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Abstracts

**FACULTY OF MANAGEMENT STUDIES AND COMMERCE
UNIVERSITY OF SRI JAYEWARDENEPURA
GANGODAWILA, NUGEGODA
SRI LANKA**

Research Session
Department of Commerce
2018

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Abstract

An Empirical Study on the Impact of Political Shocks and Other Macroeconomic Variables on Gross Domestic Product of Sri Lanka.

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Over the last two to three decades a wide range of researchers examined the determinants of economic growth using different methodologies. These studies have placed emphasis on a number of determinants and various perceptions on the process of economic growth. Thus, the main objective of this study is to find out determinants of real Gross Domestic Product (GDP) with special reference to political instability, which is less examined phenomena in the Sri Lankan context. Accordingly, the study employed secondary data from 1971 to 2016 and the model has been estimated using

Ordinary Least Square (OLS) method. Real GDP was the dependent variable and foreign direct investment, inflation, population growth, fixed domestic capital formation, trade openness, political instability and open economy concepts have been included to the model as explanatory variables. Foreign direct investment, inflation, population growth and fixed domestic capital formation were categorised as production factors. Whereas trade openness, political instability and open economy were categorised as technical factors. In terms of findings, the sample does not have statistical evidences to establish that population growth rate, inflation and political instability have significant impact on Real GDP of Sri Lanka. On the other hand, gross fixed capital formation, foreign direct investment and open economy which was introduced in 1977 are statistically significant have strong positive impact on Real GDP. However, trade openness is statistically significant and it has negative impact on real GDP. These findings are expected to have significant policy implications. As noted, policy makers should promote

foreign direct investment, open economic policies and thereby gross capital formation within Sri Lanka. On the other hand, Sri Lanka should promote export over imports. Particularly, through FDIs, different types of skills (managerial, technical, human skills, etc) as well as technological advancements, innovation, new knowledge should be brought to Sri Lanka. Sri Lanka also needs to continue open economic policies to promote exports.

Key words: Real GDP, Political instability, Sri Lanka

Factors Influencing on Microfinance Loan Defaults in Sri Lanka: An Empirical Investigation in Mathugama Divisional Secretariat

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Microfinance is a system that provides small-scale financing facility to lower income individuals. Microfinance aims to promote sustainable economic empowerment and capacity building to people in the developing countries. However, in recent times microfinance has captured the attention of larger audience as the system was criticised as a system that is unmonitored, uncontrolled and irresponsible. . One of the major problems that lower income individuals face is the unmanageable debt resulted because of the careless lending. , Thus, local and international literature continue to highlights the influence of the microfinance loan default is not only at the

microeconomic level but also at the macroeconomic level. The low confidence of the country's financial system and the instability of the system influence the policy makers to look deeply in to the problem of microfinance loan default . With this expectation in mind this research aims to explore factors influencing microfinance loans in Sri Lanka. To examine this status a deductive and quantitative approach was employed in this research. The researcher has developed a paper-based questionnaire through reviewing literature on microfinance. The questionnaire was distributed among microfinance loan borrowers in the region of Mathugama Divisional Secretariat. 150 questionnaires were distributed however, 133 returned. These 133 questionnaires were analysed using SPSS version 22 package. First, the demographic factors were analysed and afterwards Factor analysis was performed. The findings of this study confirmed all the 15 statements in the three factors originally identified are important to explain reasons behind loan defaulting by Sri Lankan customers. The first factor that identified statements that

explain microfinance institutes strategies to control loan defaulting was broken down in to two factors in the exploratory factor analysis stage. These two factors were named as MI loan granting procedure and customer service. The most important factors in “loan granting procedure” that influencing loan defaulting are adequate loan size, loan approval procedures and loan delivery time respectively. In the “customer service” the most important factors that impacting loan default are instalment method and supervision respectively. The second dimension that useful to explain loan default of borrowers is “borrowers’ family and group”. All the original statements identified to explain this dimension were confirmed to be important to explain the reasons behind loan defaulting in the Sri Lankan context. These four statements are reflecting support of family members, family income group cohesiveness and group members’ encouragement. The third dimension in the conceptual model is to explore how macro-economic issues are influencing on loan defaulting of Sri Lankan microfinance customers. These four statements are

inflation, depreciation of foreign exchange rate, weather and natural disasters and political instability of country. According to the average mean value (AMV), Characteristics of family and MF loan group are the most important factor influencing on MF loan default. This research adds to the existing body of knowledge through exploring microfinance loan defaulting factors in a developing country context. The study adds unique flavor to the existing body of literature by contributing in-depth analysis in to the area of microfinance, as Sri Lanka is a country that faces instability with regard to the political and economic environment. The findings of this study could be used by the managers of MF institutes to issues such as manage their risk and customer portfolio, access to CRIB, requesting securities before granting a loan. Microfinance trainers could use these findings to design their training and consulting activities to loan borrowers. This knowledge would help borrowers to manage their loan risk while not facing the poverty trap.

Key words: Microfinance, Loan default, Developing country

**Role of Occupational Stress and
Organizational Stress towards Job
Satisfaction: A study based on Banking
Employees in Sri Lanka.**

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Stress is a complex phenomenon resulting from the interaction between individuals and the environment. Occupational stress and organizational stress are common occurrences among various professions worldwide and regarded as a major psychological problem for banking employees. Occupational stress and organizational stress have been reported to affect job satisfaction. Therefore, significant differences in occupational stress, organizational stress and job satisfaction among banking employees may exist due to different work settings. Thus, the aims of the study were to identify the relationship between occupational stress

and job satisfaction among employees in banking sector of Sri Lanka, to identify the relationship between organizational stress and job satisfaction among employees in banking sector of Sri Lanka and to ensure whether there any differences of the occupational stress, organizational stress and job satisfaction with respect to private and public banks, gender and working experience. Descriptive and explanatory type of research design were employed as a main research design for this study to the obtain the main objectives. The populations of this study were banking employees, served in commercial banks located in Colombo District, Sri Lanka. The sample consisted with three public banks and three private banks employees. A structured questionnaire was employed to collect data from the sample. A total of 200 banking employees from 6 banks completed the banking employees Stress Index, the Job Satisfaction Survey. The data analysis was performed through descriptive analysis, correlation analysis, multiple regression analysis, Analysis of variance and independent sample t-tests. Study findings

demonstrated that there were significant positive relationships between organizational stress and job satisfaction and between occupational stress and job satisfaction there was no any significant relationship. There were significant differences in levels of job satisfaction, between male and female banking employees. Accordingly, male banking employees reported higher levels of job satisfaction. Working experience wise and sector wise, there was not any significant level of differences among organizational stress and occupational stress. Future research is needed to examine best practices for human resource managers to improve banking employee motivation and job satisfaction of banking employees. The findings of this study indicate that banking employees need to understand that organizational stress is a common occurrence in the banking profession and it affects job satisfaction. Therefore, Sri Lankan banks must draw their attention to organizational stress identification, prevention and management. Banking employees

should be taught that it is important to use culturally appropriate/sensitive measures in research and practice.

Key words: Occupational stress, Organizational stress, Job satisfaction, Public banks, Private banks.

An Investigation on the Barriers Faced by Online Outsourcing Workers in Sri Lanka

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Youth unemployment is considered as one of major economic issues in Sri Lanka. Most of the developed countries use the advancement of technological development in order to solve the youth unemployment. Online outsourcing is one of the effective methods use by all countries in the world irrespective of their level of development, which could potentially contribute to address the youth unemployment challenge with the use of technology. In today's digital era, online outsourcing has become an alternative to traditional unemployment. The barriers existing in the online outsourcing market hamper the maximum contribution of workers with the market. Therefore, this research involved to identify the barriers faced by online outsourcing workers with special reference to online freelancing. Further this research

aimed to identify the profile of the online outsourcing workers and further, provide solutions to overcome those barriers to make a pleasant space for more Sri Lankans online. The target population consisted with people who do their job in online outsourcing platforms and information regarding online outsourcing workers obtained from the Online Entrepreneurs Club, Sri Lanka. The simple random sampling technique was employed and sample size for the research was 200 respondents. In order to achieve the objectives of the study, quantitative approach was used. The structured questionnaire was constructed to collect the primary data from the sample of the study. Problematic areas in online outsourcing were identified by interviewing six online entrepreneurs. The data obtained from the survey was analyzed through descriptive analysis, using Statistic Package for Social Sciences Version 20.0 (SPSS 20.0). In the line with the literature, this study found that the most of the online outsourcing workers are males, most of them have a Bachelor Degree qualification. The results revealed that majority of respondents have problems with payment method and power supply and low speed of the internet

connection. Further, when considering the level of attention of the platform, clients of the platform are valued more than workers in the platform. Acknowledging the literature, the workers who are just starting to work in these platforms indicated that they return money to buyers when the buyer's rate them low in web-based digital labor platforms to retain a good ranking in the platform. According to interviews revealed, majority of the workers are facing the job recognition problem with less public awareness of online outsourcing. Respondents expressed that they have no proper attention of Government and relevant authorities. Thus, relevant authorities should pay attention to job recognition, retirement plan and health insurance facility for online outsourcing workers. Due to the high level of internet usage in the youth population, Sri Lanka can introduce Digital Jobs as a solution for youth unemployment. Government needs to facilitate the barriers faced by the workers who are already engaged in Digital Jobs.

Keywords: Online Outsourcing, Youth Unemployment, Online Freelancing