEP	YES	NO
20	23	MADHYA PRADESH	YES	NO AWARENESS
21	27	MAHARASHTRA	YES	NO
22	14	MANIPUR	YES	NO
23	17	MEGHALAYA	YES	NO
24	15	MIZORAM	YES	NO AWARENESS
25	13	NAGALAND	YES	NO
26	21	ODISHA	YES	NO
27	34	PUDUCHERRY	YES	NO
28	103	PUNJAB	YES	NO
29	8	RAJASTHAN	YES	NO
30	11	SIKKIM	YES	NO
31	33	TAMIL NADU	YES	NO
32	36	TELANGANA	YES	NO AWARENESS
33	16	TRIPURA	YES	NO
34	5	UTTARAKHAND	YES	NO
35	312	UTTAR PRADESH	YES	NO
36	19	WEST BENGAL	YES	NO AWARENESS
Total	3,362			

### **Research Outcome and Findings from Table 3 Data**

This empirical research project has interviewed the Directors and Owners of SME's that meet threshold limit of listing both in BSE and NSE. India has over 6 crore SME's a very negligible percentage of SME's are being listed this is due to the following heuristics or learning from past experiences of their peer SME units that are listed currently at BSE and NSE

1. Remission of Regulatory Obligations and Costs Thereof for SME's Vs Regular Listed Company is same or even more.
2. 40% of worth listing SME Segment is not aware of Such "SME EXCHANGE" existence, SME Directors and Owners do not know any information or benefits of being listed. Therefore, Huge Advertisement Campaign needs to be run for promoting SME -EXCHANGES IMAGE.
3. All have expressed the need to setup regional SME EXCHANGES in every state capital of India, thereby drastically increase the scale of operation covering pan India
4. All have expressed the need to examine the efficient of operation SME Exchanges in terms of reflection of actual performance of listed and inter-related SME's in India. SME EXCHANGES do not represent India's SME Potential due to a very tiny portion of potential SME's go for listing.

### **Conclusion:**

The final Recommended Business Model of SME Exchange as suggested by the World Wide participants of this research project is that, In India qualified and listed SME companies graduating or migrating to the Main Exchange is not seen or perceived as a lucrative business proposition by the majority Stake Holders of Listed and Unlisted SME's. Majority of the Participants have appreciated 'GreTai, Taiwan Business Model' where in a Dedicated Stand-alone SME Exchange with Reducing Regulations and Protecting Investors is being operated successfully since 1994. In India SME market is huge with over 60 Million SME's spread across India. Thus establishing stand-alone Regional SME Stock exchanges along with a Stand Alone Dedicated SME Exchange at the National Level with a distinctly separate regulator such as an altogether new SMESEBI, enacted by the parliament could be a successful business model as the less-developed SME regions in India can participate.

Mapping of NSE India Emerge Amongst Partially and Completely Dedicated SME STOCK EXCHANGES can be seen in Table 4, where-in most successful stock exchanges GreTai, Shenzhen Stock Exchange, and NASDAQ in the United States began their life focused on SME listings or as alternative markets to other national blue chip segments. On the other hand, NSE began with distinctly confined and mixed life focus for SME's.

Table 4. Comparing NSE India Emerge with Pioneers of SME Stock Exchanges in the World

Exchange	Launch Date	Linkage	Stand-alone	Legal Structure	Began life focused on SME listings	Provincial Presence	Average Spent on Ads and Branding	Foreign Investment in SME Listings	Region
NSE India Emerge	2012	Linked to National Stock Exchange	No	Dual Role Regulator (SEBI)	No life focus on SME Listing. NSE India Emerge brands itself as an SME exchange; however, it has a sub-platform aimed at startups that is branded as a growth market. Thus no Clarity	No Regional Presence in other States or No Penetration in SME Hubs	Less than US\$ 1 Million	None or Negligible	South Asia
JSE AltX South Africa	2003	The JSE's AltX was created specifically to allow small companies to raise capital and act as an enabler for their growth	Partially	Dedicated	JSE AltX brands itself as a growth market; Life Focus on SME's	High Penetration in to SME Industrial Hubs	\$8 million per year	\$113 Billion	South Africa
GreTai Taiwan	1994	It is not linked to the Taiwan Stock Exchange; stand-alone exchanges are less likely to prioritize their largest listed companies "graduating" to a different marketplace or competitor.	Yes	Dedicated	GreTai, Shenzhen Stock Exchange, and NASDAQ in the United States began life focused on SME listings or as alternative markets to other national blue chip segments.	High Penetration in to SME Industrial Hubs	\$2.4 Million per year	\$219 Billion	East Asia
BOVESPA MAIS, Brazil	2005	Bovespa Mais companies enjoy benefits and exemptions from fees and taxes of the stock exchange.	Partially	Dedicated	Began life focused on SME listings or as alternative markets to other national blue chip segments.	High Penetration in to SME Industrial Hubs	\$8.5 Million per year	\$43.1 Billion	South America

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