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Citizens' Assessment of the Environmental Management Programs Delivered by the Local Government Unit of Lezo, Aklan

[1]Jyanee Loi D. Yecla, [2]Cecilia T. Reyes, [3]Cecile O. Legaspi & [3]Anna Mae C. Relingo

Abstract

The performance in the delivery of environmental management programs of the local government of Lezo, Aklan, Philippines was evaluated in this study. Through the Multi-Stage Random Probability Sampling technique, 150 respondents from barangays' share in the municipal population were determined based on the Philippine Statistical Authority's Data on Census Population and Housing for the 2015. The probability respondents were selected using the Kish Grid where female respondents were given even numbered questionnaires while male respondents were assigned odd numbers. The four major core concepts namely awareness, availment, satisfaction and need for action were used in measuring the ratings presented in frequency and percentage distributions. Interview was also conducted to gather reasons for their ratings. The study inferred that majority of the respondents were highly aware of the community-based greening project. However, low awareness was attained on projects such as air pollution control program and waste-water management. A high percentage of respondents have availed the environmental management programs except for solid waste management. Overall, majority of the respondents were satisfied of the environmental management programs rendered by the local government unit and therefore needs less action. It is recommended that the local government unit strengthen air pollution control program.

Keywords: *environmental management, awareness, availment, satisfaction, need for action*

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About the authors:

[1]Corresponding author. Master of Science in General Science, Instructor I, Aklan State University

[2]Doctor of Veterinary Medicine, Professor VI, Aklan State University

[3]Doctor of Philosophy, Professor VI, Aklan State University

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1. Introduction

Lezo is a fifth-class municipality in the Philippine province of Aklan. According to the 2015 census, it has a total population of 15,224 people. Based on the Philippine Statistics Authority (PSA), the municipality has a land area of 23.40 square kilometers, accounting for 1.28 percent of Aklan's total area of 1,821.42 square kilometers. It is a little village, but there is more to see than meets the eye. Pottery is the leading industry in the municipality contributing to the residents' lives and revenue. Residents near the river bank make a living by handcrafting clay pots and jars from locally available materials. Buying directly from the pot makers saves money; so, the town is frequented for these beautifully hand-crafted pots.

Citizens are the heart of public governance. As the receiver of the government's programs and services, they provide the most reliable assessment of how efficient the service delivery is. The nature of public opinion is determined by several factors that include the ways in which citizens use public services (Brown, 2007; Yecla & Ortega, 2020). By virtue of Department of Interior and Local Government (DILG) Memorandum Circular 2016-57, the Citizens' Satisfaction Index System (CSIS) was pilot tested to 31 municipalities in the country to equip the tools and procedures for wider implementation in the succeeding years. Periodically, Department of Interior and Local Government (DILG) identifies an LGU which has no prior CSIS survey implementation. Local resource institutes are involved to gather data and interpret the results for research and development purposes.

The performance of the LGU of Lezo, Aklan in the delivery of environmental management programs was measured adopting the CSIS. The CSIS was created as a system of methods to generate citizen input on local government service delivery performance and citizen satisfaction. It serves as a tool for gathering relevant information in gauging citizen satisfaction, which can then be used to establish the agenda for LGU economic and human development plans and goals.

2. Literature review

Environmental management is a vital concern that should encompass efficient and research-based policies and approaches. The world has been threatened with serious calamities and disasters brought by climate change that has seriously threatened our resources. Climate change can be largely traced back to human activities including handling and disposal of solid waste. It is but practical to conduct researches relevant to this that would be solid base to formulate and implement policies to preserve and conserve the environment.

One important hazard to environmental and human well-being is indiscriminate solid waste disposal (Ejaz et al., 2010; Neller & Neller, 2015; Domato, 2002). The country generates an average of 0.3 to 0.7 kg of rubbish every day (Bennagen et al., 2002). The ongoing population expansion, the rising generation rate of every Filipino, and the kinds of solid waste generated pose a management challenge for both national and local government entities (Calderon, 2000). The key drawbacks of waste management, particularly in developing nations, are poor garbage collection systems and shortage of disposal sites (Reyes et al., 2013). Consequently, in low-income countries, waste collection rates are frequently less than 70% (Modak, 2010).

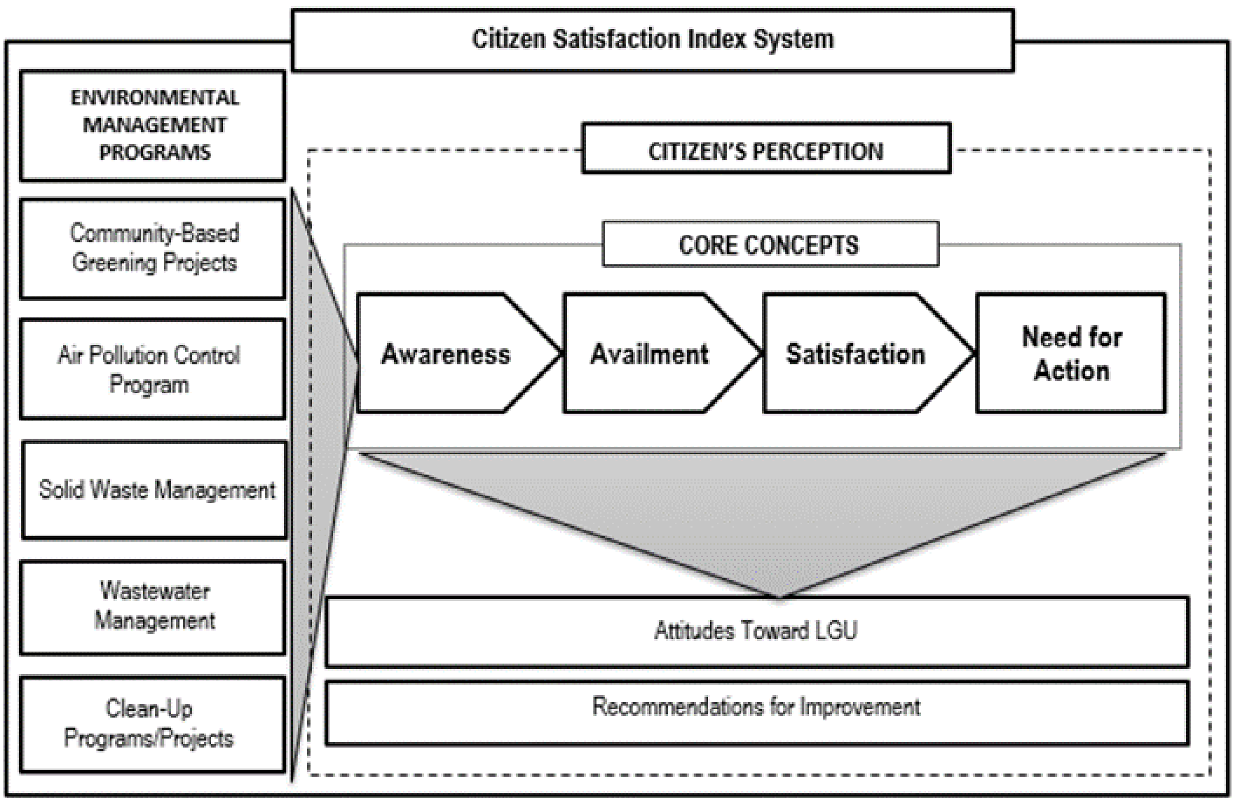
The Philippine government launched the National Greening Program (NGP) in 2011, a massive forest restoration program with the goal of planting 1.5 billion trees in 1.5 million hectares by 2016 to restore the environmental balance of deforested natural forests and enhance the socioeconomic status of participating farmers (Goltiano et al., 2021). The NGP is a Forest and Landscape Restoration (FLR) effort that aims to expand forest cover on degraded lands in order to reduce poverty, increase food security, conserve biodiversity, and mitigate climate change. Despite the incorporation of an explicit biodiversity aim in the NGP, the Philippine government is struggling to build initiatives that specifically address biodiversity restoration (von Kleist et al., 2021). On the other hand, green space, particularly community gardens, has received more attention in urban development during the last decade (Haaland & van den Bosch, 2015; Sartison &Artmann, 2020). A matching and developing evidence base has emerged in relation to community gardens and related health outcomes (Lovell et al., 2014).

Public service is an important aspect of all societies (Osborne, 2020). They cover a wide range of topics, including human services, community development, welfare, and many others (Osborne, 2020). Citizen participation can boost governmental legitimacy by encouraging decision-making that reflects common beliefs and preferences (Brajaktari, 2016). The CSIS data serve as a guide for local governments in establishing well-informed policies and management decisions related to their duty of providing basic services to the people (DILG, 2016; Reyes et al., 2021). It can take the pulse of the people in order to be responsive to a larger portion of the population. The data can help reinforce decisions on policies and programs that focus on services that are regarded to be lacking and those that have a big impact on citizen satisfaction. The CSIS have numerous uses for various stakeholders pursuing relevant contribution to attain socio-economic development goals both in the local and national arena. It has multiple applications for diverse stakeholders pursuing appropriate contributions to achieve socioeconomic development goals both locally and nationally. Thus, it may make suggestions to LGUs in developing a Citizen-driven Priority Action Plan (CPAP) focused at prioritizing interventions that address areas for improvement in public service delivery. The national government can give better informed oversight supervision and technical-administrative support to LGUs with knowledge based on citizen-driven assessments of basic services.

Conceptual framework

Figure 1

CSIS Conceptual Framework



Source: *https://csis.dilg.gov.ph*

In terms of the CSIS, the conceptual framework in figure 1 describes the range of concepts employed in gauging citizen satisfaction. The dotted line group is made up of the basic principles in assessing satisfaction at the service or program level. The key notions have logical ties with one another. The dotted line delineates the boundaries of public perception of service delivery, dividing the inner conceptions from the socio-demographic profile and the services actually delivered by their local governments.

Within the citizen's perception domain are the fundamental concepts, reasons that substantiate the core concepts, general attitudes of citizens toward the LGU, overall satisfaction, overall need for action, and suggestions for improvement. These themes comprise the key findings of the CSIS survey because they represent the primary information acquired from residents to evaluate how well public services provided by their LGUs are accepted or perceived in their opinion. Above it is the socio-demographic and the housing profiles, which provide information on the citizen.

Anchored on the concept of CSIS, this study assessed the performance of the Lezo, Aklan LGU in implementing environmental management programs in the locality. Specifically, it aimed to determine citizens' rating and their reasons in the delivery of environmental program as to community-based greening projects, air pollution control program, solid waste management, waste-water management, and clean-up programs/projects. Moreover, this sought to determine the solid waste management practices of the citizens and their recommendations to improve environmental management programs.

3. Methodology

The study utilized mixed method research design. The survey used a structured questionnaire validated by the DILG, the same instrument was utilized to LGUs where CSIS was implemented. In addition, face-to-face interview was also conducted to gather their reasons behind their ratings.

This study assessed and measured several variables to determine the level of the LGU performance. Through the researcher-made questionnaire, the following were determined:

Awareness. It refers to the presence of knowledge about the service offered by the local government unit. Before getting into satisfaction, it is crucial to first determine whether they are aware that the service is delivered by their local government unit.

Availment. It refers to the respondent's contact with local government through programs, projects, and services that are being implemented or offered. This could suggest a desire among citizens to use public services. Only people who claimed to be aware of the service would be queried about availability for service indicator level assessments.

Satisfaction. It refers to a citizen's contentment with their experience in utilizing or contacting the services of the local government. In some circumstances, this may also indicate the citizen's satisfaction with the services they were able to access. Only individuals who have used the service are asked about their satisfaction in service indicator level assessments.

Need for Action. The citizen's evaluation of whether or not a certain service requires specific and decisive steps for improvement or reform is referred to as the need for action. This concept is combined with satisfaction to present readers with an extra dimension that could help optimize service prioritization for future use.

As specified in the DILG Memorandum Circular No. 2012-113, 150 probability respondents (8 years and above) residing in the different barangays of Lezo for not less than six months. They were selected using a multi-staged random probability sampling method. At a sample size of 150 respondents, margin of error (MOE) is +/- 6% at 95% confidence level (CL). For data analysis, percentage scores and adjectival ratings (High: Equal or more than 50%+MoE; (Low: Less than 50%+MoE) were used.

4. Findings and Discussion

Table 1 displays the respondents' knowledge about the Municipality of Lezo's various environmental management projects. It should be highlighted that nearly three-quarters of the respondents (109 or 72.67 %) were well-versed in the community-based greening project. This was followed by 89 (59.33 %) who were extremely informed about solid waste management and clean-up programs. On the other side, awareness of programs such as air pollution control (61 or 40.67 %) and waste water management was poor (35 or 23.33%).

Table 1

Awareness on Environmental Management Projects/ Program

Project/ Program	Yes (F)	No (F)	Awareness			
			N	%	Cut- Off (%)	Interpretation
Community-based greening projects	109	41	150	72.67	58.00	High
Air Pollution Control Program	61	89	150	40.67	58.00	Low
Solid Waste Management	89	61	150	59.33	58.00	High
Waste Water Management	35	115	150	23.33	58.00	Low
Clean-up Programs/	89	61	150	59.33	58.00	High

It can be drawn from the ratings that there should be intervention to improve citizen's knowledge on air pollution control and waste water management. Information regarding air pollution and health hazards focuses on individual risk behaviors, but it is communicated through channels that are unlikely to reach the most vulnerable groups (Ramirez et al., 2019). Further, awareness on waste water management was assessed to be low. In the Philippines, wastewater disposal has become a huge concern because just 10% of the country's wastewater is processed and 58% of the groundwater has been recognized as hazardous. Furthermore, just 5% of the total population is connected to sewers (Claudio, 2015). To ensure long-term development, it is vital to protect water resources and construct an excellent local government in the health, environment and tourism sectors.

Table 2

Availment on Environmental Management Projects/ Program

Project/ Program	Yes (F)	No (F)	Awareness			
			N	%	Cut- Off (%)	Interpretation
Community-based greening projects	81	28	109	74.31	59.39	High
Air Pollution Control Program	50	11	61	81.97	62.55	High
Solid Waste Management	40	49	89	44.94	60.39	Low
Waste Water Management	28	7	35	80.00	66.57	High
Clean-up Programs/Projects	64	25	89	71.91	60.39	High

From respondents who were aware of the environment management projects of the municipality, a high availment rating was attained specifically on projects such as air pollution control program (50 or 81.97%), waste water management (28 or 80%), community-based greening projects (81 or 74.31%), and clean-up programs (64 or 71.91%). The project less availed was on solid waste management as revealed by 40 or 44.9%.

Table 3

Reasons for Non-Availment of Environmental Management Programs/Projects

Reason	F	%
Community-Based Greening Project		
Busy	11	39.29
Not interested	6	21.43
No program offered in the Barangay	6	21.43
Only 4P's participates	3	10.71
Barangay does the service	2	7.14
Air Pollution Control Program		
Laws are not followed	4	36.36
Too old to be involved in the program/physically unfit	3	27.27
Not Interested	2	18.18
Minimal Pollution in the Area	1	9.09
Not implemented in the area	1	9.09
Solid Waste Management		
No proper waste segregation and Strict/Firm implementation of the program	20	40.82
No garbage collector	11	22.45
Individual/Own waste segregation/ Disposal	11	22.45
Laws are not followed	5	10.2
Not offered in the barangay	1	2.04
I have helper in the house.	1	2.04
Waste-Water Management		
Not implemented	4	57.14
Needs improvement/ Maintenance	2	28.57
Not Interested	1	14.29
Clean-Up Programs/Projects		
Not participating/ Busy	9	36
Kanya-Kanya Clean-up Mentality/ Individual/ Own way of segregation	6	24
The Program/Project is not implemented or offered in the Barangay	4	16
Not all area is equipped with drainage system	2	8
No Strict/ Firm Implementation of the program	2	8
4P's only	1	4
Not Interested	1	4

As the result revealed that solid waste management was least availed by the citizens, table 2 shows the non-availment reasons where most of the citizens observed that the policies relevant to solid waste management is not properly implemented in the locality. Waste generation in the Philippines has increased rapidly due to rapid economic and population growth, contributing to environmental deterioration (Castillo & Otoma, 2013). Despite the introduction of the Ecological

Solid Waste Management Act of 2000, Municipal Recovery Facilities (MRFs) and sanitary landfills serve only around 21% and 4% of the country's Local Government Units (LGUs), respectively. The country's solid waste management (SWM) may still be regarded ineffective or inefficient.

Out of the 28 respondents who did not avail community-based greening projects of the local government, most of them (11 or 39.29%) were busy, six each or 21.43% were not interested and there was no program offered in the barangay while three or 10.71% indicated that only the Pantawid Pamilyang Pilipino Program (4P's) beneficiaries were involved in this project. Only two or 7.14% of the respondents mentioned that the barangay does the service on greening project.

In terms of air pollution control program, the respondents signified six reasons of non-availment. The first reason was the laws were not followed (4 or 36.36%), secondly, three or 27.27% of the respondents were too old to be involved in the program/ physically unfit and two or 18.18% were not interested on such program. Only one each or 9.09% who said that there was minimal pollution in the area and the program was not implemented in the area.

In terms of the solid waste management program, most of the respondents (20 or 40.82%) did not avail since there was no proper waste segregation and strict/firm implementation of the program. This situation is primarily observed in areas away from town where many people still burn their garbage or improperly dispose solid waste. As per on-site observation, this is contributed by the lack of facilities such as MRF (Material Facility Recovery), no garbage collector assigned and no on-site personnel to monitor those individuals who violate. Eleven each or 22.45% signified that there was no garbage collector and they have their own waste segregation/disposal. Another five or 10.30% did not avail because laws are not followed and one each or 2.04% said that the service was not offered in the barangay and he/she has a helper.

In terms of waste water management, three reasons were mentioned by seven respondents for their non-availment. The majority of them (four or 57.14%) revealed that the program was not implemented. Two or 28.57% of them said that the program needs improvement/maintenance and only one or 14.29% was not interested of the service.

The reasons why the respondents did not avail of the clean-up program was that they were busy/did not participate as mentioned by 9 or 36% of them. This was followed by 6 or 24% who indicated that they individually cleaned their surroundings and have their own way of waste segregation. Only one each or 4% who said that clean-up drive was for the Pantawid Pamilya Pilipino program beneficiaries only and he/she was not interested.

Table 4

Satisfaction on Environmental Management Projects/ Programs

Project/Program	Yes (F)	No (F)	Satisfaction			
			N	%	Cut-Off (%)	Interpretation
Community-based greening projects	72	9	81	88.89%	60.89	High
Air Pollution Control Program	42	8	50	84.00%	63.86	High
Solid Waste Management	30	10	40	75.00%	65.50	High
Waste Water Management	21	7	28	75.00%	68.52	High
Clean-up Programs/Projects	57	7	64	89.06%	62.25	High

All the services gained high satisfaction rating. The respondents (57 or 89.06%) were highly satisfied of the clean-up program. This was closely followed by 72 or 88.89% who were highly satisfied of the community-based greening project. Another 42 or 84% said they were highly satisfied of the air pollution control program while 30 or 75% and 21 or 75% were contented of the solid waste management and waste water management programs, respectively. This indicates that the environmental management projects of the Municipality of Lezo were properly implemented by the different offices involved.

The reasons for satisfaction with community-based greening project are shown in Table 9. It could be noted that one-half of the respondents (36 or 50%) were satisfied of the service because tree planting activities were held. Another 15 or 20.83% signified that the service was beneficial to the environment/people, 13 or 18.06% indicated that the service was properly implemented while five or 6.94% said that the project provided safety/prevents flood and two or 2.78% manifested that the service encourages public participation. There was only one or 1.39% of the respondents who indicated that the community people were educated through the project.

The table further shows the reasons why the respondents were satisfied with the air pollution control program. Clean and safe air was the reason why the majority (24 or 57.14%) of the respondents were satisfied of the air pollution control program. Others reasons are as follows: prevent sickness (nine or 21.43%), smoking was prohibited (three or 7.14%) and encouraged public participation (two or 4.76%).

Table 5

Reasons for Satisfaction with Environmental Management Programs/Projects

Reason	F	%
Community-based greening projects		
Tree planting activities are held	36	50
Beneficial to the environment/people	15	20.83
Properly implemented	13	18.06
Provides safety/prevents flood	5	6.94
Encourage public participation	2	2.78
Educates people in the community	1	1.39
Air Pollution Control Program		
Clean and safe air	24	57.14
Prevent Sickness	9	21.43
Smoking is prohibited	3	7.14
Encourage public participation	2	4.76
Beneficial to the environment	1	2.38
Ensures cleanliness	1	2.38
Prevents cutting of trees	1	2.38
Properly implemented	1	2.38
Solid Waste Management		
Clean surroundings	8	26.67
Segregation is practiced	6	20
Everyone participates	5	16.67
Proper collection of garbage	4	13.33
Properly implemented	3	10
Regular collection of garbage	2	6.67
Educates people in the community	1	3.33
Prevent pollution/health issues	1	3.33
Waste Water Management		
Proper drainage/sewage system	10	47.62
Maintained	9	42.86
Beneficial	1	4.76
Properly Implemented	1	4.76
Clean-up Programs/ Projects		
Clean-up drives are held	23	40.35
Clean surroundings	17	29.82
Everyone participates	4	7.02
Water is safe	4	7.02
Beneficial to the environment	4	7.02
Properly implemented	4	7.02
Proper collection of garbage	1	1.75

In terms of the solid waste management service of the Municipality of Lezo, clean surrounding was one of the reasons why five or 26.67% of the respondents were satisfied. Other reasons are: segregation was practiced (six or 20%), everyone participated in the program (five or 16.67%), proper collection of garbage (four or 13.33%), properly implemented program (three or

10%), regular collection of garbage (two or 6.67%) and people in the community were educated and pollution /health issues were prevented (one or 3.33%).

In terms of the satisfaction with the waste water management service, most of the respondents (10 or 47.62%) indicated that there was proper drainage/sewage system, nine or 42.86% were satisfied because the waste water management was properly maintained. One each or 4.76% replied that the service was beneficial and properly implemented.

Meanwhile, out of the 57 respondents who availed of the clean-up program, most of them (23 or 40.35%) were satisfied because clean-up drives were held and 17 or 29.82% who said that the surroundings were cleaned. Only one or 1.75% mentioned that there was proper collection of garbage.

Table 6

Reasons for Dissatisfaction with Environmental Management Programs/Projects

Reason	Frequency
Community-based greening projects	
No regulation implemented	6
Not participating	3
Air Pollution Control Program	
Still polluted	5
No regulation imposed	3
Solid Waste Management	
Proper Segregation was not implemented	5
Irregularity/Late collection	4
No Dumping Site	1
Waste Water Management	
Poor maintenance	6
People are not obeying laws	1
Clean-up Programs/ Projects	
Not Organized	4
Not held regularly/Poor maintenance	3

Table 6 shows the reasons for dissatisfactions with the availed community program. The nine respondents who were dissatisfied of the community-based greening project, six of them revealed that there was no regulation that was implemented in their locality. The other three respondents said they did not participate in this service area.

Out of the eight respondents who were dissatisfied with the air pollution control program, five of them said that the locality is still polluted while three signified that there was no imposed on such service.

Out of ten respondents who were dissatisfied of the solid waste management services, five of them indicated that proper segregation was not implemented. Another four mentioned that there was irregularity/late collection of waste and one respondent indicated that there was no dumping site.

Of the seven respondents who were not satisfied with the waste water management services, almost all (six or 85.70%) mentioned that the service facilities were not poorly maintained. Only one or 14.30% signified that the people do not obey laws.

There were only two reasons why the respondents were not satisfied with the clean-up project of the Municipality of Lezo. The majority (four or 57.14%) indicated that the project was not organized. There were three or 42.86% who manifested that the program was not done/held regularly/poor maintenance of the program.

Table 7

Need for Action on Environmental Management Projects/ Programs

Project/Program	**Yes**	**No**	**Satisfaction**			
	(F)	**(F)**	**N**	**%**	**Cut-Off (%)**	**Interpretation**
Community-based greening projects	30	51	81	37.04	60.89	Low
Air Pollution Control Program	19	31	50	38.00	63.86	Low
Solid Waste Management	22	18	40	55.00	65.50	Low
Waste Water Management	10	18	28	35.71	68.52	Low
Clean-up Programs/Projects	16	48	64	25.00	62.25	Low

From the respondents who were aware and availed the services on environmental management by the LGU, most of the respondents said that the LGU rendered the service properly and needed less action. Only 22 or 55% of the respondents who signified that solid waste management should need more improvement. The rest of the projects under the environmental management service do not need any appropriate action as revealed by more than majority of the respondents.

It is observed that the greening projects spearheaded by the national government linked with other government initiatives such as 4Ps, Cash for Work and DOLE-TUPAD programs have significantly contributed to the awareness and visibility of community-based greening projects in LGUs. The continuous population expansion, the rising generation rate of every Filipino, and the kinds of solid waste generated pose a management challenge for both national and local government entities. Inefficient waste management in the country causes trash to pile up, contributing to the deterioration of the country's environment and having an influence on public health (Macawile & Su, 2009).

Table 8

Solid Waste Management Practices

Indicators	F	%
Garbage Disposal		
Collect	3	2
Burn	96	64
Bury	62	41.33
Throw	3	2
Others	1	0.67
Who Collects The Garbage		
Municipality	2	66.67
Barangay	1	33.33
Private collector	0	0
Others	0	0
Practice of Waste Segregation		
Yes	2	66.67
No	1	33.33
Regularity of Garbage Collection		
Everyday	1	33.33
Once a week	2	66.67

The data in table 8 reflects how the respondents disposed their garbage. More than majority (96 or 64%) were burning their garbage while 62 or 41.33% bury them on the ground. Three each or 2% collected and just throw their garbage. One or 0.67% of the respondent attested that the method of disposing the garbage was not mentioned by the other respondents. Improper solid waste disposal can endanger the environment and human health. Direct health concerns mostly affect personnel in this industry, who must be kept as far away from garbage as possible. Open burning and open dumping of MSW pose serious risks to human health and the ecosystem as toxic compounds are released into the atmosphere and the environment, including dioxins and dioxin-like compounds (Talang & Sirivithayapakorn, 2021). To address the country's growing solid waste problem, the government of the Philippines enacted the Ecological Solid Waste Management Act of 2000, also known as Republic Act no. 9003, declaring the state's policy to adopt a systematic, comprehensive, and ecological solid waste management program that includes the establishment of the necessary institutional mechanisms. However, the number of those who burn their garbage is still notably high especially those who live far from the city where garbage collection services of the LGU is not implemented and almost non-existence of Material Recovery Facility (MRF).

Results further show the respondents' practice on the collection of garbage. Among the three respondents who signified that their garbage was collected, more than majority (2 or 66.67%) said that the municipality gathered the garbage. Only 1 or 33.33% who expressed that it was collected by the barangay. Inefficient waste collection and lack of disposal facilities are the common problems in developing countries (Atienza, 2011). This situation has compromised the environmental health status of the countries which branches out to numerous and more serious threat to the environment.

Proper waste disposal is among the most vital aspects of any institution. As to the response on whether or not the respondents practiced waste segregation, more than majority (2 or 66.67%) were practicing the technique. Only 1 or 33.33% who did not practice waste segregation.

When asked on the regularity of garbage collection, more than majority (2 or 66.67%) stated that their garbage was collected once a week. Only 1 or 33.33% responded that garbage collection was done every day.

Table 9

Overall Satisfaction with Regards to Environmental Management Programs/Projects

Response	F	%	Interpretation
Satisfied	104	75.36	High
Not satisfied	34	24.64	

As shown in Table 9, three-fourths of the respondents (104 or 75.36%) were highly satisfied of the environment management programs of the Municipality of Lezo. Only 34 or 24.64% were dissatisfied. Thus, a high adjectival rating was attained.

Table 10

Recommendations from Citizens

Recommendations	F	%
Conduct Seminars/Trainings and encourage public participation on the services and programs of the LGU	21	14.00
Organize Clean and Green projects	20	13.33
Improve programs and services	19	12.67
Sustain those beneficial environmental programs	18	12.00
Strictly implementation of waste segregation	13	8.67
Collect garbage regularly	11	7.33
Proper implementation of environmental programs and services	9	6.00
Develop waste management programs	6	4.00
Entail discipline to the public	5	3.33
Cooperation of the People in the Community	5	3.33
Reforestation	4	2.67
Proposed Funds/Budget for the Projects of LGU	4	2.67
Implement Dumping Site	4	2.67
Develop environmental ordinance in the area	3	2.00
Construct/ Maintain proper drainage and sewerage	2	1.33
Strictly Implementation/ Completion of all the repair/construction Projects of the LGU	2	1.33
Awareness of Barangay Officials to their Duties and Responsibilities	2	1.33
Hire more employees	1	0.67
Regular conduct of cleaning program in the barangay	1	0.67

In table 10, the recommendations of the respondents are revealed. Conduct seminars/training and encourage public participation on the services and programs of the Municipality of Lezo was recommended by 21 or 14% of the respondents. A closer number (20 or 13.3%) suggested organizing clean and green projects, 19 or 12.67% said that the programs and service must be improved, 18 or 12% proposed that the LGU should sustain those beneficial environmental programs, 13 or 8.67% recommended to sustain those beneficial environmental programs while 11 or 7.33% suggested that garbage should be collected regularly. Only one each or 0.67% who recommended hiring more employees and regular conduct of cleaning program in the barangay should be done.

5. Conclusion

The citizens' satisfaction on environmental management programs is satisfactory. This indicates that the citizens' rating with the Lezo's environment related programs/services generated good reactions. On-going intervention and additional effort toward improvement are still necessary. The Municipality of Lezo must enhance interventions for solid waste management and wastewater management.

Respondents were mostly aware of the environmental management particularly the community-based greening projects, solid waste management and clean-up programs/projects. They were less aware on programs to control air pollution and wastewater management. Therefore, the Municipality of Lezo should improve public awareness along these programs.

On the other hand, most of the citizens still burn their garbage. Burning wastes such as plastic harms the environment by releasing hazardous compounds that pollute our air. Humans and animals can breathe polluted air, which is then deposited in the soil, surface water, and on plants. This pose a long-term health and environmental issues that would lead to more serious threat to humanity.

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Establishing, Piloting, and Evaluating Community-Managed Tour Trek in Sagnay, Camarines Sur

Ariane Pesimo-Abundabar

Abstract

Tourism has always been regarded as one of the Philippines' most important industries and a major source of revenue. Different destinations in the country are known for their cultural diversity and natural beauty. In fact, many sites are still left to be explored and developed. This study assessed the local community's perception of tourism development in Sagñay, Camarines Sur and aimed to propose a community-managed tour trek. Interviews, surveys, ocular visits, and mock tours were conducted to achieve the objectives of the study. Results show that the local community perceives that tourism development in the area can be a tool to help the community through improved livelihood, environmental protection, and cultural appreciation. The local community recognizes the importance of tourism development and the need for participation of all the stakeholders. Meanwhile, the proposed community-managed tour trek based on the inventory of tourism products highlights the natural and cultural resources of Sagñay, Camarines Sur. The local community was tapped as the primary stakeholders together with the local government unit. A pilot test was conducted to evaluate the proposed trek and provide a suitable offering to prospective tourists. Furthermore, the study shows the need for strong commitment among the local community and the local government to assure the successful management of the proposed community-managed tour trek. It has the potential to have a significant impact, particularly in terms of improving the community's welfare in the future.

Keywords: *tourism, development, community, tour*

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About the author:
MS in Hospitality Management major in Tourism Management. Instructor, Partido State University San Jose Campus

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1. Introduction

The continuous development of the tourism and hospitality industry has been a worldwide phenomenon. It has opened opportunities for economic growth, socio-cultural development and environmental protection among others. The industry encompasses different sectors providing the necessary services and support to visitors. Over the years, community involvement has been recognized as one of the important success indicators in tourism development. The World Wildlife Fund (WWF) International has put emphasis on the involvement of local cultures and people in tourism trade. The local community should actively participate in decision-making and reap equitable share of tourism benefits (Perrin, 2001). As a result, tourism development helps boost a nation's economy and empower local communities.

During the United Nations Conference on Environment and Development (Rio Earth Summit) in June 1992, the governments of 182 countries endorsed Agenda 21. It is a program and strategy aimed to secure sustainable development of planet Earth. Consequently, the World Travel and Tourism Council (WTTC), United Nations World Tourism Organization (UNWTO) and Earth Council published a report entitled "Agenda 21 for the Travel and Tourism Industry: Towards Environmentally Sustainable Development". The report translates Agenda 21 into a program of action for the travel and tourism industry which includes environmental protection and community participation as vital principles in tourism development. Agenda 21 for the Travel and Tourism Industry emphasized the need to make all travel and tourism businesses sustainable and detailed priority areas and objectives for governments and the tourism industry to conform to Agenda 21. It called for travel and trade businesses in tourism to minimize negative impacts and forge partnerships for sustainable development, including collaborating with local communities. Thus, national governments around the world agreed on the important role of the local community as a stakeholder in tourism development (Agenda 21 for the Travel and Tourism Industry: towards Environmentally Sustainable Development, 2001).

The United Nations established the Sustainable Development Goals in 2017. It is a blueprint for everyone to have a better and more sustainable future. There are 17 sustainable development goals to address the global challenges that many people are facing, including poverty, inequality, climate change, environmental degradation, prosperity, peace, and justice. The Goals interconnect is aimed to be achieved on 2030 (UNWTO, 2017).

In the Philippines, tourism development is a shared responsibility of the national and local government. Various laws comprise the responsibilities of the national and local government. Tourism development and promotion are mandated by law through the Local Government Code (RA 7160) and the Tourism Act of 2009 (RA 9593). These responsibilities in tourism development requires an effective system to manage and control government initiatives. Furthermore, Department of Tourism (DOT) implements a top to bottom approach to monitor initiatives which starts from the national level down to the local government units. In this approach, the community plays an important role in the decision-making process.

Different studies discussed how community-based institutions addressed local needs of the community. Many inaccessible rural and indigenous communities are beginning to be involved in the planning and decision-making process of local governments. Active participation to such has empowered communities to create social enterprises and organizations. These community-based institutions are presently responding to national and global economic opportunities with the local community as the primary beneficiaries. Aside from the economic benefits, community-based enterprises have been a tool towards poverty reduction and environmental protection. There is a need to establish partnerships and linkages to achieve the goals of community-based enterprises. These partners provide range of services, support functions, start-up funds, research, training, legal support, infrastructure and innovation and knowledge transfer (Seixas & Berkes, 2010). The role and participation of tourism stakeholders in the area determines the success of tourism development in a tourist destination (Amerta, 2017).

Community-based tourism in the Philippines has been recognized in different parts of the country. Though not all tourism initiatives focus on community participation, there are institutions and initiatives adopting community involvement in tourism (PATA, 2015). Such initiatives may lead to the empowerment of the local community through local leadership by creating plans and encouraging clear and transparent decision-making. Community members actively make decisions on strategies and acceptable levels of tourism based upon the community's culture, heritage, and vision. Strategies also equip local communities with the tools and knowledge necessary for decision-making, and build effective structures enabling community to influence, manage, and benefit from ecotourism development and practice (Ladaga, 2018).

Based on the tourism inventory in the area, a community-managed tour trek was proposed in this study. The development of the tour trek emphasizes the area's natural and cultural resources by adapting the trail development process and identifying the potential trails. In addition, the local community and the local government unit were identified as key stakeholders.

2. Literature review

2.1. Community Participation in Tourism Development

Private and public sectors focus on the construction of facilities and infrastructures to attract visitors with the goal of gaining economic benefits. However, this led to environmental and social issues. Little attention was given to the negative effects of development initiatives towards the local community. The projected benefits supposed to be earned sacrifices the well-being of the local community. In the long run, the aesthetic value of the place diminishes to the extent that destinations attract low-spending mass tourism. This poses socio-economic and environmental problems since tourism development relies on the environmental and socio-cultural resources. Thus, over the years, studies show that community involvement serves as an indicator towards success and sustainability (McIntosh & Goeldner, 1986; Timothy, 1999; Tosun, 2000).

Community involvement works better if the residents receive direct benefits from tourism development. However, benefits are often limited to a number of people who have the financial resources to capitalize on existing potential. For residents to receive benefits from tourism development they must be given opportunities to participate in, and gain financially from, tourism. However, benefits from tourism are often concentrated in the hands of a limited number of people who have the capital to invest in tourism at the expense of other segments of the community (e.g. lower class, uneducated and poor people). Therefore, tourism benefits and costs should be distributed more equally within the local community, allowing a larger proportion of the local population to benefit from tourism expansion, rather than merely bearing the burden of its costs.

One example is Boracay Island which is a famous attraction in the Philippines. Development initiatives bloomed like mushroom due to the marketability of the place. However, the welfare of the local community and the environment were sacrificed. This led to the closure of the growing tourism zone in Boracay in in the year 2018. The President of the Philippines ordered the closure of Boracay Island for rehabilitation purposes to mitigate the negative impacts to the natural environment and the local community. This scenario occurred due to the lack of involvement of the local community. Many businessmen capitalize on the natural resources of Boracay, displacing many locals, and destroying the environment. Instead of generating positive impacts and experiencing benefits, the issues led to a challenging call for change and protection.

2.2. Community-Managed Tourism Enterprises and Activities

Community-based enterprises are widely implemented in different parts of the world. Different areas include social entrepreneurship, economic development, empowerment zones, grass roots enterprises, and collective entrepreneurship (Welsch & Kuhns, 2001).

Different studies discussed how community-based institutions addressed local needs of the community. Many inaccessible rural and indigenous communities are beginning to be involved in the planning and decision-making process of local governments. Active participation has empowered communities to create social enterprises and organizations. These community-based institutions are presently responding to national and global economic opportunities with the local community as the primary beneficiaries. Aside from the economic benefits, community-based enterprises have been a tool towards poverty reduction and environmental protection. However, there is a need to establish partnerships and linkages to achieve the goals of community-based enterprises. These partners provide range of services, support functions, start-up funds, research, training, legal support, infrastructure and innovation and knowledge transfer (Seixas & Berkes, 2010).

Community-based enterprises are (CBE) created to provide economic and social benefits to the local community (Peredo & Chrisman, 2006). CBE has been increasingly acknowledged as a potential solution toward environmental and poverty problems. However, despite the increasing implementation, the understanding about the organizational architecture and performance of CBE is still lacking and it is argued that the good understanding about the nature of CBE is the bottom line of developing an effective CBE. Literature shows that CBE is mostly reported informs of case studies or project reports. Due to the singularity/individuality of those reports, it is difficult to have a general overview of the CBE in a whole. Thus, two problems are prevailing: (1) lack of comprehensive understanding about the organization of CBE and (2) lack of generalizability of the individual findings. These gaps call for a need to identify a way to bridge them (Soviana, 2013).

In Latin America, rural community-based tourism is a reality on the rise. More and more rural communities have been organizing to offer visitors the opportunity to get to know their landscapes and natural resources, their different cultural expressions, forms of organization and traditional productive activities related to agriculture, livestock, fisheries, craft production or management of forests. Cooperatives, peasant families, communities of indigenous peoples, women’s groups and all kinds of community organizations have collectively organized to complement and diversify their revenue by offering new tourist activities. Through these forms of organization, communities are ultimately responsible of deciding, in a sovereign way, how tourism is organized in their territories (Rural Community-based Tourism Latin America Catalogue, 2015). Thus, community-based tourism could be a tool for poverty alleviation and local community empowerment.

2.3. Community-based Tourism Initiatives

Community-based tourism in the Philippines has been recognized in different parts of the country. Though not all tourism initiatives focus on community participation, there are institutions and initiatives adopting community involvement in tourism. One of which is the Bojo Aloguinsan Ecotourism Association (BAETAS). It was formally registered with the Department of Labor and Employment in October 2009, and with the Bureau of Internal Revenue the following year. The project was initiated by the local government of the municipality of Aloguinsan, a town located 73 kilometers midwest of Cebu City on the island of Cebu in central Philippines. The town is classified as a 4th class municipality with a population of 26,000 and a land area of 7,421 hectares. The village of Bojo is a fishing village of about 1,600 residents living in an area of about 355 hectares. Most of the residents earn from fishing, farming and working as laborers in the city. The 1.3 kilometres Bojo River flows through this village and empties into the Tanon Strait, the biggest marine protected area in the Philippines, and home to 14 species of dolphins. BAETAS' mission is to protect Bojo river and the marine resources of Tanon Strait, and attract tourists and earn supplemental income. Its general strategy is community-driven environmental management and the approach is ecotourism revenue as a strong incentive to protect the environment. By the middle of 2009, the Bojo River Eco-Cultural Tour was launched. After fine-tuning the product for a year, it began full swing in 2010. To date, it has received almost 38,000 satisfied tourists who have joined the tour bringing memorable and meaningful experiences with them after. Tours have generated a total receipt of 16 million pesos with the 2.6 million pesos turned over to the local government. People hail it as a trailblazing initiative in Philippine community-based ecotourism where a local community association gives financial endowment to a municipal government from its tourism activities (PATA, 2015).

According to ASEAN, the Philippines leads the way in sustainable, community-based eco-tourism. The localities cited where the Coron Island off Palawan and Donsol in Sorsogon Province. Coron offers a series of nature-based adventures, ranging from scuba diving to countryside hiking, all done in close coordination with local community tourism offices. While Donsol highlights two unique natural experiences - the whale shark encounter and firefly-watching - both of which support local livelihoods and subsidize environmental protection efforts (ASEAN, n.d.).

Palawan is also known to be one of the places with community-managed tourism initiatives. In Puerto Princesa City, the Underground River was provisionally chosen as one of the New 7 Wonders of Nature in 2011. This recognition also uncovered part of the government's objectives which is to maintain a sustainable tourism that will serve as a livelihood for its people and promote economic development. To obtain this, the local government of Puerto Princesa City initiated the community-based ecotourism in Brgy. Buenavista. Such initiatives led to the empowerment of the local community through local leadership by creating plans and encouraging clear and transparent decision-making. Community members actively make decisions on strategies and acceptable levels of tourism based upon the community's culture, heritage, and vision. Strategies also equip local communities with the tools and knowledge necessary for decision-making, and to build effective structures to enable the community to influence, manage, and benefit from ecotourism development and practice (Ladaga, 2018). Community-based ecotourism in Palawan proved the power of sustainable livelihood and biodiversity conservation to alleviate rural poverty.

A case study on poverty reduction through tourism was conducted in Brgy. Sta. Juliana, Capas, Tarlac, Philippines. The case study was an entry for the World Tourism Organization Compendium of Best Tourism Practices with the Mt. Pinatubo Ecotourism Kabuhayan sa Turismo Project. Since its inception in 1999, the project provides opportunities for the socio-economic upliftment of the community. The livelihood of the locals had a significant transition from local farming to tourism. Results of the study demonstrated the income generated for the local community through tourism development (DOT, 2014).

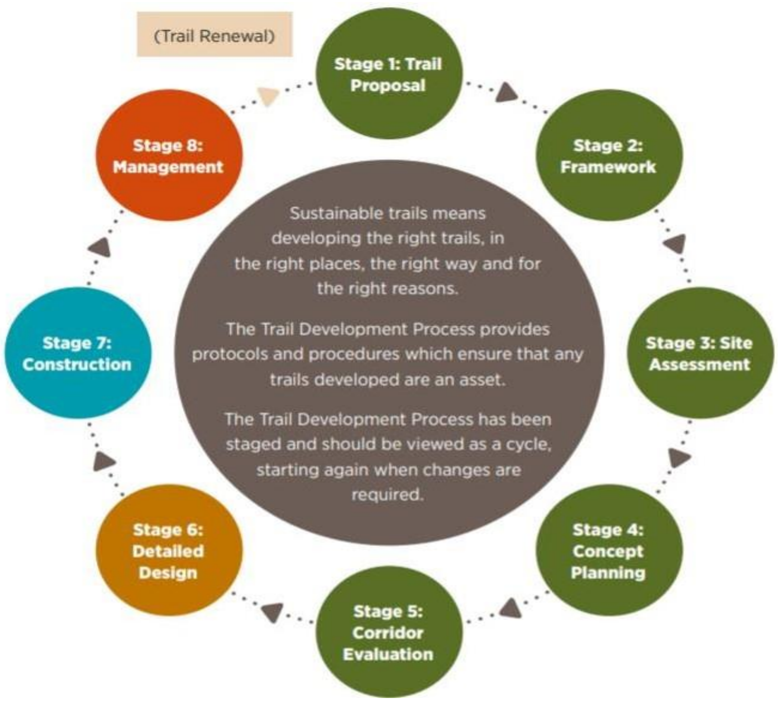
Another emerging type is community-based ecotourism. It is a form of ecotourism that emphasizes the development of local communities and allows local residents to have substantial control over and involvement in its development and management, and also a major proportion of the benefits within the community. This form of ecotourism allows the participants of the cooperative to share the environment and their way of life with visitors. While increasing local income and building local economies, community-based tourism allows communities to participate in the modern global economy while cultivating a sustainable source of income and maintaining their way of life (Ladaga, 2018). Thus, community participation is a major success factor in tourism development. Many countries and programs have exhibited the benefits of involving and empowering the local community in tourism development.

2.4. Theoretical framework

The Trail Development Process (TDP) was adapted to guide the research (figure 1).

Figure 1

Trail Development Process



Note: This model was produced by the Department of Biodiversity, Conservation and Attractions in 2019, from Trails Development Series, Part A: A Guide to the Trail Development Process, a joint publication by the Department of Biodiversity, Conservation and Attractions and the Department of Local Government, Sport and Cultural Industries. Source: State of Western Australia (2019).

The TDP is divided into eight stages and includes a continuous evaluation, review, and improvement process as trails are being developed, maintained, extended or renewed. Where possible, each stage is completed before moving on to the next stage, although some overlaps may be possible. Properly built trails provide opportunities to teach visitors about wildlife, forestry and natural resources. Designed with sustainability in mind, a nature trail can provide years of enjoyment. A well-designed trail will save time and money over the long term and minimize future trail maintenance (McPeake et al., 2011).

The TDP is a scalable process, suitable for the development of a local trail for a small community (State of Western Australia, 2019). The study adapted this process and implemented steps 1-5 as specified in table 1.

Table 1

Trail Development Steps

Stage/Step	Outcome
Trail Proposal	A trail development proposal will be developed supported by identified stakeholders. It involves the identification of suitable areas for consideration
Framework	A project outline developed by the steering group (stakeholders), including: project objectives, potential project management model, stakeholders, roles, target market, requirements and strategies.
Site Assessment	Broad-scale study of the area and identification of opportunities, constraints and characteristics such as soil types, vegetation etc.
Concept Planning	Identification of opportunities and conceptual trail plan, including walking trail maps and infrastructure requirements.
Evaluation	Detailed assessment of trail maps for use in determining the final trail. Validation with stakeholders will be conducted.

Note: This process was adapted from the model produced by the Department of Biodiversity, Conservation and Attractions in 2019, from Trails Development Series, Part A: A Guide to the Trail Development Process, a joint publication by the Department of Biodiversity, Conservation and Attractions and the Department of Local Government, Sport and Cultural Industries. Source: State of Western Australia (2019).

Table 1 shows the trail development steps implemented in the study which includes, trail proposal, framework, site assessment, concept planning, and evaluation. These are necessary steps that enabled the identification and evaluation of the trails for the tour trek package.

3. Methodology

The data collection technique was directed by the trail developmentprocess and defined objectives. The researcher evaluated the location to determine the tourist components and conducted a meeting with stakeholders to determine which potential trails to consider. To assess future touristdemands, a visitor preferences survey was conducted. Using the established criteria, the trails that were considered were identified and mapped. The sites were assessed in order to determine the potential trails and propose tour trek packages. Stakeholder validation was also carried out. A series of mock tours were conducted to create the suitable tour trek itinerary. Selected government employees, tourism practitioners and faculty evaluated the proposed itineraries. An itinerary was developedand pilot-tested for evaluation.

The respondents of the study were the stakeholders in Sagñay, Camarines Sur. Random Sampling technique was used in the study. Percentage Technique and weighted mean were used to analyze the data gathered. The primary sources of data are the on-site visitors, previous visitors, local residents, tourism experts and LGU officials.

4. Results and Discussion

4.1. Local community perception on potential tourism development

The local community's perception towards tourism development is an important factor to achieve sustainability. Different cultures and customs exist in different societies which are affected by tourism development. Local communities in developing nations are required to engage in and manage tourist activities.The mixed perception about the tourism development in the study area reflects that directbenefits through tourism hold positive perception and attitudes while those who have not received any tangible benefits hold negative attitudes about the tourism development.

Table 2 shows the perception of the local community towards tourism development in the area. Local residents strongly agree that more people in the community should be involved in tourism. They also perceivethat their family's income and quality of life would increase if tourists were attracted to explore the area's services and activities. They also think that infrastructure in the local area would improve because of tourism(i.e. roads, sewage systems, wells, bridges.) and that decisions about how much and what kind of tourism should be developed are best left to the residents of the area.

Table 2

Community Perception towards Tourism Development

Statements	WM (n=150)	VI
1. Tourism makes local people feel proud about their culture.	3.95	Agree
2. Tourism helps the villagers better appreciate their community.	3.91	Agree
3. Tourism would take away our natural resources such as land, food, water, and wood.	1.87	Disagree
4. Tourism would bring increased crime to the area.	2.01	Disagree
5. Tourism development would increase protection of natural areas.	4.11	Agree
6. More people in this community should be involved in tourism.	4.6	Strongly Agree
7. Tourists would crowd local residents out of recreational spots.	2.04	Disagree
8. My family's income and quality of life would increase if tourists were attracted to explore this area's services and activities.	4.52	Strongly Agree
9. The infrastructure in the local area would improve because of tourism (i.e. roads, sewage systems, wells, bridges.)	4.45	Strongly Agree
10. The current rules used in managing the resources in the area are adequate.	3.81	Agree
11. Rules and regulations regarding resource use need to be drafted.	3.95	Agree
12. The community needs to monitor forest and marine resource use.	4.49	Agree
13. We should take steps to restrict tourism development.	2.81	Undecided
14. Decisions about how much and what kind of tourism we should have are best left to the residents of the area.	4.55	Strongly Agree
15. Decisions about how much and what kind of tourism we should have are best left to the private sector (i.e, entrepreneurs, non-profit organizations).	3.62	Agree

The respondents perceive that tourism development in the area can be a tool to help the community through improved livelihood, environmental protection, and cultural appreciation. However, the respondents disagree that there will be increased crimes and competition of resources among the locals and visitors. Respondents agree that the local community should be involved in the decision-making process when it comes to policy formulation. This shows that the local community recognizes the value of tourism development in the area, aswell as the need for participation from all stakeholders. As a result, community involvement might be used tohelp regulate tourism in the area.

4.2. Inventory of Tourism Products in Sagñay, Camarines Sur

The tourist product is the sum of a tourist's physical and psychological experiences when visiting a destination. It is a composite product, consisting of a collection of services such as tourist attractions, transportation, accommodation, and entertainment that provide visitor satisfaction. Each aspect is supplied by individual service providers. The potential attractions and activities in Sagñay, Camarines Sur varies from natural, cultural, and man-made. Table 3 shows the inventory of existing and potential tourism products, location, approximate distance from the information center and activities in the site.

Table 3

Inventory of Tourism Products

Tourism products	Location	Approximated Distance from the Tourist Information Center	Activities
Nature-based attractions			
1. Patitinan White Beach	Patitinan	15.1 km	Swimming, Sightseeing,Camping
2. Sibaguan Falls	Sibaguan	6 km	Swimming, Trekking
3. Coyaoyao Falls	Coyaoyao	9 km	Swimming, Trekking
4. Sto. Niňo Beach	Sto. Nino	6.7 km	Swimming
5. Atulayan Island	Atulayan	7.4 km	Swimming, Diving, Camping
6. Atulayan Fish Sanctuary	Atulayan	7.4 km	Swimming, Diving, Camping
Cultural/Historical Attractions			
1. St. Andrew the ApostleChurch	Sagňay	400 m.	Sightseeing
2. Guipao Festival	Sagňay	n/a	Sightseeing, Music Fest
3. Baybayon Festival	Sagňay	n/a	Sightseeing, Music Fest
4. Pasko sa Sagňay	Sagňay	n/a	Sightseeing, Music Fest
Man-made Attractions			
1. Patitinan Rest House/RestArea	Sagňay	18 km	Sightseeing
2. Partido Riviera	Sagňay	20.3 km	Sightseeing

a. Nature-based Attractions

Sagñay boasts nature-based attractions that can be developed and managed to draw many visitors in the area. Nature-based attractions in Sagňay include Patitinan White beach, Sibaguan Falls, Coyayoyao Falls,Sto. Niňo Beach, Atulayan Island, and Atulayan Fish Sanctuary.

Figure 2

Patitinan White Beach

Patitinan White Beach (Figure 2) is a private resort found in Sagňay, Camarines Sur. Its crystal blue waters meet the fine golden white sand while rocky formations can be found by the shore. The place is silentwhere you can only hear the flowing waves with a lovely view of the seascape. The site remains unspoiled and free from destructive infrastructure or extremely damaging human activities.

The entrance of the resort is beside the main road where a Patitinan signage welcomes visitors, along with its caretakers. The white beach is accessible through a 15-minute trek from Patitinan's main road or a 15-minute boat journey from Bongalon port. Rental cottages and tree huts are also available. The main recreational activities in the area are swimming and camping.

Figure 3

Sibaguan Falls

Source: http://tourism.sagnay.gov.ph/index.php/products-and-services

Sibaguan Falls (Figure 3) is a multi-tiered waterfall that is remote and relatively undiscovered. It is accessible via an hour-and-a-half hike that includes three river crossings, canyoneering, and climbing before arriving to a sequence of waterfalls. This attraction is suitable to soft and hard adventure visitor groups. The journey from the main road is thrilling, and guests can enjoy the fresh breeze as they walk through the forest. Its white water cascades down a series of rocky outcrops, giving the effect of many waterfalls rather than just one. The rushing water descends over a series of rocks as it reaches a deep plunge pool of cold water.The main recreational activities include canyoneering, bouldering, swimming, and flora and fauna appreciation.

Coyaoyao Falls (Figure 4) is another hidden attraction in Sagňay. From Sibaguan proper, the waterfallscan be reached through a 25-minute trek with local guides. It is another unexplored gem hidden among the lush trees in the area. The trek to Coyaoyao Falls is easy and requires minimal effort.

Figure 4

Coyaoyao Falls

The area's greenery and peaceful atmosphere is worth the trek while its fresh water is best for swimming. The waterfall flowed smoothly to the wide plunge pool at the bottom which is varnish clear. The site is good for swimming, picnics, and flora and fauna appreciation.

Figure 5

Sto Niňo Beach, Sto. Niňo

Visitors may experience local traditions and cuisine through the numerous locally-owned food establishments offering local food and delicacies in the site. Cottages and room accommodations are also available in private resorts along the shoreline. Community immersion is also a must-experience activity. Locals are known to be hospitable and fun-loving.

Figure 6

View of Atulayan Island from the mainland

Figure 7

Atulayan island beachfront

Atulayan Island (Figures 6 & 7) is noted as a pristine white sand island whose name was based on the local dialect for snail, atol. From afar, it is considerably a snail-shaped island. A 20-minute boat ride from Nato Wharf will lead to the soothing crystal clear waters. Friendly locals will welcome you with genuine Filipino hospitality. It is the most visited tourist attraction in Sagňay.

The island boasts diverse marine life attracting visitors year-round. Atulayan is pleasant forswimming and for family recreation as well. Tourists may also enjoy climbing the 220 steps at the Wonder Stairs which lead to the relaxing view of Atulayan Hill Top (Rediscover Sagñay, 2018). Visitors may also trek and enjoy the diverse flora and fauna. Cottages and room accommodations are available for visitors. Camping is also allowed in the area provided that there is LGU coordination since it is managed by the local community. Atulayan Island is a competitive attraction in the area.

Figure 8

Atulayan Fish Sanctuary

Another interesting attraction in Atulayan Island is the Atulayan Fish Sanctuary (Figure 8). It is a marine protected area that contains abundant species of fish, corals and different underwater life. The fish sanctuary is maintained by the local government of Sagňay and supported by the local community manifested by the continuous protection of the place. Through the years, there is little or no trace of environmental exploitation in the area.

Diving is a must-experience activity guided by local professional and registered divers upon request, A notable practice in the area is the continuous environmental awareness drive and monitoring conducted by the local government unit to educated locals of the important practices to protect and preserve the sanctuary.

b. *Cultural Attractions and Events*

Visitors can see and experience mankind's physical and intellectual creations at cultural places. Cultureencompasses everything created by humans in its broadest meaning; nonetheless, certain achievements leavea stronger effect than others. Sagňay is also known for festive and colorful celebrations commemorating feastdays and the home one of the oldest church in the area. The local people are known to be pious and hospitable.Many visitors participate in festivals, feast days and other activities. There are also groups of indigenous people in some parts of the municipality. The previous table (Table 3) lists Cultural Attractions and Events, its location, approximate distance from the information center and activities.

Figure 9

Baybayon Festival ladies

Baybayon Festival is the most famous festival in the town. The festival aims to promote the tourism industry in Sagňay through a 3-day celebration along the coastal are. Activities include concerts, competitions,local trade fair and other activities depicting abundance and thanksgiving. There are also varied activities encouraging the youth to engage in sports and arts.

Baybayon Festival is celebrated annually during the summer season at Baybayon Site, Sto. Niňo, Sagňay, Camarines Sur. The Baybayon site (Figure 10) has been an attraction since the festival started in 2005.It has been the center location for activities and business expos.

Figure 10

Baybayon Site

The festival also includes beauty pageants, beach disco, ballroom dancing, beach sports competition, bikini open, concerts, colorful float parades and other related activities. Many people from neighboring townsvisit Sagñay during the conduct of this festival. In fact, one of the major highlight is the annual appearance ofcelebrities and performers in the festival. Among the guests include famous Filipino groups like Ben & Ben, Parokya ni Edgar, Kamikazee and many others.

Figure 11

Street Dancing Competition

Guipao Festival is the celebration of Sagňay's town fiesta. The festival includes colorful and joyous activities like street dance, parades, cooking contests, novenary mass and fireworks. Visitors flock the town to witness the grand display of costumes and props during street dancing competitions while commemoratingthe town's patron saint.

Locals open their homes to offer sumptuous meals to guests. These strengthen the bond among the local people and neighboring towns. Despite the changes brought by the modern times, the local traditions continue to flourish and exhibited in festivals and other activities in the town.

The Local Government Unit of Sagnay initiates sustainable tourism activities to promote environmental protection. Mangrove Panting and Coastal Clean-up are one of the major activities joined by the locals and different organizations. There is also a Business and Tourism Sector activity in support to smallbusinesses and tourism enterprises. The LGU also recognizes e-sports as a way to prevent the youth from engaging in drugs through the Mobile Legends Tournament.

Figure 13

Locally-made lanterns on display at the town plaza

Christmas is an annual highlight in the Philippines which explains the annual festive celebration of Pasko sa Sagňay. It is the celebration of Christmas which commemorates the birth of Jesus. One of the highlights of the event is the giant Christmas tree displayed in the town plaza, adorned with locally-made lanterns. Different themes are chosen each year. The local tourism office aims to attract visitors and supportssmall businesses though this project.

Figure 13

St Andrew the Apostle Church

Source: http://tourism.sagnay.gov.ph/index.php/products-and-services

St. Andrew the Apostle Church (Figure 13) is one of the oldest churches in the region. Many people are fascinated by the more than 300 years old church found at the town center. The first parish priest was Fr. Pedro Perona. He built the wooden church under the Patronage of the St. Andrew the Apostle, thus making November 30 as its town fiesta.

In the year 1685 to 1687, Fr. Serafin Terren, built a new rectory, which was destroyed by a typhoon. Fr. Frutos Garcia, built the church of stone and wood where the foundation of which still s tand today to testify to the dedicated efforts of the First Spanish Missionaries. The secular clergy played the most part in the making of the present church endure through the centuries, thus making the church a perfect monument of a rich cultural past. Fr. Mariano Calvo finished its walls and floor of nipa. It was Fr. Lope Delgado who covered it with galvanized iron in 1888. Found at the town center, the stone church attracts visitors with its architectural design and rich history. It is an iconic attraction and place of worship at the town center.

c. Man-made Attractions

Man-made attractions are described as human-made attractions with the goal of leaving a lasting impression. Among the interesting man-made attractions in Sagňay is the Patitinan Rest House or Rest Area and the Partido Riviera viewing deck. TAs shown in Table 3, the following are the man-made attractions in Sagňay.

Figure 14

Patitinan Rest House/Rest Area

Patitinan road connects Partido Area and Tiwi, Albay. Many motorists and travelers pass the area since it is the faster way to Tiwi, Albay and other neighboring towns. Thus, the Patitinan Rest Area (Figure 14), also called Patitinan Rest House is a joint project of the Local Government Unit of Sagňay and the Department of Tourism to support the livelihood of the local resdents in the area.

The Patitinan Rest House/Rest Area provides basic sanitation facilities with complete bathrooms and shower rooms. There is a designated area for dining and relaxation while enjoying the seascapes and the overlooking view of the Atlayan Island. Locals also sell local products and food. One of the famous local products in the area is the woven abaca blankets created by locals and Indigenous Peoples group.

Figure 15

Partido Riviera

An approximately 25-minute drive from the town proper of Sagňay, picturesque views can be seen along the winding road of Patitinan that geographically connects Sagňay, Camarines Sur and Twi, Albay. Partido Riviera (Figure 15), Pride of Patitinan, is the one of the most visited site in the area. Tourists usually have their stopover in order to enjoy the beauty of nature overlooking the wide view of the Lagonoy Gulf. It is just a few minutes from the Patitinan Rest Area where complete facilities waits for those who want to take a break from road travel.

4.3. ***Community-Managed Tour Trek***

Community-based tourism is a type of tourism in which tourists are invited into local communities to learn about their culture and daily lives. It is a type of sustainable tourism that allows visitors to build deep bonds with the communities they visit. Visitors can meet with the local people, learn about the diversity and customs of another region and consider homestays, farm visits, group cooking and crafting, storytelling, village excursions, and other activities that provide insight into their daily lives.

Figure 16

Tourist Map of Sagñay, Camarines Sur

Source: http://tourism.sagnay.gov.ph/index.php/products-and-services

The local tourism office headed by Ms. Cathe Ortinero believes that Sagñay has great potential as a tourist destination. The LGU recognizes tourism as an important tool to boost their economy. One of the initial steps conducted by the local government unit was the identification of tourist attractions in the area. A map (Figure 16) was developed to highlight points of interest in the town. Based on the identified potential tourist attractions and activities in Sagñay, a community-managed tour trek was developed by the researcher in consultation with the tourism officer. Attractions and activities included in the proposed tour treks were also based on the survey conducted in the municipality. The following are the proposed tour trek developed by the researcher and approved by the local tourism officer.

Figure 17

Day Tour Package A

Day Tour Package A

Tour Inclusion:
- *Tour guide services - Van service for the tour - Entrance fees - Transfers*

Day Tour A

0600H	Tour group meet up at St. Andrew the Apostle Church
0610H	Orientation and Ocular Tour at St. Andrew the Apostle Church *Breakfast: Kakanin and fresh buko juice/local drink*
0645H	ETD to Sibaguan
0655H	Sibaguan, Sagnay and Trekking Preparation
0700H	Guided Trekking to Sibaguan Falls
0740H	Sibaguan Falls Swimming Sightseeing Flora and Fauna appreciation Picture Taking
1130H	Patitinan Rest Area Lunch will be served by locals Woven Souvenir products Display Social Interaction with locals Presentation of Local Folks/Tribe members Souvenir Shopping (display of local products)
1430H	Partido Riviera Overlooking view of Atulayan Island and seascapes (Photo ops)
1500H	Travel to Nato Beach
1530H	Nato Beach Sightseeing Swimming Food hopping among local restaurants and stores (on pax account)
1700H	ETD

End of Tour

The Sample Package Tour A shown in Figure 17 is a sightseeing day tour along the Sibaguan, Patitinan and Nato. It showcases the magnificent Sibaguan Falls, Patitinan Rest area and Nato Beach. Visitors will participate in a cultural walk that includes an adventure trek to the multi-tiered Sibaguan waterfalls, interaction with locals, shopping of local woven products, beautiful seascapes from viewing decks, and the relaxing aura of Nato Beach while dining in local food establishments of their choice.

Creating a positive interaction between locals and tourists is one of the most important aspects of attaining and maintaining sustainable tourism development in a region. Tourists' experiences and perceptions of the visited destination, as well as residents' acceptance and tolerance of tourists, are influenced by the quality of interaction between tourists and residents (Armenski et al., 2011).

Figure 18

Day Tour Package B

Day Tour Package B

Tour Inclusion:
- Tour guide services - Van service for the tour - Entrance fees - Transfers

0600H	Tour group meet up at St. Andrew the Apostle Church
0610H	Orientation and Ocular Tour at St. Andrew the Apostle Church *Breakfast: Kakanin and fresh buko juice/local drink*
0625H	ETD
0645H	Bongalon Port
0650H	Boat travel to Patitinan Beach
0720H	ETA: Patitinan Beach Swimming Sightseeing Flora and Fauna appreciation Picture Taking
1050H	Boat Travel to Bongalon Port
1120H	Van Transfer to Partido Riviera Rest Area
1140H	Patitinan Rest Area Lunch will be served by locals Woven Souvenir products Display Souvenir Shopping (display of local products)
1400H	Guided Trek to Sibaguan Falls Sibaguan Falls Swimming Sightseeing Flora and Fauna appreciation Picture Taking Food: on pax account
1700H	Nato Beach Sightseeing Food hopping among local restaurants and stores (on pax account)
1745H	ETD

End of Tour

The Day Package Tour B shown in Figure 18 is an adventurous escapade to Patitinan Beach, Partido Riviera, Sibaguan Falls and Nato Baeach. Visitors will experience a 15-minute boat ride from Bongalon Port to Patitinan White beach, guided trek to Sibaguan Falls and local immersion at Nato Beach to end the day while relaxing and dining at sunset. This tour package is for the adventurous types who want to engage in trekking, swimming, and social interaction. The highest level of interaction between locals and visitors is the formation of a desire to share knowledge and experience.

Figure 19

Overnight Tour Package

Overnight Tour Package

Tour Inclusion:

- *Tour guide services*
- *Van service for the tour*
- *Boat Services*
- *Entrance fees*
- *Full board meals*
- *Accommodation*

Day 0

2000H	Travel from Manila to Sagnay

Day 1

0600H	Arrival: Sagnay
0610H	Resort Check-in *Breakfast: Kakanin and fresh buko juice/local drink*
0630H	Orientation and Ocular Tour at St. Andrew the Apostle Church
0650H	ETD to Sibaguan
0655H	Sibaguan, Sagnay and Trekking preparation
0700H	Guided Trekking to Sibaguan Falls
0740H	Sibaguan Falls Swimming Sightseeing Flora and Fauna appreciation Picture Taking
1130H	Patitinan Rest Area Lunch will be served by locals Woven Souvenir products Display Social Interaction with locals Presentation of Local Folks/Tribe members Souvenir Shopping (display of local products)
1430H	Partido Riviera View Deck Overlooking view of Atulayan Island and seascapes (Photo ops)
1500H	Travel to Nato Beach
1530H	Nato Beach Sightseeing Swimming Souvenir Shopping Food hopping among local restaurants and stores (on pax account)
0700H	Back to Resort

Day 2

0600H	Wake-up call/Breakfast
0630H	ETD to Nato Port
0645H	Nato Port
0725H	Atulayan Island Swimming Snorkelling Kayaking Sightseeing Picture-taking Other activities
1130H	Lunch by the sea (local food: fresh fish and local delicacies)
1330H	Travel back to Nato port
1420H	Back to accommodation *Free time for other activities* **town center* **local restaurants* **other activities at the time of visit*
1500H	Depart to Manila

End of Tour

The Overnight Tour Package shown in Figure 19 highlights the beauty of the most-visited sites in Sagnay and the importance of social interaction and cultural understanding to improve the quality of relationships between locals and visitors. Visitors will trek to Sibaguan Falls, experience local hospitality at Patitinan Rest Area, appreciate the overlooking view of seascapes at Partido Riviera, dine in different local food establishment and relax while watching the sunset at Nato Beach, and be amazed by the amazing waters and views of Atulayan Island.

Community-managed tourism provides for more interaction with local inhabitants while also providing better economic and environmental benefits. Developing a tour package that encourages meaningful interaction among locals and visitors promote better sustainable tourism practices and multi-cultural understanding. Involving the community empowers the local people. It may also inspire them to contribute to the protection of their local area since they are part of the decision-making process.

On the other hand, the researcher also developed a Tri-fold Information Sheet for potential visitors. Figure 20 and 21 show the Tri-fold Information Sheet of Sagňay, Camarines Sur. The Information sheet highlights the attractions in the area and the map developed by the local government. It also emphasized the municipality's tourism tagline, "Rediscover Sagňay". The information sheet also includes information about the destination, tourism enterprises and recommended food establishments, important contact numbers and a sample tour package. The information sheet is developed to help visitors have access to important information before and during their visit.

In addition, various characteristics of tourist satisfaction were linked to availability of information. Tourists like settings where information is accurate and timely, where services are adequate, and where visitors are treated with respect (Tavares, Otaviano, & Madhuri, 2018). Accessible destination information is important in attracting visitors. Thus, the information brochure was developed.

Figure 20

Tri-fold Information Sheet of Sagñay, Camarines Sur (Page 1)

Sagnay Day Tour	
Time	Activities
0600H	Tour group meet up at St. Andrew the Apostle Church
0610H	Orientation and Ocular Tour at St. Andrew the Apostle Church
	Breakfast: Kakanin and fresh buko juice / local drink
0645H	ETD to Sibaguan
0655H	Sibaguan, Sagnay and Trekking preparation
0700H	Guided Trekking to Sibaguan Falls
0740H	Sibaguan Falls
	Swimming
	Sightseeing
	Flora and Fauna appreciation
	Picture Taking
1130H	Patitinan Rest Area
	Lunch will be served by locals
	Woven Souvenir products Display
	Social Interaction with locals
	Presentation of Local Folks / Tribe members
	Souvenir Shopping
	(display of local products)
1430H	Partido Riviera
	Overlooking view of Atulayan Island and seascapes
	(Photo ops)
1500H	Travel to Sto.Niño Beach
1530H	Sto.Niño Beach
	Sightseeing
	Swimming
	Food hopping among local restaurants and stores (on pax account)
1700H	End of Day Tour

For price and arrangement inquiries, please contact:
MS. CATHERINE B. ORTINERO
Tourism Officer in-charge
0946048635

FOOD PROVIDERS

ICEVERGZSHAKES & BURGERS Goumet Snacks Towns Center	09082339986
TITUZ PIZZA & HOME MADE SNACKS Made to Order Town Center	09462212088
BIG BURGER Food Stools within Market Vicinity	09308973539
AIDA'S EATERY Canteen/ Karenderya near Central School	09198119150
RECHILDA'S CATERING SERVICES Made to Order/ Delivery Town Center	09268924816 09095546776
OMICK RESTO BAR Sisig/ Beer / Live Brand near Baybayon Site	09202886254
MARGIE NATIVE FOOD Binibid/ Sinapot/ Kalingking by delivery	09463954884
EMMANUEL CARABLE Made to Order Pinangat by delivery	09120480609
RODGER'S KICHENETTE Catering Services Town Center	09108427417

OTHER NEARBY DINING CHOICES

Janni Cris Diner by Lejanni (Tigaon)	09185834834 (052)452-3037
AirLloyd 24/7 Food Park (Tigaon)	09090272741 09173208770
A-Delpha's Burger and Café (Tigaon)	09953948217
Claudia's (Tigaon)	09209269538
Ricky's Tipolo Farm (Tigaon)	09450783379
Magayon Pizzeria Ristorante (Tiwi)	09958921294 09056119411
DJC Halo-Halo (Tiwi)	09152798815

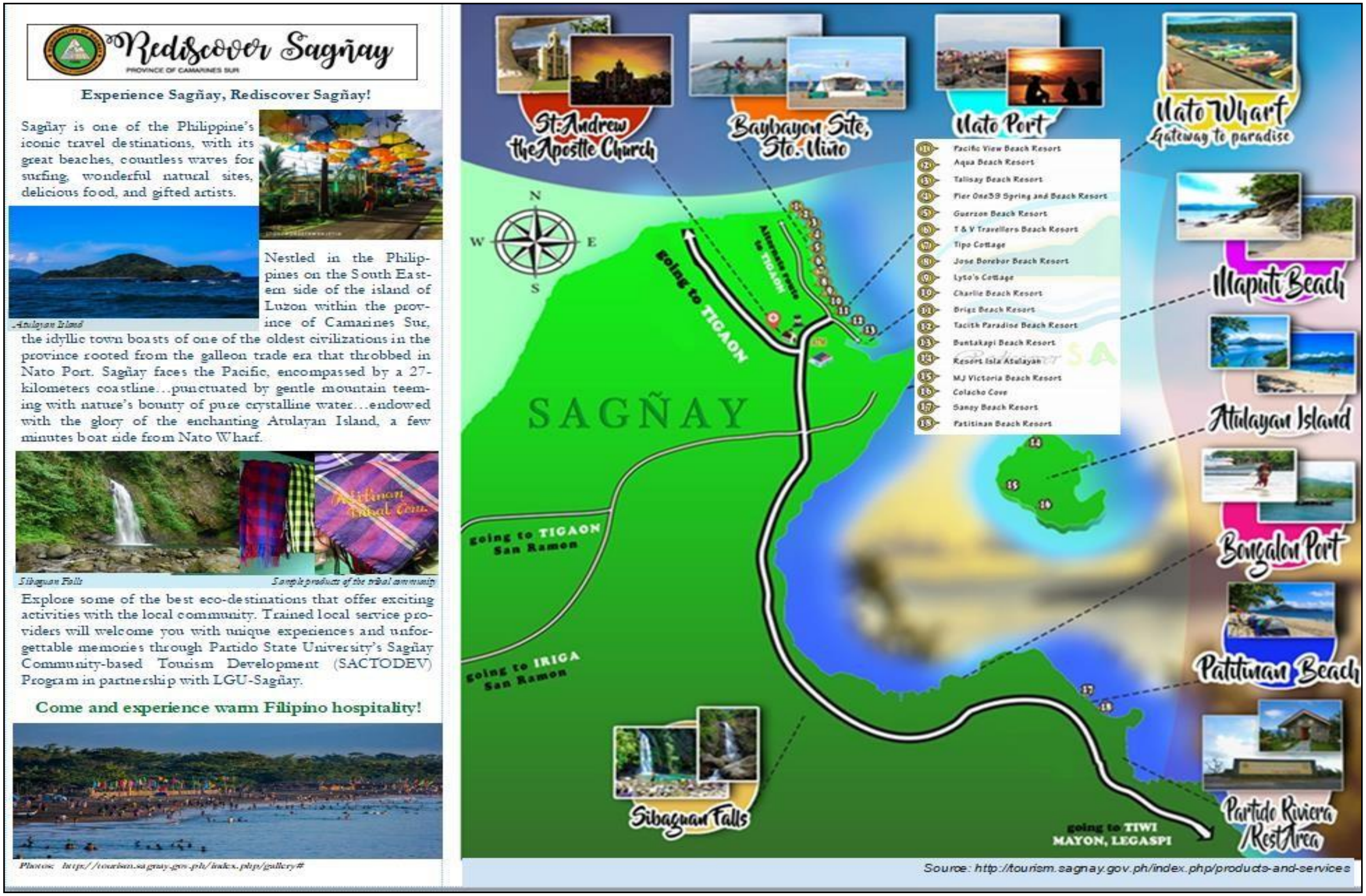
GOVERNMENT SERVICES

LOCAL PNP HOTLINE	0998-967-3578 0998-561-6479
SAÑGAY INFIRMARY	0909-220-7372
SAÑGAY AMBULANCE	0909-220-7369
SAÑGAY FIRE STATION	0909-675-3965
MDRRMO RESCUE	0918-402-9012 0917-136-9689 0920-534-4256 0928-228-3474
PHIL. COAST GUARD	0998-585-573 0917-842-6845
BANTAY DAGAT	0930-540-3433
SAÑGAY TOURISM OFFICE	0946-046-6835

Local Government Unit of Sagñay
Camarines Sur
4421, Philippines

Figure 21

Tri-fold Information Sheet of Sagňay, Camarines Sur (Page 2)



4.4. ***Evaluation of the Community-Managed Tour Trek***

The site assessment, tourism products inventory identification of trails, and mock tours led to the proposal of tour trek packages. The pilot test was conducted with participants including tourism professionals, tourism graduates, individuals who completed the Tour Guiding Course and the tourism officer of Sagnay, Camarines Sur. The tourist attractions visited were based on the previous mock tours conducted. The participants rated the itinerary based on the distributed questionnaire.

Community service providers and establishments were tapped for the pilot test. However, there were very few who committed to provide services on-call depending in the offered itinerary. The researcher observed that though there are many local food establishments, most of them are not ready to provide service outside store dining premises. Transport vehicles are also limited and rented vehicles are advisable.

Figure 22

Customer Service Training at Sagňay via SACTODEV Program

On the other hand, there are many beneficiaries of the training for tour guiding conducted by the Local Government Unit and various tourism services trainings like first-aid, basic water survival, customer service, tour guiding, conducted by the Partido State University SACTODEV Program (Figure 22). Based on the conducted pilot test, an evaluation was conducted using the aspects indicated in the questionnaire (See Appendices). The first part aimed to assess the visitor experience and the second part aimed to evaluate the specific aspects of the tour which includes amenities, attractions, activities, tour staff and tour itinerary. Each aspect includes different indicators to evaluate the tour trek. The evaluators include tourism professionals, tourism graduates and individuals who completed the Tour Guiding Course.

Table 5

Evaluation Results of the Community-Managed Tour Trek

Indicators	WM (n=10)	VI
Accessibility of the Site		
The transport and transport infrastructure to reach the destination and at the destination.		
1. Travel time between attractions.	4.3	Very Good
2. Safety of transportation vehicle.	5	Excellent
3. Comfortable transportation vehicle.	4.7	Excellent
4. Road condition from the National Road.	4.7	Excellent
5. Information signage	3.6	Very Good
6. Safety signage	3.7	Very Good
Amenities on the Site		
Facilities available at the destination which help in meeting the needs and wants of tourists.		
1. Food and beverage facilities.	3.7	Very Good
2. Souvenir outlet.	3.6	Very Good
3. Communication network.	2.6	Good
4. Public restrooms	4.3	Very Good
5. Garbage disposal system.	3.6	Very Good
6. Water supply (stand-alone water points/ piped water source)	3.8	Very Good
7. Power supply	3.5	Good
Attractions on the Site		
Points of interests visited (natural, man-made, cultural, and social attractions.)		
1. Natural attractions: beaches, scenic views, waterfalls	4.7	Excellent
2. Man-made attractions: view deck, rest house, church	4.3	Very Good
3. Cultural attractions: cultural dance, local art	1.7	Fair
4. Social attractions: interaction with locals	4.4	Very Good
Activities on the Site		
Activities available in the destination.		
1. swimming	5	Excellent
2. trekking	4.4	Very Good
3. souvenir shopping	3.4	Good

4. sightseeing	4.6	Excellent
5. flora and fauna appreciation	3.6	Very Good
Tour Staff during the tour		
Personnel in-charge of the tour services.		
1. Driver	5	Excellent
1.1 handling of vehicle in motion	5	Excellent
1.2 braking and slowing	5	Excellent
1.3 compliance to traffic rules	5	Excellent
1.4 appropriate clothing	5	Excellent
1.5 courtesy	5	Excellent
2. Tour guide	5	Excellent
2.1 presentation style	5	Excellent
2.2 knowledge of information	5	Excellent
2.3 ability to answer questions	5	Excellent
2.4 appropriate clothing	5	Excellent
2.5 courtesy	5	Excellent
Tour Itinerary during the tour		
Plan of the journey including the routes to places of interest.		
1. combination of transport and tourist routes	4.9	Excellent
2. proximity of attractions	4.1	Very Good
3. time allotted for each attraction/ places of interest	4.3	Very Good
4. appropriateness of schedule	4.7	Excellent

The Day Package Tour B shown in Figure 18 is an adventurous escapade to Patitinan Beach, Partido Riviera, Sibaguan Falls and Nato Baeach. Visitors experienced a 15-minute boat ride from Bongalon Port to Patitinan White beach, guided trek to Sibaguan Falls and local immersion at Nato Beach to end the day while relaxing and dining at sunset. This tour package is for the adventurous types who want to engage in trekking, swimming, and social interaction. Table 5 shows the evaluation results of the respondents on the community-managed tour trek which includes the following aspects:

a. Accessibility of the Site

One of the important aspects of tourism development is accessibility. Accessibility pertains to the transport and transport infrastructure to reach the destination and the mode of transfers while staying in the destination. Table 5 shows that the safety and comfort of transportation vehicle is excellent as well as the road condition. Based on the evaluation, the information and safety signage are very good. While the safety and comfort of transportation vehicle, and the road condition were rated as excellent. Thus, Sagňay is an accessible tourist destination for potential visitors.

b. Amenities on the Site

Amenities are also essential elements within the destination. It includes the facilities available at the destination which help in meeting the needs and wants of tourists. These facilities are purpose-built around the needs and wants of the potential visitors from targeted segments in quantities identified by market feasibility studies. Table 5 shows that the food and beverage services, souvenir outlet, public restrooms, garbage disposal system and water supply were rated very good. While, the communication network and power supply are also good. This implies that while amenities are very good, there are rooms for improvement to better serve the visitors.

c. Attractions on the Site

Attractions are considered to be the pull factor in destinations. They provide enjoyment and education as well as fulfil recreation and leisure necessities. Attractions refer to the points of interests visited like natural, man-made, cultural, and social attractions. The attractions visited as indicated in Figure 18 includes Patitinan Beach, Partido Riviera, Sibaguan Falls and Nato Baeach. Visitors experienced a 15-minute boat ride from Bongalon Port to Patitinan White beach, guided trek to Sibaguan Falls and local immersion at Nato Beach to end the day while relaxing and dining at sunset. Table 5 shows that the respondents rated the natural attractions as excellent, man-made and social attractions as good and cultural attractions as fair. This implies that natural, man-made and social attractions are the strong points of the destination.

d. Activities on the Site

Activities available in the destination vary depending on the destination characteristics. It ranges from soft activities where visitors exert less effort in doing such too hard activities wherein visitors engage in strenuous effort. Available activities are also important attributes that attract visitors. As shown in Table 5, swimming is the excellent activity in the area. Sightseeing is also rated excellent, while trekking and flora and fauna appreciation is rated as very good. Souvenir shopping is rated as good. This implies that the available range of activities in the area is suitable for visitors.

e. Tour Staff during the tour

Another important factor for visitor experience is the personnel in-charge of the tour services. The service providers have an impact on how the visitors will perceive the place. Tourism and travel-related services includes services provided by accommodation and food and beverage establishments (including catering), travel agencies and tour operator services, tourist guide services and other related services. Table 5 shows that the respondents rated the tour staff as excellent. The tour staff rated in the tour are the driver and tour guide.

In Sagňay, tourism service providers are emerging. In fact, there were trainings conducted to train the local people as part of the service providers in the area. They also have partnership with the Department of Trade and Industry, Department of Tourism, and Partido State University in conducting capacity-building trainings.

f. Tour Itinerary during the tour

Tour operators plan a tour and make tour itinerary which contains the identification of the origin, destination and all the places of interests in a traveler's tours. A potential tour operator may also advise travelers on various types of tour programs that they might use for their pleasure or business travel. The tour itinerary is the plan of the journey including the routes to places of interest. It includes the consecutive list of places and activities in a certain tourist destination to be visited.

Table 5 shows that the respondents rated the tour itinerary as excellent in terms of the combination of transport and tourist routes and appropriateness of schedule. The respondents rated the proximity if attractions and time allotted for each attraction/ places of interest as very good.

5. **Conclusion**

The role of community residents in tourism destinations are important in the realization of tourism products and services, yet a constant influx of visitors can have both positive and negative implications on the residents, the results of which can impact the delivery of services and popularity of the destinations (Franzidis & Yau, 2018). As the study explores community perception on tourism development, the local community perceives that tourism development in the area can be a tool to improve the community through improved livelihood, environmental protection, and cultural appreciation. In terms of policy development, the respondents believe that the local community must take part in decision-making. This implies that the local community recognizes the importance of tourism development in the area and the need for participation of all the stakeholders. Thus, community involvement is a key factor for sustainability of tourism management in the Sagňay.

There are various attractions and activities in Sagñay, Camarines Sur that attracts many visitors in the area. Most of them are not yet developed and introduced to the public. Each attraction seems to be unrelated instead of complementary. The researcher developed a tour trek that was evaluated and found appropriate for the area. There is a need for a bottom-up approach to ensure that the host community is prepared to accept visitors in the area. The Local Government Unit of Sagňay may implement a sustainable program in tourism and involve the local people in decision-making. Before introducing activities and attractions, there should be proper planning to ensure meaningful visitor experiences. An enhanced visitor experience program can be developed to ensure repeat visits and attract new visitors.

A community-managed tour trek is suitable in the area but there are limited service providers and locals that are willing to engage in tourism services or provide service outside their store premises. There were conducted trainings for capacity-building but there is no specific sustainable livelihood program that would guide the local community. Therefore, there should be a specific tourism livelihood program to empower and encourage the local people to engage in providing tourism services. The strong commitment among the local community and the local government is vital to assure the successful management of the proposed community-managed tour trek. Tourism development must be seen as an economic multiplier rather than just a seasonal business venture. This is possible if there is private and public partnership in the community to realize the recommended community-managed tour treks.

This study contains new insights on community-managed tourism initiatives that may have substantial impact to the local community in partnership with the local government. Community participation is a major success factor in tourism development. Many countries and programs have exhibited the benefits of involving and empowering the local community in tourism development. Community-managed tourism allows visitors to learn about local environments while also honoring and respecting indigenous cultures, rituals, and knowledge. The community will be aware of the commercial and social value placed on its natural and cultural heritage as a result of tourism, which will encourage community-based resource conservation.

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Dynamics of Job Satisfaction and Its Intervening Effect: An Empirical Study of Diversified Company

[1]Noleesha Francess, [2]Anuradha Iddagoda & [3]D.H.S.W. Dissanayake

Abstract

The purpose of this study is to unearth and bridge a population gap, which is the mediating effect of job satisfaction on the relationship between dynamics of job satisfaction, i.e., work-life balance, leadership and employee retention. This is quantitative study with hypothesis testing through correlational investigation in a non-contrive setting. Conducted with minimum researchers' interference, the time horizon of this study is cross-sectional with individual unit of analysis, i.e. managerial employees and non-managerial employees in XYZ diversified company using 77 samples selected based on simple random sampling. Data was gathered through a self-directed questionnaire. In order to bridge the identified population gap, a set of hypotheses was developed based on theoretical and empirical justifications. The findings suggest that there is a mediating effect of job satisfaction on the relationship between work-life balance and retention. As employee retention is crucial for any organization's success, organizations should give more emphasis on the constructs such as work-life balance and job satisfaction in order to enhance retention of employees.

Keywords: *Employee Retention, Job satisfaction, Leadership, Work-Life balance*

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About the authors:
[1]Chartered Institute of Personnel Management Sri Lanka (CIPM). noleeshafrancess96@gmail.com. https://orcid.org/0000-0002-0127-2361
[2]Corresponding author. Senior Lecturer, University of Sri Jayewardenepura, Sri Lanka. anuradhaiddagoda@sjp.ac.lk. https://orcid.org/0000-0003-2586-430X
[3]Senior Lecturer. Wayamba University of Sri Lanka

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1. Introduction

Organizations were constantly prompted by social changes and economic improvements in the competitive, global business environment, which consequently transmitted demands to the labour market. Human resources are regarded as the organization's most significant resource since they are the only live resource capable of managing all other resources. Therefore, employees are the most valued and dynamic resource in any organization. However, technological advancement has emerged as one of the most significant challenges in today's corporate environment. The pace of technological development in recent years has resulted in scarcity of highly trained people. Employee retention is becoming increasingly important due to the shortage of skilled labour, higher time and cost for new employee training and labour turnover. In this ever-changing business world, companies need to anticipate and adapt to technological innovations and compete with other competing companies around the world. As a consequence, having a sufficient labour force in an organization is essential.

Employee retention can be characterized as a company's endeavour to create a working environment that encourages present employees to stay on. Therefore, organizations establish and maintain several retention strategies to fulfill the diverse needs of employees in order to improve job satisfaction while also reducing the high costs of hiring and training new workers. Simultaneously, the errand of human resource management in an organization is done flawlessly by placing the appropriate person for the right job in the right place at the right time. Notwithstanding, retaining is a higher priority than recruiting. Moreover, employee retention is vital to an organization's competitive advantage since it influences efficiency, productivity, and long-term viability.

Employee job satisfaction has a substantial influence on employee retention. Job satisfaction is any combination of mental, physical, and environmental circumstances that leads a person to remark, "I am satisfied with my job" (Biason, 2020). While numerous external factors impact job satisfaction, it remains an internal element that affects how the person feels. In other words, job satisfaction refers to characteristics contributing to a sense of fulfilment. Kossivi et al. (2016) define employee retention as a method organizations use to keep an efficient staff while meeting operational needs. Employee retention aims to maintain or encourage employees to stay with a company for as long as possible. Retaining skilled employees becomes a vital factor for any business and a challenge in the present business.

Respective to XYZ organization, the researcher discovered based on the preliminary investigation that the company is experiencing a high turnover, which implies that staff retention is low and not up to standard. It was also discovered that increasing voluntary employee exits negatively impacted XYZ organization employee retention levels, resulting to higher business expenses and impeding their future performance. Consequently, most XYZ employees are forced to quit because they are dissatisfied with their employment and the organization. The majority are dissatisfied, reflecting absenteeism and a lack of enthusiasm for work, and there has been an upward trend in turnover percentages over the past year. In addition, depression and frustrations have increased with time. When one employee leaves the company, the rest of the staff will be overburdened, which will reduce the balance of work-life. Observations also revealed that a lack of effective leadership leads to staff weariness and, as a result, a loss of morale and quality. As a result, the preliminary investigations' primary concern was that critical elements like work-life balance and leadership were at the root of employee dissatisfaction.

Considering the determinant identified, this study intends to investigate the dynamics of job satisfaction and its intervening effect on employee retention. There are six objectives in this study in order to bridge this research gap. The main objective is to identify the dynamics of job satisfaction and its intervening effect. The five specific objectives are; (1) to identify the impact of work-life balance on job satisfaction, (2) to identify the impact of leadership on job satisfaction, (3) to identify the job satisfaction on employee retention (4) to identify whether job satisfaction significantly mediate the relationship between work-life balance and retention, and (5) to identify whether job satisfaction significantly mediate the relationship between leadership and retention. In this study, researcher got the permission to conduct the study for the XYZ organization but did not get the permission to reveal the actual name of the company in the study.

2. Literature review

2.1. Employee Retention

Employee retention is critical for a company since obtaining the right talent is challenging. Many businesses are facing human resource issues due to the present economic climate. Layoffs are one of the businesses' most prevalent survival strategies in such situations. Employees prefer to quit on their terms when their employers terminate their job. Employee turnover and attrition are used to determine employee retention. Employee retention refers to an organization's combined efforts, resulting in which employees create a positive impression of the organization and are less likely to quit voluntarily (Khan, 2019). According to Mitchell et al. (2001), there are various reasons for an employee to resign voluntarily. Personal characteristics may influence some, while organizational challenges may influence others. Family situations, professional advancement, and attractive job offers are significant concerns. High employee turnover rates are caused by a lack of promotion possibilities, unequal treatment among employees, and a misalignment between personal and company ideals, to name a few organizational factors.

As stated by Akila (2012), employees nowadays differ from one another. It is the employer's responsibility to retain the best employees. A good leader knows how to find and keep good employees. He further highlighted five significant aspects that affect retention: Compensation, support, relationships, the environment, and growth are all critical considerations. Employee retention is defined comprehensively as “a process in which the employees are encouraged to remain with the organization for the maximum period of time or until the completion of the objectives” (Singh & Dixit, 2011, p. 442). This is the working definition of the study for the construct of employee retention.

2.2. Job Satisfaction

Despite its extensive usage in scientific research and everyday life, there is still no universal agreement on job satisfaction. In reality, there is no one-size-fits-all definition of what a job entails. The mix of psychological, physiological, and environmental factors that cause a person to state, "I am content with my job honestly", is what Hoppock (2017) referred to as job satisfaction. Even though external circumstances heavily influence the employee's job satisfaction, it remains an internal component of how the person feels. According to Armstrong and Taylor (2006), job satisfaction is related to people's views and feelings about their jobs. Favourable thoughts about the job indicate job satisfaction. On the other hand, job discontent is indicated by unfavourable and unfavourable views toward the job.

As Desai (2018) views, job satisfaction levels can range from exceedingly satisfied to highly dissatisfied. People can have attitudes regarding many aspects of their jobs, such as the type of work, their co-workers, supervisors or subordinates, and their compensation, in addition to general views about their jobs. Lin and Lin (2011) believe co-worker relationships as the camaraderie, acceptance, and loyalty that develops between group members, as well as the amount of confidence, trust, and respect that subordinates have in their superiors. Furthermore, they pointed out that the level of trust held by subordinates and co-workers impacts job satisfaction. Opatha (2015) defines job satisfaction as a feeling about a job or job experiences and feeling derive from an evaluation of the job. It is an attitude which is the degree to which an employee has favourable or positive feelings about his or her job. This serves as the working definition of the study.

2.3. Work-Life Balance

Work-life balance concerns have become increasingly essential due to increased stress, competitiveness, and anxieties. Employees are seeking methods to maintain a healthy work-life balance. Greenhaus et al. (2003), as cited by Silva and Iddagoda (2021), explain work-life balance as a person's level of commitment to and satisfaction with both his or her professional and personal roles. Voyandoff (2005) states that work-life balance encompasses work-family balance and combining personal lifestyle with professional commitments while preserving excellent health and leisure time. According to Karthik (2013), as cited in Attar et al. (2021), firms can adopt work-life balance programs to increase sustainability and reduce turnover and exhaustion. Implementing efforts to ensure a good balance between personal and professional life has the potential for long-term rewards. A company's personnel are more creative and productive when they have a healthy balance between their working and personal lives. Maintaining a balance between work and personal life is complicated and not as straightforward as it may appear to be. It is no surprise that businesses are now implementing initiatives to assist workers in achieving a balance between their personal and professional life, as doing so improves employee performance, efficiency, loyalty, and happiness in both areas (Attar et al., 2021). The current study selects the definition given by Iddagoda et al. (2021) as the operational definition of work-life balance, "*ensuring the balance between fulfilling the duties for the family members, either in a nuclear family or extended family, and fulfilling duties for the employer*."

2.4. Leadership

Leadership has been noted as the most influential psychosocial factor in the workplace for many employees (Jacobs, 2019). According to Lok and Crawford (2004), leadership in the context of organizations refers to the tactics taken by superiors in their daily interactions with employees. A leader possesses the abilities and strengths in a certain sector such that he can persuade others to carry out certain actions in concert to attain one or more goals (Nur & Widhi, 2019). According to Stup (2006), as cited in Ali and Farid (2016), employee performance is mainly determined by a company's leadership. It has been discovered that workers who are satisfied with their leaders and feel they are being taken care of with respect and cherished by their management feel more committed to their organizations. Leadership is essential to develop interpersonal communication and collaboration and a better knowledge of the external and internal environment. No matter if the organization is profitable, the quality of the leadership style will determine if it is competent and sustainable.

Leaders use their conduct to influence individuals and groups towards a specific objective. A manager's leadership style is one of the essential tools for determining an organization's performance. Leadership is a collection of relevant perspectives that enhance the ability and behaviours of others in order to fulfil shared group purpose and requirements, which include certain styles. Leadership styles define the organization's purpose, direction, and staff program. These leadership styles are authoritarian, paternalistic, democratic, laissez-faire, transactional, and transformational (Martindale, 2011, as cited in Mehrad & Fallahi, 2014). Iddagoda (2021) defines leadership as inspiring, leading, and influencing people when necessary. This is the working definition of this study.

2.5. Relationship between leadership and job satisfaction

Employees' perceptions of leadership support are built on mutual relationships and commitments. Relational processes, which are the foundation of effective leadership, are built on social interactions (Bulinska-Stangrecka et al., 2021). Successful leadership and employee job satisfaction are usually regarded to be two of the most important factors in determining the success of an organization. It is important for an organization's leader to provide a pathway and guide followers in the direction of achieving their goals. Additionally, employees who are overly satisfied with their jobs are more inclined to work harder and pursue their passions. Several studies have found that how people are handled and the leadership style have a direct impact on an organization's capacity to retain its employees. Furthermore, it was referred that how workers see a company is heavily influenced by their connection with their leaders (Kossivi et al., 2016). As a consequence, it is imperative for both the supervisor and the subordinate to have a supportive and inspiring relationship in order to enhance the organization's efficacy and competency. The interaction between subordinates and management is significant in enhancing job productivity (Ilham, 2018). Employee satisfaction can be boosted by the leadership's concentration and positive relationships with subordinates so that employees feel valued members of the organization. According to Stup (2006) as cited in Ali and Farid (2016), employee performance is mostly determined by the leadership of a company. It has been discovered that workers who are satisfied with their own leaders and feel like they are being taken care of with respect and cherished by their own management feel more committed to their organizations.

2.6. Relationship between work life balance and job satisfaction

Work-life balance (WLB) is about striking the proper balance between work and life, as well as feeling at comfort with both work and family obligations. WLB can be an essential aspect of any organization's retention strategy where rules should be in place if organizations wish to keep their workforce. According to Agha et al., (2017), job satisfaction refers to how employees feel about their jobs determined by how pleased, or unsatisfied people are with their jobs. It was also shown that job satisfaction is a significant predictor of overall well-being and employee inclinations to quit. Employees in organizations that recognize and promote a healthy balance between work and personal life are more productive and happy. As a result, employees acquire desired attitudes and pleasant sentiments regarding their work when they are satisfied with their jobs. Kermansaravi et al. (2014) point out that quality of work life is a broad term that includes physical and psychological health, economic conditions, personal views, and interactions with the environment. It also specifies the employee's reaction to work, particularly its critical consequence in terms of job needs satisfaction and psychological wellness. According to this concept, work-life quality focuses on personal results, work experiences, and how to enhance work in order to satisfy personal demands. According to Malik et al., (2014) it is an important component of overall satisfaction since it provides the person with the required energy to accomplish and continue in his profession. Furthermore, it gives him the authority to develop and initiate in his profession. Job satisfaction provides the worker with peace of mind and relaxation, which leads to an increase in his passion and attention on his work.

2.7. Relationship between job satisfaction and employee retention

Employees are valuable resource in a company since they help the organization achieve its goals and fulfill its mission. According to Armstrong and Taylor (2006), the retention of such workers has been demonstrated to be critical to the development and achievement of the organization's aims and objectives, particularly in terms of gaining a competitive edge over competitors in the era of growing globalization. An effective company is one that is able to establish an atmosphere in which each employee's talent is acknowledged and passionately used to attain organization's goals and targets. High concentrations of job satisfaction are frequently associated with higher levels of employee retention. This demonstrates that employers must keep their employees pleased if they want to retain their highly skilled and valuable workers. Job satisfaction has been shown to be a critical element in employee retention.

According to Irabor and Okolie (2019), employees that are satisfied and content with their employment are more committed to their work and constantly go above and beyond to increase customer satisfaction. Tadesse (2018) stresses that job satisfaction is a state of mind about one's job and its many elements. Hence, it may be stated that employees are more likely to be content with their professions if they have the opportunity to develop their talents, feel a sense of self choice and flexibility when carrying out work-related tasks. Moreover, employees that are pleased with their employment are more likely to be committed to the organization, resulting in a high degree of employee retention. Meanwhile, employees that are unsatisfied with their employment are more likely to be absent (Bigley et al. 1996 cited in Biason, 2020). Biason (2020) cites that employee attendance affects employee motivation and ability in order to enhance organization productivity.

Job satisfaction not only promotes employee retention but also lowers the cost of employing new staff. Kamalaveni et al. (2019) describe unsatisfied employees as challenge to keep knowledgeable individuals in the business. When a person quits a business, he brings valuable information about the organization, its clients, present projects, and the prior history of its competitors with him to the new employer (Biason, 2020). Therefore, it is paramount to employees' satisfaction of their jobs in order to retain employees.

3. Methodology

This is a quantitative study through hypothesis testing. The type of investigation is correlational in a non-contrive study setting conducted with minimum researchers' interference. The time horizon of this study is cross-sectional with individual unit of analysis, i.e. managerial employees and non-managerial employees in XYZ Company. The study used simple random sampling. Data was gathered through a self-directed questionnaire.

The sample size is 77, and the population is approximately 265. When deciding the sample size, a sample size larger than 30 and less than 500 is appropriate for most research rules laid down by Roscoe (1975) as cited in Sekaran (2003).

According to the data collected through 77 managerial level and non-managerial level employees at XYZ Company, the gender analysis sample consists of 75% of male employees and 25% of female employees. According to the age distribution, most of the sample represents 31 to 40 years old, and 42%, the highest percentage of the total sample. The age from 20 to 30 years old category represents 34% of participants, and age above 50 years is 13 % of the total sample and less no of employees from 41 to 50 years old category and 10% of the total sample. From Employees at XYZ Company, 49% have passed the GCE A/L examination. Although, 22% of employees have educational qualifications of GCE O/Ls. Other 20% of employees have Graduate level qualifications. The least number of employees have Postgraduate or Master level qualification, which is only 6% of the total sample.

Regarding the work experience of XYZ, employees show that 35% of the employees at XYZ Company have 10-15 years of working experience. Even though 32% of employees have 5-10 years of working experience at XYZ Company. 24% of employees have less than five years' service experience. The least number of respondents have more than 15 years' service experience, which is only 8% of the total sample. The analysis identified that 45% of the employees at XYZ Company earned between LKR 30,000-50,000 income per month. As well, 23% of employees earned between LKR 50,000-100,000 income per month. Again 23% of employees earned below

LKR 30,000 per month. The least number of respondents (8%) got above LKR 100,000 per month as income.

3.1. Research Design

There are six components of research design identified by Sekaran (2003). They are the study's purpose, the extent of researcher interference with the study, type of investigation, unit of analysis, study setting and time horizon. Table 1 provides the details of the research design of this study.

Table 1

Research Design

Research Design	Description
The purpose of the study	Hypothesis Testing
The extent of the researcher's interface with the study	Minimum Interference
Type of investigation	Correlational
Unit of Analysis	Individual
Study setting	Non-Contrived
The time horizon of the study	Cross-Sectional

3.2. Conceptual Framework

The conceptual framework is used to identify the relationship between the dependent variable and the independent variables. In this research, work-life balance and leadership can be identified as the independent variable with the dependent variable employee retention by taking job satisfaction as a mediating variable. The framework can be illustrated as follows:

Figure 1

Conceptual Framework

Based on the theoretical assertions derived from General Systems Theory, this study derived hypotheses for the mediating effect. Wright and Snell (1991) state that by describing this model, skills and abilities are treated as inputs from the environment. Leaders engage employees' heads, hearts and hands, intending to cultivate positive results in employees and lead to job satisfaction. According to Opatha (2015), a high work-life balance level leads to employee job satisfaction. So leadership and work-life balance are the inputs. Since job satisfaction is a work-related attitude, it becomes a mental process. Therefore, job satisfaction in the process leads to employee retention (Opatha, 2015).

Consequently, retention is the output. These facts lead to the following hypotheses.

Hypothesis 1 (H1): Work-life balance has an impact on job satisfaction

Hypothesis 2 (H2): Leadership has an impact on job satisfaction

Hypothesis 3 (H3): Job satisfaction has an impact on retention

Hypothesis 4 (H4): Job satisfaction has a significant mediating effect on the relationship between work-life balance and retention

Hypothesis 5 (H5): Job satisfaction has a significant mediating effect on the relationship between leadership and retention.

Table 2 depicts the logical flow between the research gap, research objective and hypotheses.

According to the conceptual framework outlined, each independent variable was tested independently to examine its influence on the dependent variable. Five-point Likert-scale labels were used to operationalize the dependent and independent variables. In addition, the dependent and independent variables were operationalized using primary and secondary data collecting techniques. An ordinal five-point scale was employed to assess strongly disagree, disagree, neutral, agree, and agree strongly agree as the degree of measurement.

Table 2

Logical Flow of Research Gap, Objectives and Hypotheses

Research Gap Type	Research Objectives	Hypothesis
Population Gap	(1) To identify the impact of work-life balance on job satisfaction	H1: Work-life balance has an impact on job satisfaction
	(2) To identify the impact of leadership on job satisfaction	H2: Leadership has an impact on job satisfaction
	(3) To identify the job satisfaction on employee retention	H3: Job satisfaction has an impact on retention
	(4) To identify whether job satisfaction significantly mediates the relationship between work-life balance and retention	H4: Job satisfaction has a significant mediating effect on the relationship between work-life balance and retention
	(5) To identify whether job satisfaction significantly mediates the relationship between leadership and retention.	H5: Job satisfaction has a significant mediating effect on the relationship between leadership and retention

4. Findings and Discussion

4.1. Test of Relationship

Table 1

Correlation Analysis

	Employee Retention	Work Life Balance	Leadership	Job Satisfaction
Employee Retention	1			
Work-Life Balance	.473**	1		
Leadership	.188	.021	1	.182
Job Satisfaction	.980**	.441**	.182	1
**. Correlation is significant at the 0.05 level (2-tailed).				

As shown in table 3, the correlation between the work-life balance and employee retention were statistically significant at the 0.05 level, with a Pearson correlation coefficient of +.473 showing positive relationship. The correlation between job satisfaction and employee retention was statistically significant at the 0.05 level with a Pearson correlation coefficient of +.980, which shows a strong positive relationship. Furthermore, the correlation between work-life balance and job satisfaction was statistically significant at 0.05 level with a Pearson correlation coefficient of +.441 showing a positive relationship. The results showed that employee retention was positively related to one independent variable of work-life balance and the mediator variable of job satisfaction. However, non-significant relationships exist between another variable of leadership and employee retention and leadership with job satisfaction.

4.2. Partial Least Squares Model

Partial Least Squares (SEM-PLS) in Smart PLS version 3.36 was used to assess the hypothesized model.

Evaluation of Outer Model. Using the Partial Least Square (PLS) approach, the relationship between work-life balance, leadership, satisfaction, and employee retention and the indicators was examined. The first step of PLS analysis involves analyzing the measurement model (or outer model) to determine the suitability of the theoretically defined construct and examining the measurement model to guarantee that the survey questionnaire measures the intended variables and ensures the instrument's validity. This procedure evaluates three factors: factor loadings, composite reliability (CR), and extracted average variance (AVE).

Construct Validity. It is possible to evaluate the construct validity of particular indicators by assessing their respective cross-loadings and factor loadings. Previous scholars have indicated that the threshold for factor loadings should be greater than 0.60 (Chin et al., 1997; Hair et al., 2019). Examining the factor loadings for each item of the four unobserved variables indicated that the factor loadings for the 20 observable variables are more significant than 0.7, with all values being positive and more than the suggested value.

Convergent Validity. Convergent validity is the degree of agreement between multiple items that assess the same topic. Factor loadings, composite reliability (CR), and average variance extracted (AVE) can be used to evaluate convergent validity (Hair et al., 2019). All factor loadings, CR, and AVE values are more significant than the suggested cutoff levels, showing that the measurement model has convergent validity.

CR is derived from the observed variable's factor loadings and the specified latent constructs' factor loadings as indicated in Table 2. According to the results, all of the composite reliability values obtained were within the required range of 0.926 to 0.98, which means they are reliable (Hair et al., 2019). After all measurements have been reviewed, the AVE is used to determine the amount of observed variance caused by the latent variable as a whole as a measurement error (Ramayah et al., 2013). Table 24 shows that the AVE ranges from 0.715 to 0.909 for all constructs, which is greater than the minimum recommended value of 0.50 (Barclay et al., 1995).

Table 2

Factor Loading, CR and AVE

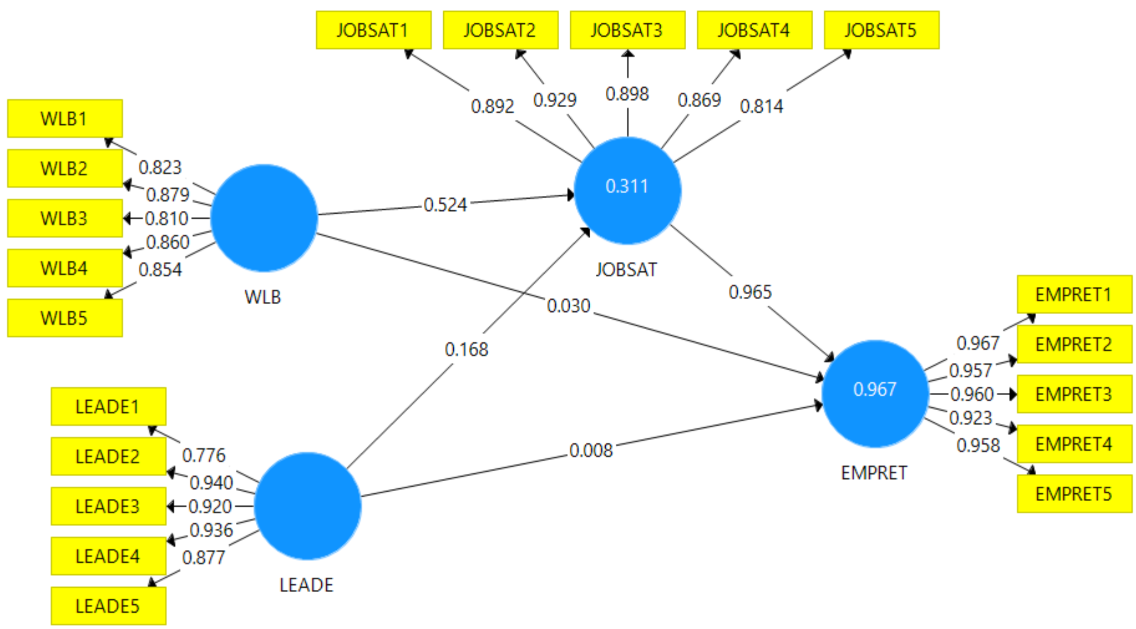
	EMPRET	CR	AVE
EMPRET1	0.967		
EMPRET2	0.957		
EMPRET3	0.960		
EMPRET4	0.923		
EMPRET5	0.958	0.98	0.909
JOBSAT1	0.892		
JOBSAT2	0.929		
JOBSAT3	0.898		
JOBSAT4	0.869		
JOBSAT5	0.814	0.945	0.777
LEADE1	0.776		
LEADE2	0.940		
LEADE3	0.920		
LEADE4	0.936		
LEADE5	0.877	0.951	0.796
WLB1	0.823		
WLB2	0.879		
WLB3	0.810		
WLB4	0.860		
WLB5	0.854	0.926	0.715

EMPRET= Employee Retention, JOBSAT=Job Satisfaction, LEADE= Leadership, WLB= Work Life Balance

Hence, Figure 1 illustrates the results of the measurement model. The results indicate that all the four constructs of Employee Retention, Job Satisfaction, LEADE, and WLB are valid measures of their respective constructs according to their parameter estimates and are statistically significant at $p < 0.05$.

Figure 1

Measurement Model



EMPRET= Employee Retention, JOBSAT=Job Satisfaction, LEADE= Leadership, WLB= Work Life Balance

The structural model (inner model), which is the following phase, is evaluated to look at the hypotheses between the constructs in the work life balance, leadership, job satisfaction and employee retention models. First, using t-values derived from the bootstrapping process, the weights or path coefficients of the associations are examined and assessed for significance.

All of the variance inflation factor (VIF) values, according to the analysis, are less than the acceptable threshold of 5. As a result, each set of predictors in the structural model maintains a minimum level of collinearity (Hair et al., 2011). The R^2 values for both the domains, job satisfaction and employee retention, are 0.311 and 0.967, respectively, higher than Falk and Miller's recommended level of 10%. These figures, however, are strong according to the rules of thumb. It means that a variety of factors influence both job satisfaction and employee retention.

Similarly, blindfolding with an omission distance of 8 yields Q^2 values higher than zero. As far as out-of-sample predictions are concerned, this supports the model's predictive validity (Ali & Park, 2016).

The bootstrapping approach (5,000 bootstrap samples; no sign changes) was used to find the p-values for hypothetical paths (Figure 2 and Table 3). This study found a significant positive association between work-life balance and job satisfaction, job satisfaction and employee retention.

Table 3

Path Coefficients

	Path Coefficient	T Statistics	P Values	Conclusion
JOBSAT -> EMPRET	0.965	62.357	0	Supported
LEADE -> EMPRET	0.008	0.45	0.653	Not Supported
LEADE -> JOBSAT	0.168	1.495	0.135	Not Supported
WLB -> EMPRET	0.03	1.354	0.176	Not Supported
WLB -> JOBSAT	0.524	7.491	0	Supported

EMPRET= Employee Retention, JOBSAT=Job Satisfaction, LEADE= Leadership,WLB= Work Life Balance

Mediating effect significance is determined using a non-parametric bootstrapping (Hair et al., 2019; Preacher & Hayes, 2008). Preacher and Hayes (2008), Shrout and Bolger (2002), and Zhao et al. (2010) recommend that the indirect effect of the variables must be significant in order to be included in the analysis. Thus, work-life balance is not directly linked to employee retention but their indirect impact is statistically significant at the 5% level (p = 0.000). This provides evidence that job satisfaction is a full mediator in the relationship between work-life balance and employee retention as shown in Table 4 and Figure 2. The bootstrapping approach meets all requirements for certifying job satisfaction as the mediator. A second confirmation of indirect mediation comes from the VAF's magnitude as shown in table 6. This exhibits the full mediation of job satisfaction in the relationship between work life-balance and employee retention.

Table 4

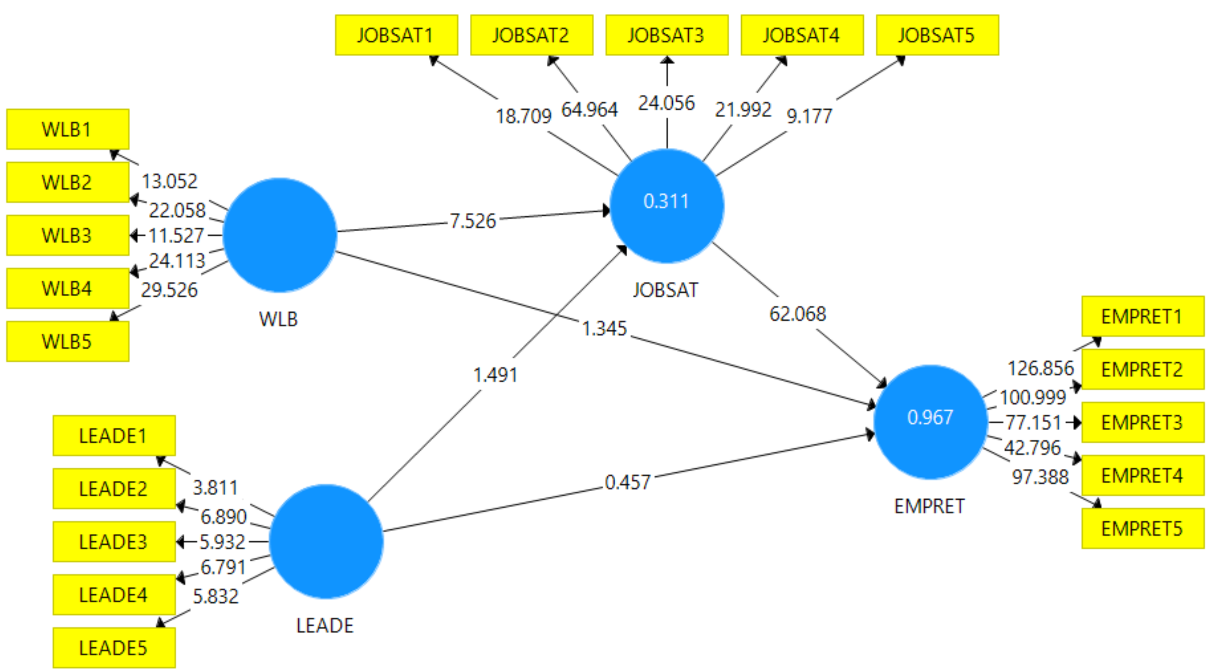
Results of Mediation

	Direct Effect	Indirect Effect	Total Effect	VAF (%)	Result
WLB -> JOBSAT -> EMPRET	0.03	0.506***	0.538	94.05%	Full Mediation
LEADE -> JOBSAT -> EMPRET	0.168	0.162	0.17		No mediation

EMPRET= Employee Retention, JOBSAT=Job Satisfaction, LEADE= Leadership, WLB= Work Life Balance

Figure 2

Structural Model



EMPRET= Employee Retention, JOBSAT=Job Satisfaction, LEADE= Leadership,WLB= Work Life Balance

According to the findings of the study, there is a substantial link between job satisfaction and employee retention. A job can be influenced by a range of elements such as the quality of one's supervisory relationship, the physical environment in which one works, the degree of fulfillment, and so on. Furthermore, past study has identified a number of elements that play a critical influence in employee retention (Coetzee & Martins, 2007). The hypothesis that there is a mediating relationship between work-life balance and job satisfaction is accepted based on results. The findings are corroborated by a study done by Fayyazi and Aslani (2015), which found that employees' capacity to manage work and family obligations was crucial in determining job satisfaction. As per the study findings, there is a considerable link between work-life balance and employee retention. The sample comprises of 75% male employees and 25% female employees. As per evidence, women are more conflicted and feel less work-life balance in their jobs than males (Greenhaus et al., 2003). According to Stanz and Greyling (2010), women experience more work-life imbalance between their paid and family roles as compared to men. While various research found no significant gender variations in employee perceptions of work-life balance (Fatoki, 2015).

Moreover, work-life balance is very important for people, but nowadays having work-life balance is becoming more difficult. Many employers are now thinking that if they offer the employees good working conditions, then their employees will be satisfied with their job and therefore less likely to leave them. In a study by Edwards and Rothbard (2000), it is said that "employees with greater work-family conflict were more likely to view their job as a career". Accordingly, if the employees have work-life balance and they can spend time on both family and work, then they will be satisfied with their job and therefore less likely to leave the company. In another study, it is said that "the work-family conflict was related to lower levels of job satisfaction and organizational commitment and higher turnover intentions" (Noor, 2011). This shows how important balance is between family life and working life because employees who cannot cope with both will be unhappy with their job and therefore more likely to leave.

5. Conclusion

According to the structural equation model results, work-life balance positively correlates with job satisfaction and job retention, whereas leadership and job satisfaction exhibit no relationship. Thus, the study's results support evidence from earlier research. It is acceptable to say that job and personal life should be seamlessly merged and should not be allowed to affect one another negatively. This balance or imbalance will likely impact the employees' satisfaction and retention. Organizations should introduce work-life balance policies like flexibility, family-friendly perks, and work-life programs and initiatives in which businesses care about their employees' interests and well-being. Thus, employees' job satisfaction rose, resulting in increased levels of loyalty and increased employee retention. This study makes a significant contribution to the field of knowledge and expertise in this area by focusing on the diversified company, a previously unexplored sector. This study confirms the existence of a link between work-life balance, job satisfaction, and job retention.

Limitation

The study is limited to investigating two independent factors affecting employee retention: work-life balance and leadership.

Implication for Future Studies

Further studies can be applied in several perspectives. The current study has analyzed only one key player in the corporate sector. Future research can be extended to the whole corporate sector in Sri Lanka. Further, the topic can be applied in other emerging industries like the IT, banking, and healthcare sectors.

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Reverse Repurchase Rate on Selected Monetary Policy Indicators: A Vector Autoregression

Martin Roy B. Base

Abstract

This study evaluated the effectiveness of the reverse repurchase (RRP) rate as the main monetary policy instrument of the Bangko Sentral ng Pilipinas in affecting selected monetary policy indicators, particularly output gap, inflation, and nominal exchange rate, through a modified New Keynesian monetary policy model using vector autoregression (VAR). The results showed that changes in the RRP rate affects output gap, inflation, and nominal exchange rate, albeit not statistically significant. In addition, the "price puzzle" was seen in the results. This pertains to an increase in inflation after monetary policy contraction which is in contrast with the standard monetary policy theory.

Keywords: *Interest rate, Inflation rate, Monetary Policy, Monetary Economics*

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About the author:
Master of Arts in Economics, MEAL Officer, Save the Children Philippines

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1. Introduction

Milton Friedman stated that "*an economic system will work best when the average level of prices will behave in a known way in the future and preferably that it will be highly stable*" (Friedman, 1968). The tasks of monitoring and controlling the price level are usually delegated to central banks through its conduct of monetary policy. Central banks broadly have two (2) monetary policy instruments in order to regulate price level, namely: monetary aggregate targeting approach wherein a central bank controls the supply of money; and interest targeting approach wherein a central bank controls its policy interest rate. These approaches, with all other factors being equal, affects the price level in the economy.

In the Philippines, the Bangko Sentral ng Pilipinas (BSP) is mandated under Republic Act (RA) No. 7653, as amended by RA No. 11211, to maintain price stability conducive to a balanced and sustainable growth of the economy. The BSP is also tasked to promote and maintain monetary stability and the convertibility of the peso through an appropriate monetary policy. From 1980s to 2001, the BSP used a monetary aggregate targeting approach in controlling inflation. However, this approach was unable to stabilize price and exchange rate fluctuations, particularly during the Asian Financial Crisis in which the Philippines was hit hard (Gochoco-Bautista, 2001). Finally, in January 2002 the BSP formally adopted the inflation targeting framework to address the shortcomings of a monetary aggregate targeting approach. In this approach, the BSP announces an inflation target range for the year and strongly commits over a policy horizon using various monetary policy instruments to stabilize the economy through the monetary transmission mechanism. This is a process in which monetary policy tries to affect economic activity and inflation through various channels.

The BSP's main monetary policy instrument is the adjustment in the policy interest rate, also known as reverse repurchase (RRP) rate, for the overnight RRP facility. The RRP rate is the rate at which the BSP borrows money from commercial banks within the country. The BSP then adjusts its RRP rate depending on its assessment of the inflation and gross domestic product (GDP) growth targets. The process of monetary transmission mechanism will then take place wherein it is the process in which monetary policy influences the economic activity of a country (Bangko Sentral ng Pilipinas, 2018).

In 2018, the BSP aimed for the inflation target of 3±1 percent. However, the official statistical data for inflation from the Philippine Statistics Authority (PSA) indicate that said inflation target was not achieved. It must be noted that the four (4) percent mark was breached on March 2018, in which it reached 4.3 percent and peaked at 6.7 percent last September and October 2018. Given the following events, it is worthwhile to investigate the effects of the RRP rate as the main monetary policy instrument employed by the BSP. This study aims to do an analysis of the effects of the policy rate in affecting output gap and inflation using vector autoregression model.

2. Literature review

2.1. Evolution of Monetary Policy in the Philippines

Tan (1972) provided a historical discussion of the monetary policy of the BSP, which was formerly known as the Central Bank of the Philippines, from 1950 to 1971, divided into two (2) timeline periods: 1950–1960 and 1961–1971. During the first period, the main objective of the central bank was to maintain the pre-World War II fixed exchange rate of US$2/Php1 by maintaining a reasonable level of foreign reserves. Maintaining price stability was also important but only secondary. However, maintaining said exchange rate became unrealistic. That is why at the start of the 1961–1971, the central bank changed the main objective of monetary policy wherein the Bank was eventually mandated to maintain price stability but without announcing a target unlike the current setup. This was also the time where the central bank also employed the money supply targeting as its main policy instrument.

Moreover, the money supply targeting as an instrument was tested during the 1980s and 1990s due to various global economic climate, such as the adoption of floating exchange rate, an external financial crisis in 1983 caused by the difficulty of the country to pay its debt, and the Asian Financial Crisis of 1997, among others (Goldsbrough & Zaidi, 1989; Gochoco-Bautista, 2001). That is why the BSP announced that the central bank will shift to an inflation targeting regime at the start of 2002 (Angeles & Tan, 2007; Bangko Sentral ng Pilipinas, 2018). The central bank is now compelled to annouce a target inflation rate range on the succeeding year and will do its best not to exceed on the determined range. Failure to do so will make the BSP to write an open letter to the Office of the President and explain the reason behind not achieving the target.

2.2. Monetary Policy Rate and Output Gap Relationship

Rafiq and Mallick (2008) examined the effects of monetary policy shocks on output gap in the three largest euro area economies – Germany, France and Italy (EMU3) using VAR with sign restrictions. Their results showed that changes in monetary policy rates are at their most potent in Germany. Long–term output gap in Germany declined after a change in the policy rate but France and Italy exhibited the reverse. The authors pointed that results for the latter two (2) countries differ from Germany as they have different business cycles.

Akram and Eitrheim (2008) studied whether a central bank can promote financial stability by stabilizing inflation and output gap, and whether additional stabilization of asset prices and credit growth would enhance financial stability in particular. Using a vector error correction model (VECM) of the Norwegian economy, they evaluated the performance of simple interest rate rules vis-à-vis inflation and output. Their results showed that changes in monetary policy faces a tradeoff between inflation and output gap stability, wherein an increase in policy rate will decrease inflation but increases output gap.

Raghavan et al. (2011) analyzed the Malaysian monetary policy using a structural VAR model. They provided two (2) specifications in order to assess Malaysian monetary policy during the pre- and post-Asian financial crisis last 1997 and how it affected the Malaysian economy. The study assessed the effect of interest rate shock, which pertains to the tightening of monetary policy through an increase in the policy rate, and monetary shock, which pertains to monetary expansion through the increase of money supply. They noticed that there is a persistent negative response in output despite a monetary shock during the pre-crisis period. A possible explanation given by the authors is that it could be due to a rise in the real cost of borrowing, the appreciation of the Malaysian Ringgit, and a degree of price rigidity in the economy. The negative response from a sudden monetary shock was less persistent during the post-crisis period. In addition, the output after an interest rate shock decreased in the short to medium run and subsequently returned to the baseline in the long run.

Meanwhile, Şahin (2014) tested the effect of inlation targeting using the policy rate of the Turkish Republic Central Bank to output gap and public current expenditures. Using an ARIMA model, the author used quarterly data from 1998 to 2013 of Turkey. His study finds that a one (1) percentage point increase in the policy rate resulted into 1.97 percentage points increase in public current expenditures and 5.71 percentage points increase in output gap.

Kastrati et al. (2018) investigated the effect of excessive expanionary monetary policy, i.e. excessive lowering of interest rates, on output gap. Using a seemingly unrelated regression (SUR) model, the authors used the data from Czech Republic, Estonia, and Kosovo for the period of 2005 to 2013. The authors hypothesized that a sudden contraction of monetary policy will lead to a smaller (negtive) output gap. They conclude that their research could not establish this causal relationship since both variables are an outcome of the general state of the economic activity, i.e. both represent under-utilised resources in a depressed economy.

2.3. Monetary Policy Rate and Inflation Rate Relationship

Standard economic theory states that there is a direct relationship between nominal interest rate and inflation through the Fisher effect. The Fisher effect posits a positive effect of inflation on the nominal interest rate or, in neo-Fisherian view, a positive effect of the nominal interest rate on inflation (Williamson, 2018). Numerous studies have examined this relationship and some are presented in this section.

Akyurek et al. (2011) provided an insight on the effectivity of inflation targeting regime in Turkey using the policy rate to stabilize inflation. The authors used a five-variable Vector Auto Regression (VAR) to test the effect of the policy rate using data from 1989 to 2008. They concluded that since adopting the inflation targeting framework, a one (1) percent increase in the policy rate resulted, in average, to a two (2) percent decrease in subsequent inflation.

Another study from Turkey by Kosa et al. (2012) examined the relationship between nominal interest rates and the expected inflation rate for the Turkish economy between 2002 and 2009, a period when the inflation-targeting regime was implemented as monetary policy. They used a Vector Error Correction Model (VECM) to measure the relationship among nominal short-term and long-term interest rates, and expected inflation rates. The results showed that long-term co-integrating relationship exists between short-term interest rate and expected inflation rate. Moreover, they established that there is a causal relationship between the policy rate and inflation rate in Turkey. Their study showed that decreases in the policy rate rate will prompt both firms and individuals to alter their investments and spending decisionswhich leads to higher real output and ultimately increasing the inflation rate.

Meanwhile, Emerenini and Eke (2014) studied the impact of monetary policy rate on inflation in Nigeria. The authors used data monthly data from 2007 to 2015 and utilized ordinary least squares (OLS) to measure this relationship. The result showed that a one (1) percent increase in policy rate resulted to 0.054 percentage points decrease in inflation. They concluded that using the policy rate as the tool to control inflation is not significantly effective and suggested that the Central Bank of Nigeria use other available monetary policy tools on top of the policy rate.

In the Philippines, Medalla and Fermo (2013) examined the behavior of month-on-month (m-o-m) inflation and finds empirical evidence that the BSP's inflation targeting policy regime over the past 10 years using an autoregressive-moving average (ARMA) model. Based on their estimation results, in general, RRP rate is effective in controlling inflation. In addition, they determined that monetary policy should not respond to unanticipated supply-side shocks coming from global commodity prices which had moved the changes in m-o-m inflation permanently away from the long-term trend. It was, in fact, the higher increases in administered prices, particularly minimum wages, which were implemented in response to the higher commodity prices that appeared to consistently affect inflation expectations significantly, and hence should signal the need for future monetary policy action. They recommended that the BSP needs to discipline, to some extent, the wage-setters even when they do not coordinate their wage-setting, as higher wages will be met with a rise in the policy rate. However, they also noted that international comparisons show that countries with coordinated wage setting generally have lower unemployment than countries with less coordinated wage setting. Going forward, the authors recommended that closer coordination of the BSP with the wage board and the education of the labor unions could help anchor inflation expectations even more firmly with the BSP's long-run inflation target.

2.4. Monetary Policy Rate and Exchange Rate Relationship

Dornbusch (1976) first hypothesized the effect of monetary policy in influencing the movement of exchange rate. He theorized that an changes monetary policy will, in the short run, cause "overshooting" in exchange rate movement. Using a structural VAR model and and data from Australia, Canada, New Zealand, and Sweden, Bjørnland (2008; 2009) observed that there is a strong effect on the exchange rate whenever said countries conducted contractionary monetary policy, i.e. increase in policy rate. In addition, the studies revealed that there is an immediate increase in the exchange rate and said increase reached its maximum impact within one (1) to two (2) quarters.

Sek (2009) also investigated the interaction of monetary policy rate and exchange rate. The author employed structural VAR and general method of moments (GMM) regression to test this relationship from three (3) Asian countries, namely South Korea, the Philippines, and Thailand. Monthly data from 1990 to 2007 were used in his study. The results of the structural VAR and GMM regression were consistent in such that both models showed that an increase in monetary policy rate lead to an appreciation in exchange rate.

The study is related to various monetary policy literature wherein it aims to examine the effects of the policy rate (RRP rate) to various economic indicators. Most prominent in the existing literature is the relationship between the policy rate and inflation. Both foreign (Kosa et al., 2012; Akyurek et al., 2011; Emerenini & Eke, 2014) and local literature (Guinigundo, 2008; Medalla & Fermo, 2013) conclude that changes in the policy rate is effective in stabilizing inflation, albeit in varying degrees of success. It can be noted, however, that there are relatively few existing literature that measured the effects of changes in policy rate vis-à-vis output gap. The studies also provided mixed effects on how the change in policy rate affects the output gap. Most of the cited literature conform with the theory that expansionary monetary policy, i.e. increase in monetary policy rate, subsequently increased the output gap such as Akram and Eitrheim (2008) and Şahin (2014). However, some works such as Rafiq and Mallick (2008) that led to the opposite effect while Kastrati et al. (2018) could not establish a causal relationship. Unfortunately, no Philippine–specific literature could be found with regards to this relationship and this study hopes to contribute on this.

Meanwhile, the effects of changes in policy rate vis-à-vis exchange rate were examined in Bjørnland (2008; 2009). In both works, the author utilized a structural VAR model to analyze the existence of the “overshooting” dynamics proposed by Dornbusch (1976) in Australia, Canada, New Zealand, and Sweden. Meanwhile, Sek (2009) also studied the same effect for three (3) Asian countries, namely South Korea, the Philippines, and Thailand. The result from said studies lead to the conclusion that expansionary monetary policy lead to foreign exchange appreciation.

Overall, despite the numerous studies cited there is a dearth of literature that focused in measuring the multiple effects of the changes in RRP to various economic indicators. This study fills this gap in such a way that it aims to provide review of the conduct of monetary policy in the Philippines by analyzing the multiple effects to output gap, inflation rate, and nominal exchange rate by the change in the policy rate.

In relation to the goal of the BSP to maintain price stability and its employment of the RRP rate as its main policy instrument to stabilize inflation rate and its multiple effects to various economic variables, this study aimed to examine the response of output gap, inflation rate, and nominal exchange rate vis-à-vis the movement of the policy rate. Specifically, this study tried to answer the following questions:

1. Given the dynamics of the monetary transmission mechanism in the Philippines, how does the lagged values of RRP rate affect output gap, inflation rate, nominal exchange rate?
2. Do the lagged values of RRP significantly affect output gap, inflation rate and nominal exchange rate when taken individually and collectively?
3. Given the lagged effect of monetary policy adjustments, how long does the RRP rate have its full effect on output gap, inflation rate and nominal exchange rate?

Hypotheses

1. The lagged values RRP rate do not significantly affect output gap, inflation rate and nominal exchange rate.
2. The lagged values of output gap, inflation rate, RRP rate, and nominal exchange rate have no significant correlation with the current value of the RRP rate when treated as individually and collectively.
3. The lagged values of output gap, inflation rate, RRP rate, and nominal exchange rate do not significantly affect the current value of the RRP rate when treated as individually and collectively.

The study focuses on the effect of the BSP's RRP rate on selected monetary policy indicators. This study will follow in spirit the research of Angeles and Tan (2007) in using selected key variables anchored on as a parsimonious representation of the Philippine economy presented by Guinigundo (2008). Other possible macroeconomic indicators or variables, particularly the 91-day T-bill rate, were not used or given emphasis in this study. This is due to the uncertain nature of the data set, i.e., many data points are marked as no entry specifically on 2008 wherein there were only three (3) public offerings out of the possible 12. Moreover, the dynamics and nuances of the monetary transmission mechanism is not discussed in this study. The reader may consult Bernanke and Gertler (1995) and Taylor (1995) for a general discussion about the topic, and Mishra et al. (2012) in the context of low-income countries.

3. Research Framework

3.1. Theoretical Framework

Taylor Rule. The benchmark model for inflation targeting is the *Taylor rule* as proposed by Taylor (1993). Modeled using the behavior of the federal funds interest rate in the United States, he proposed a simple and straightforward monetary policy rule which revolves on the following variables: (i) the short-term interest rate; (ii) inflation rate from previous four quarters; (iii) the deviation of actual inflation relative to the target and (iv) the percent deviation of real GDP from the trend GDP. Modifying the notation of Taylor and Williams (2011), the core Taylor rule can be expressed as:

$$i_t = r^* + \pi_t + \phi_\pi(\pi_t - \pi^*) + \phi_y y_t$$

where:

i_t = nominal interest rate;

r^* = real interest rate;

π_t = rate of inflation over the previous four quarters;

π^* = target inflation rate;

y_t = output gap;

ϕ_π = parameter assigned to inflation gap; and

ϕ_y = parameter assigned to output gap.

The rule explains that the nominal policy rate deviates from the level consistent with the economy's equilibrium real interest rate and the target inflation rate if the output gap is non-zero or if inflation deviates from target. A positive output gap leads to a rise in the nominal interest rate, as does a deviation of actual inflation above target (Walsh, 2017). Meanwhile, the Taylor rule can be specified in order to adopt certain economic dynamics such as incorporating government spending and exchange rate, among others (Agénor & Montiel, 2015).

Monetary Transmission Mechanism. The monetary transmission mechanism is the process through which monetary policy affects economic activity and inflation through various channels. A key concept in monetary transmission mechanism is the pass-through of policy rate, which is defined as the extent to which changes in short-term policy rates affect market interest rates. Adjustments in policy rates will trickle into investment spending, which then ultimately leads into output, inflation, and exchange rate.

In the Philippines, the monetary transmission mechanism and its dynamics were discussed by Guinigundo (2008). He outlined the distinct channels in which changes in the policy rate have to pass through to subsequently affect output, inflation, and exchange rate, namely the credit channel, expectations channel, and exchange rate channel, respectively.

First, he outlined the credit channel. He emphasized its importance since changes in the policy rate directly affects the bank lending rates. This interaction is significant because producers mainly rely on banks for their liquidity requirement and the amount in which the producers will borrow is highly affected by the bank lending rate, which in turn will affect their production or output.

Meanwhile, the expectations channel gauges the inflation expectations of the public due to the changes in the RRP rate, i.e. whether the public expects future inflation rate will ease or not if the BSP decides to adopt an expansionary or contractionary monetary policy. He highlighted the channel's importance since the effect of the RRP rate extends on the short–term interest rate, represented by the 91-day T-bill rate, to long–term interest rate, which is represented by the 182-day T-bill rate, both of which businesses and household decisions are made (Guinigundo, 2008).

Lastly, the exchange rate channel in the Philippines can be described as free-floating exchange rate with occasional but subtle interventions from the BSP. It is because the BSP is closely monitoring events in the foreign exchange market and, when needed, the central bank adjusts its policy instruments (e.g., policy interest rate) when there are extreme fluctuation in the Philippine Peso that could adversely affect the inflation target. This approach is consistent with its price stabilization mandate because volatility in the exchange rate tend to feed directly into domestic prices of imported goods and services, and indirectly through to the prices of goods and services that use imported inputs. The increase in prices of both the imported and import-intensive goods in turn feed into demand for adjustments in wages and transport fares. Through this channel, exchange rate movements affect both actual inflation and inflation expectations.

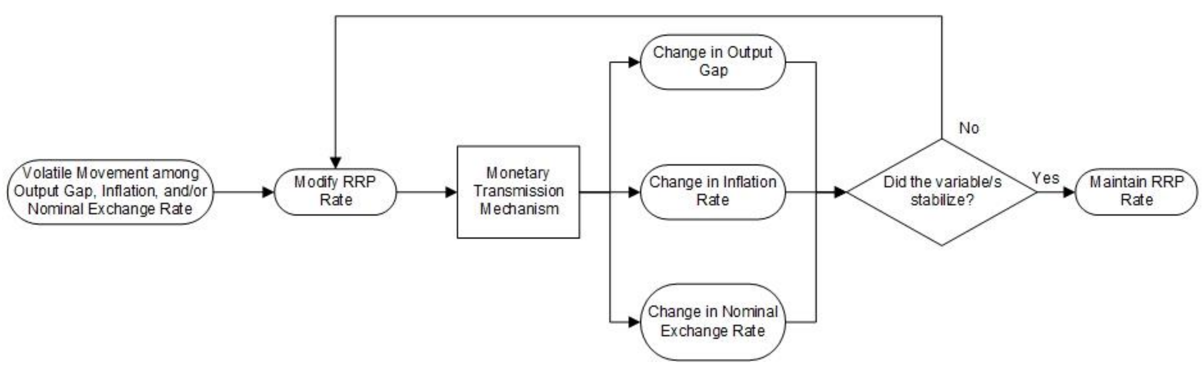
3.2 Conceptual Framework

The conceptual framework of the study resembles the decision-making dynamics of a central banker to stabilize certain indicator/s in the economy. As mentioned in the current charter of the BSP, the primary objective of the bank is to maintain price stability (i.e. stabilize inflation). The BSP then announces in advance its inflation target wherein the bank will do its best to achieve said goal by closely monitoring the stability of the financial system and employ monetary policy instruments as necessary.

The main monetary instrument being employed by the BSP to stabilize inflation is the reverse repurchase (RRP) rate wherein the Bank can raise or reduce to implement contractionary or expansionary monetary policy, respectively (Bangko Sentral ng Pilipinas, 2018). However due to the monetary transmission mechanism, the adjustments in the RRP rate also affect other variables such as output gap and foreign exchange and in effect can also be used to stabilize said variables. The BSP will then assess if the movement of its target variable has subsequently stabilized. If not, the RRP can be modified again to achieve the desired result or maintain the policy rate if the variable is stabilized. Figure 1 shows the mechanics of said process.

Figure 1

Conceptual Framework



In selecting the variables, the study adapted the paper of Angeles and Tan (2007) that used a VAR model composed of the following variables: (i) output gap; (ii) inflation rate; (iii) RRP rate; and (iv) nominal exchange rate. The study remarked that these variables represented the Philippine economy due to the absence of a full-blown macroeconomic model.

4. Methodology

4.1. Research Design

This study used quantitative type of research design using descriptive and empirical analysis to observe the effect of the change in RRP to certain monetary policy indicators, particularly on output gap, inflation, and exchange rate. In addition, this research also used inferential statistics to establish relationships among the RRP rate, output gap, inflation rate, and exchange rate to make valuable predictions, including hypothesis testing.

4.2. Sources of Data

The timeline of the quarterly data used in this study is from 2002 to 2018. The data for GDP, unemployment, and inflation rates were gathered from the Philippine Statistics Authority (PSA). The output gap was extracted from the GDP data using HP filter, as recommended by Angeles and Tan (2007). Moreover, in accordance with the BSP, the data used for 2002-2004, 2005-2006, 2007-2017, and 2018 inflation rates were the 1994-, 2000-, 2006-, and 2012-based CPI series, respectively. Lastly, the data for RRP rate were gathered from the BSP website and the nominal exchange rate from the International Monetary Fund Website.

4.3. Statistical Treatment of Data

The study used a reduced form VAR model to examine the effect of changes in the RRP rate to other relevant monetary policy indcators, particularly the output gap, inflation, and exchange rate. The choice of VAR as the main model was motivated by Sims (1980, 1986), Stock and Watson (2001), and Kilian and Lütkepohl (2017) who mentioned that since VAR models in general provides reliable results that can aid policy makers without being too much restricted by theory unlike by using structural equation models. Moreover, the dynamic and simultaneous nature of the model is well-suited to policy analysis, and in this case monetary policy analysis, since it captures the multiple effects of the change in the policy variable of choice to other variables.

Other tests were performed on the data such as measurement of correlation to determine meaningful relationships among the selected variables, goodness of fit test to determine if the variations of the dependent variable can be explained by the explanatory variables, number of lags test using Akaike Information Criterion (AIC) and Schwarz Bayesian Information Criterion (SBIC) to determine the optimal number of lags in the equation, and HP filter in order to extract the output gap from the GDP data.

Measure of Correlation. To measure the correlation among variables, the Pearson correlation coefficient (R) is used. Given random variables X and Y, R is expressed as:

$$R = \frac{cov\ (X,Y)}{\sqrt{var(X)\ var(Y)}}$$

where $cov\ (X,Y)$ is the covariance of X and Y, $\sqrt{var(X)\ var(Y)}$ denotes the product of the standard deviations of X and Y, respectively, and the value of R ranges from -1 to 1.

Measure of Regression. The overall model is regressed using a reduced form vector autoregression (VAR) model. A reduced form expresses each variable as a linear function of its past values or lags (Stock & Watson, 2001). For this study, the reduced form VAR model has the form:

$$\begin{aligned} YGAP_t = {} & \alpha_{11} YGAP_{t-1} + \cdots + \alpha_{1p} YGAP_{t-p} + \beta_{11} INF_{t-1} + \cdots + \beta_{1p} INF_{t-p} + \gamma_{11} RRP_{t-1} \\ & + \cdots + \gamma_{1p} RRP_{t-p} + \delta_{11} EXRATE_{t-1} + \cdots + \delta_{1p} EXRATE_{t-p} + \varepsilon_{YGAP,t} \end{aligned}$$

$$\begin{aligned} INF_t = {} & \alpha_{21} YGAP_{t-1} + \cdots + \alpha_{2p} YGAP_{t-p} + \beta_{21} INF_{t-1} + \cdots + \beta_{2p} INF_{t-p} + \gamma_{21} RRP_{t-1} + \cdots \\ & + \gamma_{2p} RRP_{t-p} + \delta_{21} EXRATE_{t-1} + \cdots + \delta_{2p} EXRATE_{t-p} + \varepsilon_{INF,t} \end{aligned}$$

$$\begin{aligned} RRP_t = {} & \alpha_{31} YGAP_{t-1} + \cdots + \alpha_{3p} YGAP_{t-p} + \beta_{31} INF_{t-1} + \cdots + \beta_{3p} INF_{t-p} + \gamma_{31} RRP_{t-1} + \cdots \\ & + \gamma_{3p} RRP_{t-p} + \delta_{31} EXRATE_{t-1} + \cdots + \delta_{3p} EXRATE_{t-p} + \varepsilon_{RRP,t} \end{aligned}$$

$$\begin{aligned} EXRATE_t = {} & \alpha_{41} YGAP_{t-1} + \cdots + \alpha_{4p} YGAP_{t-p} + \beta_{41} INF_{t-1} + \cdots + \beta_{4p} INF_{t-p} + \gamma_{41} RRP_{t-1} \\ & + \cdots + \gamma_{4p} RRP_{t-p} + \delta_{41} EXRATE_{t-1} + \cdots + \delta_{4p} EXRATE_{t-p} + \varepsilon_{EXRATE,t} \end{aligned}$$

where:

$YGAP$ = output gap;

INF = inflation rate;

RRP = reverse repurchase rate;

$EXRATE$ = nominal exchange rate in logs;

$\alpha, \beta, \gamma, \delta$ = coefficients;

t = time; and

p = number of lags.

For compactness of notation, a VAR model is expressed in matrix form as:

$$\mathbf{Y_t} = \mathbf{B_1}\mathbf{Y_{t-1}} + \cdots + \mathbf{B_p}\mathbf{Y_{t-p}} + \mathbf{e_t}$$

or equivalently, borrowing the notation of Angeles & Tan (2007) the above system of equations can be expressed as:

$$\begin{array}{ccccccc} \mathbf{Y_t} & & \mathbf{Y_{t-1}} & & \mathbf{Y_{t-p}} & & \mathbf{e_t} \\ \begin{bmatrix} YGAP_t \\ INF_t \\ RRP_t \\ EXRATE_t \end{bmatrix} & = \mathbf{B_1} & \begin{bmatrix} YGAP_{t-1} \\ INF_{t-1} \\ RRP_{t-1} \\ EXRATE_{t-1} \end{bmatrix} & + \cdots + \mathbf{B_p} & \begin{bmatrix} YGAP_{t-p} \\ INF_{t-p} \\ RRP_{t-p} \\ EXRATE_{t-p} \end{bmatrix} & + & \begin{bmatrix} \varepsilon_{YGAP,t} \\ \varepsilon_{INF,t} \\ \varepsilon_{RRP,t} \\ \varepsilon_{EXRATE,t} \end{bmatrix} \end{array}$$

where:

Y = vectors containing the variables $YGAP$, INF, RRP, and $EXRATE$;

B = square matrices of coefficients; and

$\mathbf{e_t}$ = is a vector of error terms.

Generally, the total number of equations will depend on the number of variables and the parameters will depend on the number of lags as determined by the Akaike Information Criterion (AIC) and Schwarz Bayesian Information Criterion (SBIC).

Goodness-of-fit Test. R-squared of the regression, sometimes called the coefficient of determination, is used to determine how well the regression line fits the data.

$$R^2 = 1 - \frac{\sum_{i=1}^{n}(e_i)^2}{\sum_{i=1}^{n}(y_i - \bar{y})^2}$$

where R^2 is the coefficient of determination; e is the error term; y is a random sample; and $\bar{y}$ is the sample average (Wooldridge, 2016).

Number of Lags Test. Simplicity or parsimony of the model may be referred as the trade-off between goodness-of-fIt and the number of regressors employed in the model, as measured by the number of parameters k. The determination of lags of a VAR model may be tested by comparing lowest value between the Akaike Information Criterion (AIC) and Schwarz Bayesian Information Criterion (SBIC). The AIC and BIC are computed as follows:

$$AIC = \ln\frac{1}{n}\sum_{i=1}^{n} e_i^2 + \frac{2k}{n}$$

$$BIC = \ln\frac{1}{n}\sum_{i=1}^{n} e^2 + \frac{k}{n}\ln n$$

where e is the error term, k is the number of parameters, and n is the number of observations.

Filtering Method for Output Gap. Output gap is measured as the percentage deviation of actual output against potential output. However, unlike actual output, potential output cannot be observed and measured directly. Hence, potential output and output gap can only be estimated. Numerous estimation methods or filters can be employed to decompose trend and cyclical components to extract the output gap such as Hodrick–Prescott (HP) filter, band-pass filter, and structural time series techniques. Contemporary literature commonly use HP filter as the preferred method in extracting output gap from actual output. Hodrick and Prescott (1997) presented their conceptual framework wherein they deconstructed a time series variable into its growth and cyclical components. Formally, it is expressed as:

$$y_t = g_t + c_t$$

where:

y_t = time series variable;

g_t = growth component;

c_t = cyclical component; and

$t = 1, \ldots, T$.

The determination and smoothing of the growth component leads to the dynamic programming problem in the form of:

$$\min_{\{g\}_{t=-1}^{T}} \left\{ \sum_{t=1}^{T} c^2 + \lambda \sum_{t=1}^{T} [(g_t - g_{t-1}) - (g_{t-1} - g_{t-2})]^2 \right\}$$

The parameter λ is a positive number which penalizes variability in the growth component series. The larger the value of λ, the smoother is the solution series. For quarterly time series data, the recommended value of λ is 1,600.

Software. The study used Stata 13 and gretl in developing necessary figures and and analyzing statistical data. However, the tabulation was utilized from Microsoft Excel and served as an aid in the said software.

5. Findings and Discussion

5.1. Correlation Test

The results from Pearson correlation test showed that the variables INF and RRP, and RRP and $EXRATE$ are positively correlated and statistically significant at least at one

(1) percent level. Meanwhile, the variables INF and $EXRATE$ are positively correlated and statistically significant at five (5) percent level.

5.2. Number of Lags Test

Akaike Information Criterion (AIC) and Bayesian Information Criterion (BIC) were used to test the total number of lags for the overall VAR model. As recommended by Stock and Watson (2015), VAR models with quarterly data are tested using four (4) to eight (8) lags. Using eight (8) lags as the maximum lag order, the test determined that the appropriate number of lags of the model are five (5) in reference with the result under BIC. The test result is shown in **Table 1.**

Table 1

Number of Lags Test for the Model

No. of Lags	Akaike Information Criterion	Bayesian Information Criterion
1	3.8192	4.3777
2	3.2102	4.3272
3	2.6596	4.3351
4	1.3517	3.5857
5	0.7179	3.5104*
6	0.4015	3.7525
7	0.2438	4.1533
8	–0.18779*	4.2802

Note: * refers to the lowest value of the computed AIC and BIC, respectively

5.3. Regression Results

The model was regressed using vector autoregression model. Given that the interest of this study is to see the effect of RRP vis-à-vis the other variables, the tables below presented the regression result of the relationship among the lagged values of RRP to the present values of $YGAP$, INF, and $EXRATE$, respectively. The number of equations and parameters are affected by the number of variables in the model. In this study, the total number of equations is four (4) with 20 parameters per equation.

For the $YGAP$ equation, the estimated equation is as follows:

$$YGAP_t = 0.458YGAP_{t-1} - 0.165YGAP_{t-2} - 0.24YGAP_{t-3} + 0.781YGAP_{t-4} - 0.612YGAP_{t-5} + 0.416INF_{t-1} - 0.783INF_{t-2} + 0.226INF_{t-3} + 0.199INF_{t-4} - 0.76INF_{t-5} - 6.413EXRATE_{t-1} + 1.084EXRATE_{t-2} + 2.086EXRATE_{t-3} + 1.319EXRATE_{t-4} + 1.795EXRATE_{t-5} - 0.340RRP_{t-1} + 1.141RRP_{t-2} - 0.882RRP_{t-3} - 0.931RRP_{t-4} + 1.088RRP_{t-5}$$

As shown in the estimated $YGAP$ equation, a one (1) percentage change in RRP will cummulatively change $YGAP$ by 0.076 percent after five (5) quarters. However, this cummulative change is not statistically significant since the F-statistic for the lagged values RRP when it is restricted to zero is 1.680. Hence, since it is less than the F-critical value for F(5,43) at 0.05 probability level of 2.432 the null hypothesis that the lagged values of RRP do not significantly affect $YGAP$ is not rejected. The R^2 for this equation amounted to 0.980 which means that the 98 percent of variations in $YGAP_t$ can be by the regressors.

In addition if the lagged values of RRP are taken individually, only the variable RRP_{t-5} is statistically significant at five (5) percent level. This can be interpreted that a one (1) percent change in RRP will change the $YGAP$ by 1.088 percent with the probability of 95 percent. Table 2 summarizes the relevant variables and statistical tests of the regression.

Table 2

Summary Result of the Relationship Among the Lagged Values of RRP *to* $YGAP$

Dependent Variable	**Regressor**	**β**	**t**	**F**	**R^2**	**p**
$YGAP_t$						
	RRP_{t-1}	-0.340	-0.70			0.489
	RRP_{t-2}	1.141	1.43			0.159
	RRP_{t-3}	-0.882	-1.06			0.295
	RRP_{t-4}	-0.931	-1.16			0.254
	RRP_{t-5}	1.088	2.11			0.041
F-test of zero restriction for variable RRP *F(5,43)*				1.680	0.980	0.160

For the INF equation, the estimated equation is as follows:

$$
\begin{aligned}
INF_t = {} & 0.076YGAP_{t-1} + 0.091YGAP_{t-2} + 0.068YGAP_{t-3} + 0.051YGAP_{t-4} + 0.019YGAP_{t-5} \\
& + 1.357INF_{t-1} - 0.649INF_{t-2} + 0.240INF_{t-3} - 0.365INF_{t-4} + 0.207INF_{t-5} \\
& + 1.009EXRATE_{t-1} - 2.100EXRATE_{t-2} - 0.401EXRATE_{t-3} \\
& + 11.376EXRATE_{t-4} - 9.798EXRATE_{t-5} - 0.056RRP_{t-1} + 0.095RRP_{t-2} \\
& - 1.059RRP_{t-3} + 1.553RRP_{t-4} - 0.413RRP_{t-5}
\end{aligned}
$$

Meanwhile, the estimated INF equation shows that one (1) percent change in RRP will cummulatively change INF by 0.121 percent after five (5) quarters. However, this cummulative change is not statistically significant since the F-statistic of the RRP lags when restricted to zero 1.874. This is less than the F-critical value for F(5,43) at 0.05 probability level which is 2.432. This leads to not rejecting the null hypothesis that the lagged values of RRP do not have significant effect to $YGAP$ when taken collectively. Lastly, the R^2 for this equation amounted to 0.983 which means that the 98.3 percent of variations in INF_t can be by the regressors in the estimated equation.

In addition, when the lagged values of RRP are taken individually, only RRP_{t-4} is statistically significant at five (5) percent level. It can be interpreted that one (1) percent change in RRP will increase INF by 1.553 percent after four (4) quarters. Table 3 summarizes the relevant variables and statistical tests of the regression.

Table 3

Summary Result of the Relationship Among the Lagged Values of RRP to INF

Dependent Variable	**Regressor**	**β**	**t**	**F**	**R²**	**p**
INF_t						
	RRP_{t-1}	-0.056	-0.12			0.902
	RRP_{t-2}	0.095	0.13			0.897
	RRP_{t-3}	-1.059	-1.38			0.174
	RRP_{t-4}	1.553	2.09			0.043
	RRP_{t-5}	-0.412	-0.87			0.391
F-test of zero restriction for variable *RRP F(5,43)*				1.874	0.983	0.119

For the $EXRATE$ equation, the estimated equation is as follows:

$$EXRATE_t = -0.004YGAP_{t-1} - 0.001YGAP_{t-2} + 0.001YGAP_{t-3} - 0.0004YGAP_{t-4} + 0.002YGAP_{t-5} + 0.001INF_{t-1} + 0.0009INF_{t-2} - 0.0007INF_{t-3} + 0.0007INF_{t-4} - 0.006INF_{t-5} + 1.078EXRATE_{t-1} - 0.101EXRATE_{t-2} + 0.070EXRATE_{t-3} - 0.145EXRATE_{t-4} + 0.104EXRATE_{t-5} + 0.007RRP_{t-1} - 0.010RRP_{t-2} - 0.026RRP_{t-3} + 0.035RRP_{t-4} - 0.007RRP_{t-5}$$

The estimated $EXRATE$ equation shows that one (1) percent change in RRP will cummulatively change $EXRATE$ by -0.001 percentage points after five (5) quarters. The cummulative change is not statistically significant since the F-statistic of the RRP lags when restricted to zero 1.310 which is less than the F-critical value for F(5,43) at 0.05 probability level of 2.432. This leads to not rejecting the null hypothesis that the lagged values of RRP do not have significant effect to $EXRATE$ when taken collectively. Moreover, when the lagged values of RRP are taken individually, none of the lags is statistically significant. Lastly, the R^2 for this equation amounted to 0.999 which means that the 99.9 percent of variations in $EXRATE_t$ can be by the regressors in the estimated equation.Table 4 summarizes the relevant variables and statistical tests of the regression.

Table 4

Regression Result of Relationship Between the Lagged Values of RRP to $EXRATE$

Dependent Variable	Regressor	*β*	*t*	*F*	R^2	*p*
$EXRATE_t$						
	RRP_{t-1}	0.007	0.50			0.619
	RRP_{t-2}	-0.010	-0.46			0.646
	RRP_{t-3}	-0.026	-1.14			0.263
	RRP_{t-4}	0.035	1.57			0.124
	RRP_{t-5}	-0.007	-0.52			0.606
F-test of zero restriction for variable *RRP F(5,43)*				1.310	0.999	0.278

6. Conclusion

This study showed the effect of the RRP rate to selected monetary policy indicators, particularly on output gap, inflation, and nominal exchange rate using a VAR model. The results show that as the primary monetary instrument of the BSP, the RRP rate can reduce the overall output of the economy albeit not significantly. In addition, contrary to standard monetary policy theory, the result of this study show that monetary policy tightening or increasing the policy rate increases inflation instead of reducing it. Sims (1986) called this phenomenon as “price puzzle”. It is in contrast with the economic intuition that monetary policy tightening results to a decrease in inflation. This can be problematic to the BSP since the RRP rate is the main monetary policy tool to manage inflation. This study also showed that in contrast to the standard New Keynesian monetary policy, the RRP rate cannot be used as a tool to significantly tweak the nominal exchange rate.

Given the results of this study, the BSP must evaluate the appropriate channels where the interest effect passes through. A possible avenue for BSP’s evaluation is the informal lenders in the country. As a developing country, the Philippine economy is prone in having informal credit channels such as credit associations/corporations and loansharks wherein the BSP has little to no control at all. The said informal credit channels are patronized by micro, small, and medium enterprises for additional capital. The central bank can exercise its regulatory function by formulating a comprehensive regulation framework to such credit channels in order to have a steady grip in controlling inflation.

The BSP could also also link with price monitoring and competition regulation agencies such as the Department of Agriculture, Department of Trade and Industry, and Philippine Competition Commission, among others, and see how can the central bank help the aforementioned agencies in performing their price regulation duties and curb existing noncompetitive industry practices. It is logical to think that if said agencies perform their functions well then inflation may be stabilized, all other things being equal. This, in turn, may also positively affect the credibility of the central bank in managing inflation.

In addition, the BSP may also seek an alternative monetary policy rule in order to highlight its another mandate which is to promote a balanced and sustainable growth of the economy and employment. A possible candidate for this is nominal GDP targeting which sets interest rates in response to deviations of nominal GDP growth from a target path (McCallum & Nelson, 1999). A handful of economists advocated this approach such as Hall and Mankiw (1994), McCallum and Nelson (1999), Sumner (2012), and Sheedy (2014), among others. One notable argument in adopting this rule is that a stable path of nominal GDP growth would tend to stabilize employment more effectively than an inflation target, because employers' ability to meet their wage bills depends more on nominal GDP growth than on the rate of inflation (Sumner, 2012). Given that the Philippines is targeting both high employment and economic growth aside from price stability, this approach can be a worthwhile endeavor for the BSP to consider.

Lastly, extending the presented model by including additional foreign and domestic variables may be beneficial. Methods such as structural VAR, Vector Error Correction Model or other more sophisticated time series models may be adapted in such investigation. These ideas would constitute new topics for the future research.

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Effects of Waltermart Supermarket on Small Retail Business

[1]Jay Pee D. De Villa, [2]Katrin I. De Villa, [3]Darlene U. Banaera & [4]Raul R. Agaran

Abstract

This study assessed the effects of Waltermart Supermarket on small retail businesses in Candelaria, Quezon, Philippines. Using the adapted questionnaire from Cantuba (2015), retailers assessed the effects of Waltermart on their sales and revenue, product movement, and customer attraction and retention using the 5-scale Likert style. The adapted questionnaire from Lee (2008) was also used to assess the strategic response of the retailers to maintain sustainable operation using marketing practices, merchandising practices, customer service practices, and business operation practices using 5-scale Likert style. A total of sixty registered retailers were used as the sample. Findings revealed that retailers are moderately affected by the presence of Waltermart with 'customer attraction and retention' ranked the highest, and 'sales and revenue' as the lowest. In terms of strategic practices used by retailers to maintain sustainable operation in the presence of Waltermart, findings revealed that 'business operation practices' ranked the highest, and 'merchandising practices' as the lowest. For this, retailers need to continue an effective business operation and enhance the quality, competitiveness, and availability of the product through good inventory quality control management. As the study offers an assessment of the effects of Waltermart on retailers, the results suggest an in-depth analysis of the impact of supermarkets on the retailer's performance through financial ratios.

Keywords: *Waltermart Supermarket, small retailers, sustainable operation, business operation, inventory quality control management*

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About the authors:
[1] Master in Business Administration, College Instructor, Tayabas Western Academy, Philippines
[2]Master in Business Administration, Teacher III, Recto Memorial National High School, Philippines
[3]Bachelor of Science in Accountancy, Tayabas Western Academy, Philippines
[4]Master in Business Administration, College Instructor, Tayabas Western Academy, Philippines

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1. Introduction

The establishment of supermarkets in rural areas like towns increases economic activity and local employment. Supermarkets impose a need for human labor, an investment that consequently turns into consumption and spending which are the key stimulators that boost development and progress in a local economy. With its numerous amenities offered like air-conditioned buildings, specious selling areas and parking spaces, cleaning and sanitation practices, proper food and product handling, convenience and accessibility, and others are the qualities of the supermarket that attract customers.

According to Vinodini (2016), shopping becomes a vital part of all individuals' everyday life. Most buyers nowadays have a lot of buying options like online shopping, local wholesale markets, shopping malls, and supermarkets that offer beautifully decorated and well-organized facilities. Other positive contributions of supermarkets to customers are quality products, safety, and hygiene. Supermarkets also tend to have a good service compared with unorganized and informal markets, store staffs are neatly dressed, polite, attentive, and passionate with work and customers. It also offers a wide range selection of products and considers to be a "one-stop-shop" for all daily needs products.

Although supermarkets in rural areas elevate the society and economy, these supermarkets also create threats to small retail businesses within the vicinity. According to Mathenjwa (2010) and Migdadi and Abdel-Rahman (2020), there is a relationship between the distances of small retailers and the percentage decline in terms of turnover and profit. For instance, Mathenjwa (2010) fount that businesses operating less than 1 kilometer from a supermarket or mall reported a decline in turnover and profit with 80% and 75%, respectively, while businesses that operate 5 kilometers away reported a decline of only 30% and 36% in terms of turnover and profitability, respectively. In short, the research findings indicate that the small businesses operating closer to a large retailer or supermarket are most likely to be negatively affected compared to those small businesses whose area of operation is farther from the supermarket. Similarly, Migdadi and Abdel-Rahman (2020) examined the effects of Carrefour, Safeway, and C-Town on various retail stores in Jordan and found that the impact of retail stores location dimensions was moderate to low in two cases, and low in one case. This indicates that locating store’s branches in high access, visible, and attractive location have low to moderate servicescape quality.

Congruent with the previous studies, this study assessed the effects of the supermarket on small retail businesses in Candelaria, Quezon, Philippines. With the absence of studies conducted within the area, the study provides initial solution for the small retailers to minimize the adverse effect of the existence of Walter Mart Supermarket. This provides fundamental data for provincial areas targeted by urbanization through establishments of malls, hypermarkets or similar large-scale chain stores.

2. Literature review

2.1. Food Retail Industry in the Philippines

Republic Act 8762, also known as the Retail Trade Liberalization Act of 2000 governs the retail trade business in the country. Modern food retailing businesses, such as supermarkets become an essential part of the everyday lives of the people, especially those residing in the urban areas. Since 1997, the retail industry plays a significant role in boosting the Philippine economy. In 2019, as per data published by Statista Research Department:

> "…the country's food retail sales were valued at approximately 50 billion U.S dollars, almost twice the value compared to ten years ago. In addition, expenditure on food items was the highest type of spending of Filipino households, amounting to nearly three trillion Philippine pesos as of 2019".

Moreover, during 2020, leading supermarkets dominated the food retailing sector in the country, as per data released by Statista (see table 1). Despite the ongoing Covid-19 pandemic, Filipino consumption has substantially increased. With this, supermarkets and hypermarkets have been the popular ground for bulk consumption.

Table 1
Retail sales by large supermarkets in the country in the year 2020

Name of Supermarket	Retail Sales (in million U.S. dollars)
Robinsons Supermarket	1,348
SM Supermarket	1,323
Save More Supermarket	1,263
Puregold	457
Metro Supermarket	397
Waltermart Supermarket	373
Marketplace	300
Gaisano Grand Mall Supermarket	253
NCCC Supermarket	241
Gaisano Capital Market	132

Source: Statista

Parts of most Filipino's grocery checklist are packaged goods which ranged from processed meats and seafood, as well as dairy, savory snacks, edible oils, rice, pasta, and noodles. Waltermart Supermarket is a modern retailed business in the food industry, with an overwhelming number of stores throughout the country for the year 2019 (see table 2), and reported an impressive sales of 373 million US dollars for the year 2020 (see table 1).

Table 2

Number of Supermarkets in the Philippines in 2019, by retail outlets

Name of Supermarket	Number of Stores
Alfamart	578
SaveMore	194
SM Supermarket	57
SM Hypermarket	53
Waltermart	52

Source: Statista

In this regard, it can be inferred that the food retail sector in the country is dominated by large food retailers such as supermarkets and hypermarkets.

2.2. Role of Retailing

According to Mathenjwa (2010), "*the retail industry is the last link in the marketing channel from the producer to wholesaler*". In this regard, the retailers play a vital role as market intermediaries between manufacturers and consumers. As supported by Tustin (2004), retailer acts as agents between the manufacturer and consumer using informing the party concerned of what is there offered and what are the demands of consumers.

The inception of the retail industry has been the underlying cause of growth within the economy. Numerous forms of retailing have been developed over time. For instance, the creation of supermarkets in the 1930s was a successful movement in the field of business and finance. Likewise, Levy and Weitz (2006), Ray and Clarke (2020), Borraz et al. (2013) add the rise of services retailing paved the way to the development of new modes of retailing and institutions such as food delivery services and firms. The common feature of all formats known and business institutions is that they exist to answer the consumers' needs and wants.

2.3. Expansion of Large Retailers

To sustain their growth, large companies move towards different places as part of their strategy to further expand their operation. Lighthelm (2012) mentions that the retail industry serves as a catalyst in which it provides economic boosts and social welfare. With different types of businesses being established almost anywhere, it provides people with a wide range of choices. However, a recent study was conducted with the goal of developing a retail strategy for Soweto indicating the need to improve the retail choices of the people along with the services it provides within downtown areas (Makhitha, 2016). Hlengani (2007) as cited in Mathenjwa (2010), found Soweto's retail spending power above R2.4bn annually, but that only R1.05bn was being spent in the township.

This has created a lot of interest involving developers, businessmen, and investors to expand their operations to rural areas with the promise of economic changes. Research by Tustin and Styrdom (2006) supported the aforementioned study by giving the contributing factors to the growth of interest to expand, namely: the emergence of the middle class, particularly those residing in Soweto. This led to the establishment of larger-scale retail centers in Soweto, such as Protea Glen, followed by Jabulani Mall and the much anticipated Mponya Mall (Hlengani, 2007).

Consequently, it affects the small retail businesses around its vicinity with the heightened market competition. It is for this reason that the current study focuses on the effect of large retailers on small retailers and the response of these small businesses thereof.

2.4. Effects of Retail Development in Emerging Markets

Lighthelm (2012) worked with a study that investigated the impact of shopping mall existence on existing small informal retailers in the Soshaguve Township. The study revealed that there was a relationship between the distances of small retailers from the shopping mall and argued that effective customer service might be the key to survival in the prevailing market competition with large competitors.

Accordingly, a tabulation of results is hereby presented, as cited in the study of Mathenjwa (2010) derived from a previous study by Lighthelm (2012) on the relationship between the distances of small retailers in Soshanguve and the percentage decline in terms of turnover and profit.

Table 3

Percentage of small retailers in Soshanguve that reported a decline in business activity by distance from mall

Distance from the Mall	Decline in turnover (%)	Decline in profit (%)
Less than 1km	80,0	75,0
1,1 to 2km	71,4	61,9
2,1 to 3km	78,9	73,7
3,1 to 4km	60,0	70,0
4.1 to 5km	30,0	36,8

From the given data in table 3, it can be derived that indeed, distance affects the business activity of small retailers. As shown, businesses that operate less than 1 kilometer from a supermarket or mall reported a decline in turnover and profit with 80% and 75% respectively, while businesses that operate 5 km away reported a decline of only 30% and 36% in terms of turnover and profitability, respectively. In short, the research findings indicate that the small businesses operating closer to a large retailer or supermarket are most likely to be negatively affected compared to those small businesses whose area of operation is farther from the supermarket.

The present research is similar to this study but extends further by looking at the response of the small retailers in examining the effect brought upon the existence of Waltermart Supermarket.

Mathenjwa (2010) as cited by Ikadeh and Cloete (2020) conducted a study that assessed the impact of large formal retailers by means of collecting data from small retailers. The study surveyed 222 small retailers in five rural Nebraska communities in which Wal-Mart stores had opened. The study discovered 72 percent affected by Wal-Mart, 53 percent suffered a negative consequence, while only 19 percent enjoyed positive effects. Of those retailers negatively affected, 22 percent experienced a decline in revenues of less than 10 percent during the 12 months, over 30 percent claimed declined more than 10 percent, while only 1 percent indicated increased by less than 10 percent.

Mcgee (1996) examined how small businesses adapt to the environment after the market entry of a big retailing competitor and found that most small retailers' perception of the existence of large retailing companies has an adverse impact on their business operations. Accordingly, half of the respondents revealed a decrease in their sales and profit due to the existence of a huge competitor. All these ideas point out to emphasize the negative impact felt by small retailers due to the entrance of large retailers into the market. However, one should not set aside the positive impacts of retail development.

The following studies shed light on some of the positive impacts; although it applies directly towards consumers and resident communities. For instance, Guy and Bennison (2002) found evidence that establishing a superstore brings substantial benefits to consumers, mainly a wider range of products and lower prices. Moreover, due to its environment, it attracts buyers which in turn increases expenditure that stimulates development and progress in any local economy. Similarly, Mitchell and Kirkup (2003) state that retail development is a pivotal element that revives some areas that were left behind in UK's towns and cities. In their study, they argued that the establishment of retail stores provides a new social network and helps contribute to lowering the crime rate and provides a safer environment. Another good point to note is that retail development provides wealth to the community and to its people by means of wages and business contribution.

Mclntosh (2002) has a different view on modern supermarket development, which it provides improvement to landscaping and how other people perceived the area. Furthermore, Mclntosh (2002) as cited by Mathenjwa (2010) observes that that increased supermarket competition arising from new retail development within disadvantaged urban areas can lead to a reduction in the real price of food. While small retail businesses primarily offer food items, they may not be able to keep up with the prices, which in turn, greatly threatens one's survival. In this regard, they may be forced to close their businesses when they are no longer making profits.

With the gathered literature and studies, it is considered evident enough that the continued presence of large retail formats such as shopping centers and supermarkets has an impact on the retailing dynamics in emerging markets. Although there is a lot of evidence that draws a connection between retail development and its effect on small businesses, its effect is not adequately documented. An understanding of the effects of retail competition from large retailers on small retailers is not complete without an assessment of the response of these small retailers to this competition. The following section will deal with the response of small retailers to competition from large retailers.

2.5. The Response of Small Retailers to Competition from Large Retailers

According to Peterson and McGee (2000), small retailer needs marketing strategies in order to reduce the pressure imposed by the existence of large retail businesses. These marketing strategies involved, but are not limited to increasing promotional efforts, adding or diversifying products, and pruning products. However, small retailers strongly do not encourage small retailers in lowering their prices as a response to the market competition with a large retail business. As opposed to the idea of implementing marketing strategies in order to mitigate the market competition, McGee and Festervand (1996) does not support these prescriptions. In his study, he collected data pertaining to the responses of rural towns in the US on the existence of Wal-Mart and how these small retailers adjusted their strategy. Interestingly, the result of the study yielded that neither group made any marketing adjustments nor adjust their strategy.

In connection to the above study, Peterson & McGee (2000) studied the six management responses namely: (1) changes in product mix; (2) store layout; (3) changes in service mix; (4) store hours; (5) store size; and (6) store location. Despite the negative responses of most retailers with regards to the impact of large retail business in their operations, half of the respondents in the study revealed that they do not take any actions mentioned in response to the existence of a large retail business within their community. This may be attributable to the unwillingness or perhaps they are in disbelief with the effectiveness of such strategies.

The large retail business's primary weapon in competing in the market is through low pricing of products and offering discounts. As contested by Taylor and Archer (1996) in their study, it is difficult to match this strategy most especially by small retailers. Covin and Covin (1990) suggest that instead of competing directly, small retailers may take actions such as improving customer service and/or product specialization or customization. In addition, Stone (1995) recommendation is to offer different/ new products in the market or provide complimentary merchandise.

On the other hand, some other researchers argue the importance of coexistence strategies. McGee and Rubach (1997) pioneered a study that focused on understanding and comparing the behavior of small retailers whose operations are adversely affected by the existence of Wal-Mart by those who are not directly affected. In their study, they classified two types of environment according to the competitive pressure felt by small retailers namely: a hostile environment for retailers who have experienced negative impact and a benign environment for those who were not affected. McGee and Rubach argued as cited in Mathenjwa (2010):

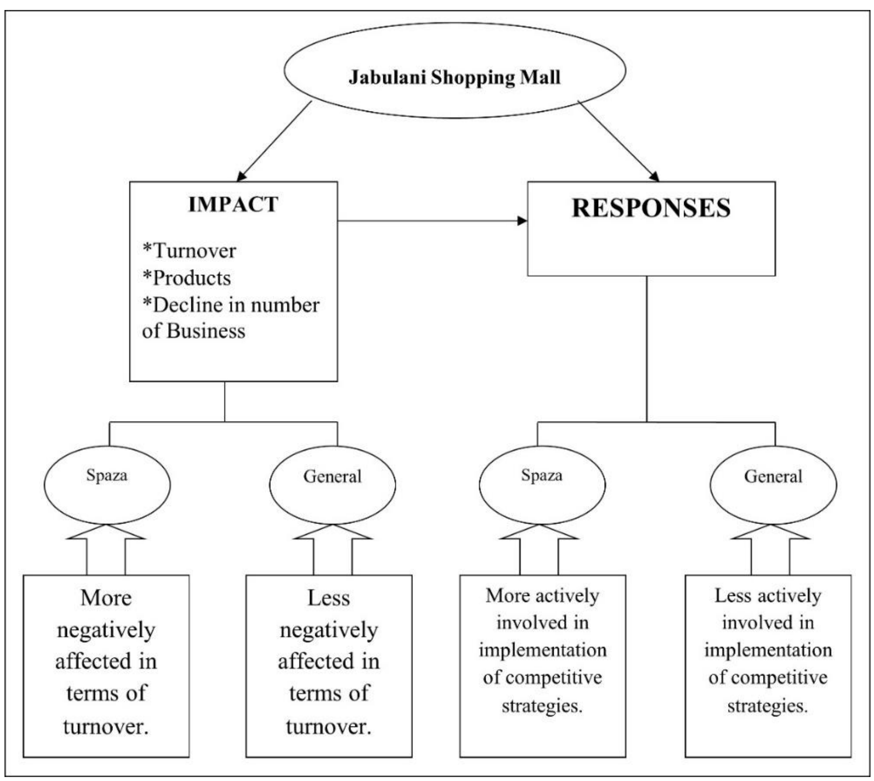
> *"…a complex pattern of competitive behavior, including the combination of creative pricing tactics and superior merchandising practices, was the most effective behavior for small retailers competing in hostile environments. In a benign environment, on the other hand, they suggest that the most appropriate competitive behavior should involve a clear focus on satisfying selective target".*

Moreover, in the study of Lee et al. (2008) it was mentioned that different strategies were useful for small retailers with their competition towards a large retailer. These strategies were classified into: (a) marketing strategies; (b) merchandising strategies; (c) customer service strategies and (d) business operations strategies.

Lastly, some other researchers argued about the relevance of the number of small retailers around a large retailer towards their competitive response to the market situation. In connection to this, Mohd and Melewar (2008) emphasize the importance of the role of the government in regulating the number of small retailers doing business around a large retailer for it imposes too much competition that may lead to some problems if they are not equipped to compete.

Figure 1

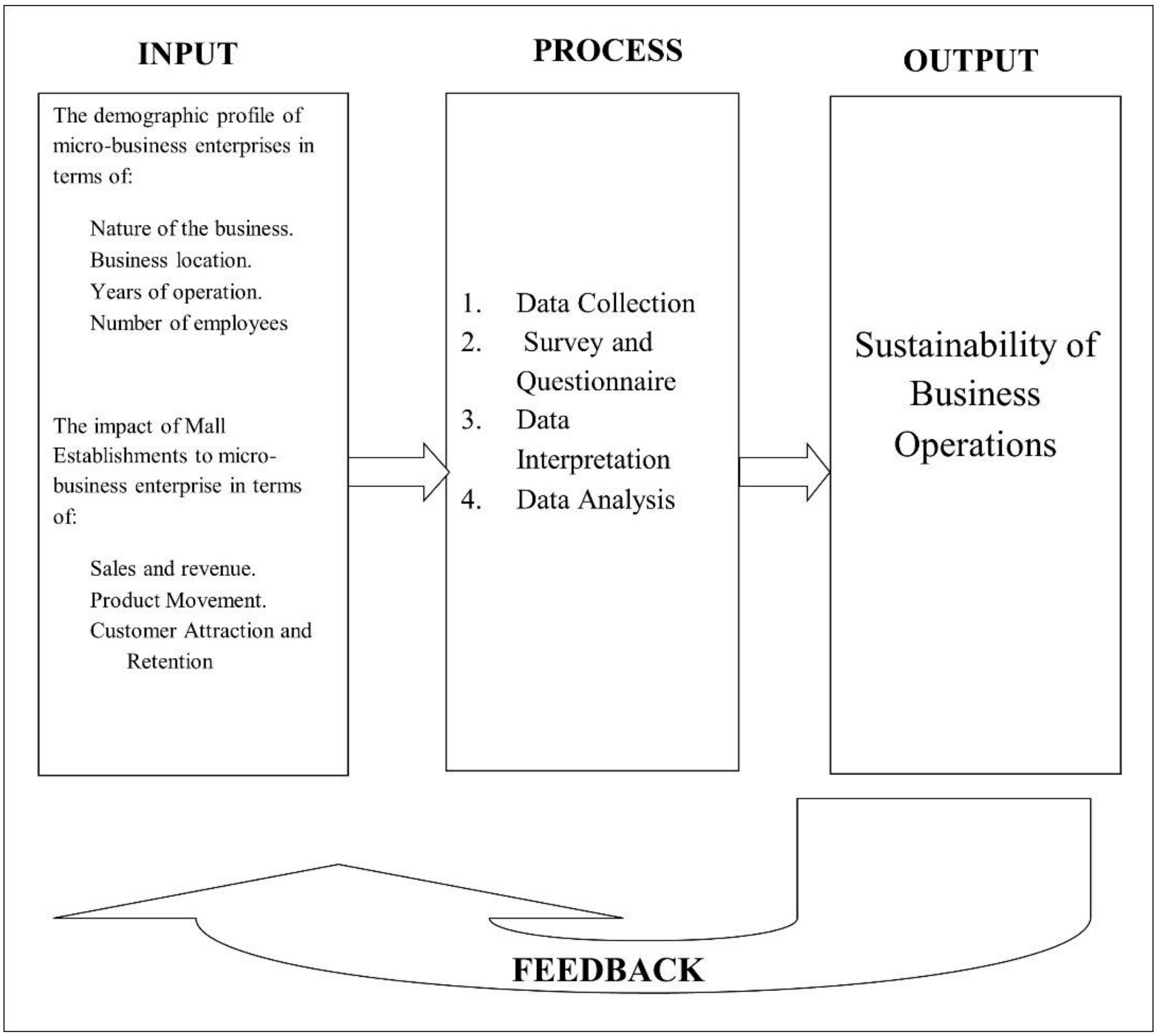
The relationship of variables as used in the study of Mathenjwa (2010)



Based on the study of Mathenjwa (2010), the study presented a model that focuses on the impact of competition from large retailers on small retailers and the response of these businesses to the competitive pressures at the market. The response of these small retailers is simulated by the impact of the large retailers (see figure 1).

Figure 2

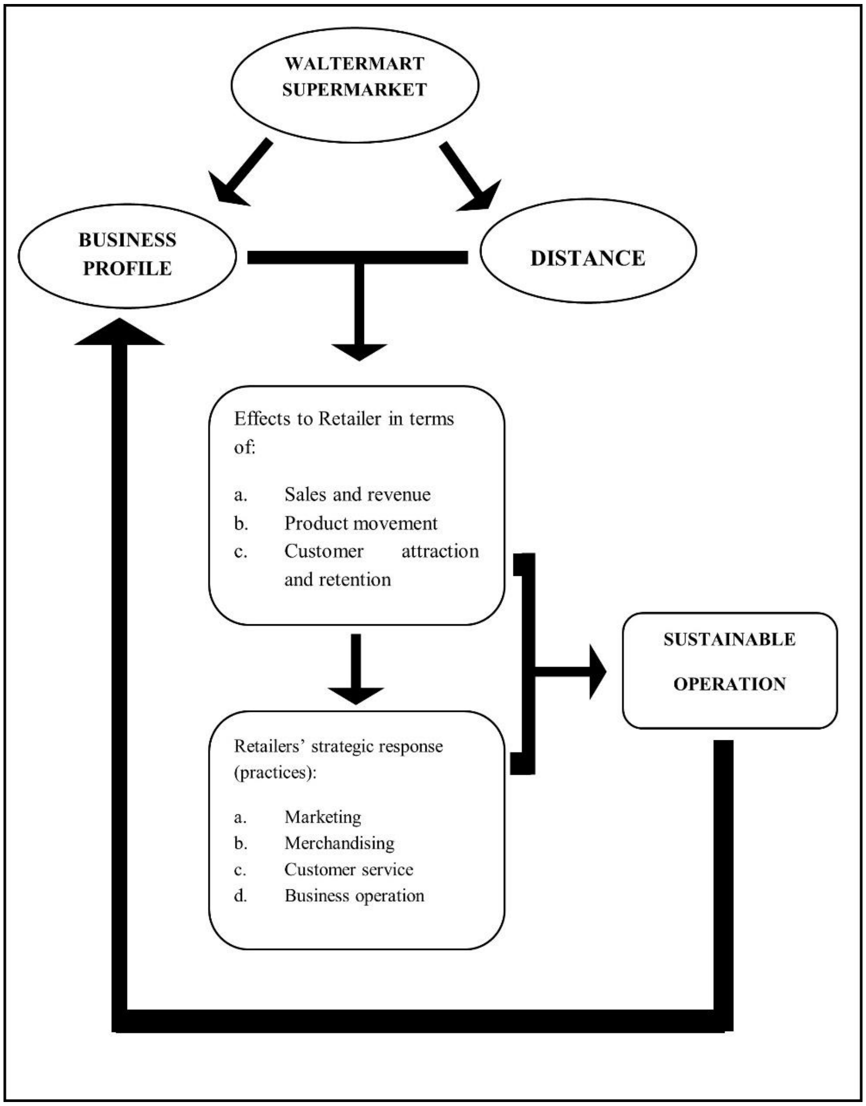
The relationship of variables as used in the study of Cantuba, et.al (2015)



In addition, a local study conducted by Cantuba et al. (2015) presented a model that relates to the impact of mall establishment on micro-business enterprises as a basis for business continuity (see figure 2).

Figure 3

Conceptual Framework for a Sustainable Operation of Small Retail Business



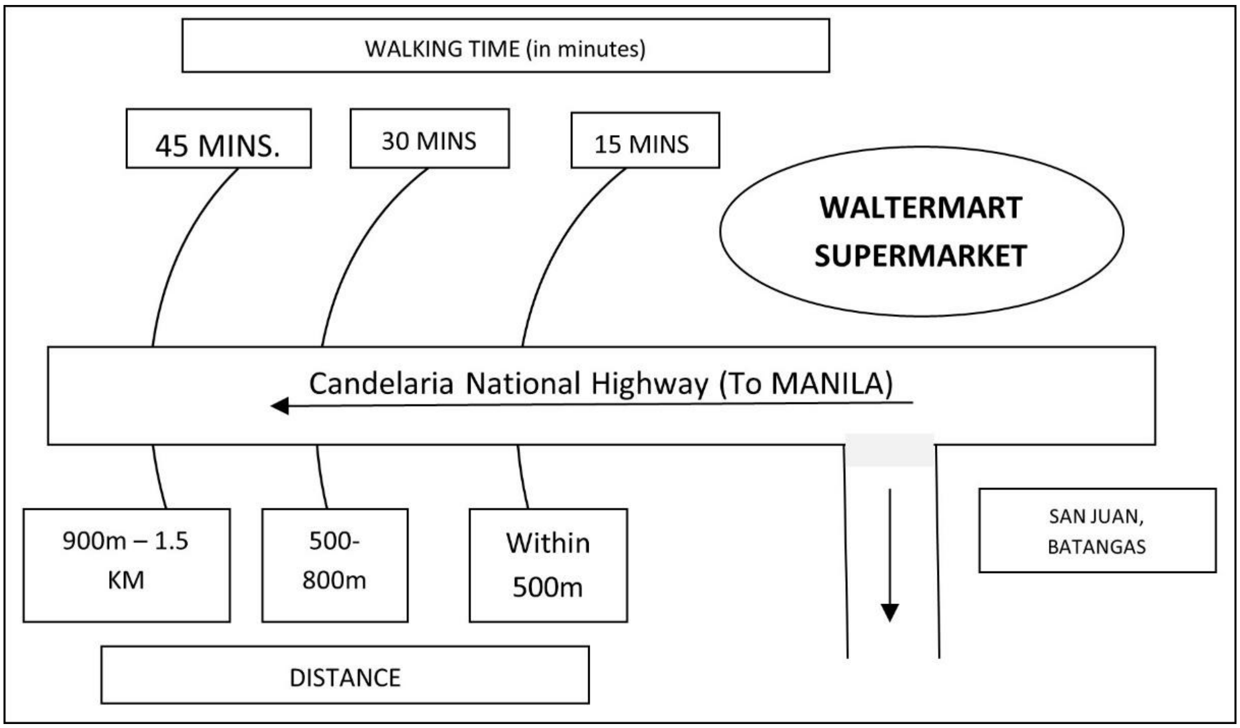
This study develops a framework as shown in figure 3 that shows the relationship of variables used. Business profile and distance are important variables to assess the effects of Waltermart Supermarket on the operation of the retailers. The study assesses the effects of the supermarket on retailers in terms of their (a) sales and revenue, (b) product movement, and (c) customer attraction and retention. After evaluating the effects, the study assesses the different strategies and practices like (a) marketing, (b) merchandising, (c) customer service, and (d) business operation employed by the retailers to maintain a sustainable operation.

3. Methodology

The study employed the descriptive method of research. As a widely accepted method, the descriptive method of research is a fact-finding study that involves adequate and accurate interpretation of data. It is used to gather information regarding the effects of Waltermart Supermarket on small retail businesses in Candelaria, Quezon, Philippines.

Figure 4

Sample Design Map



A total of sixty (60) registered multitudes of retailers that were most likely affected by the presence of Waltermart Supermarket were used as the sample. The sampling design map (see figure 4) was used as a guide to determine the number of respondents per given distance. Accordingly, the farther the location of small retailers, the little the number of respondents to be gathered from that location or area, inversely, the near the location of small retailers to Waltermart Supermarket, the greater the number of respondents to be gathered from a specific location which covers Malabanban Norte, Poblacion (the town proper) and Pahinga Public Market. The demographic profile of the retailers is presented in the following figures and table.

Figure 5

Educational Attainment of Small Retail Business Owners and Managers

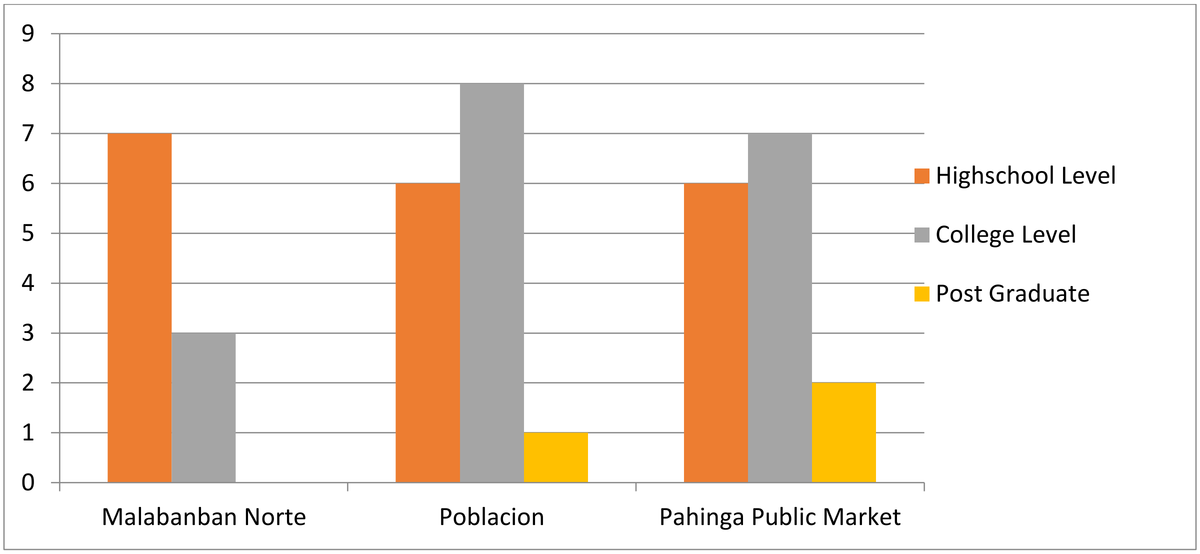


Figure 6

Nature of the Business

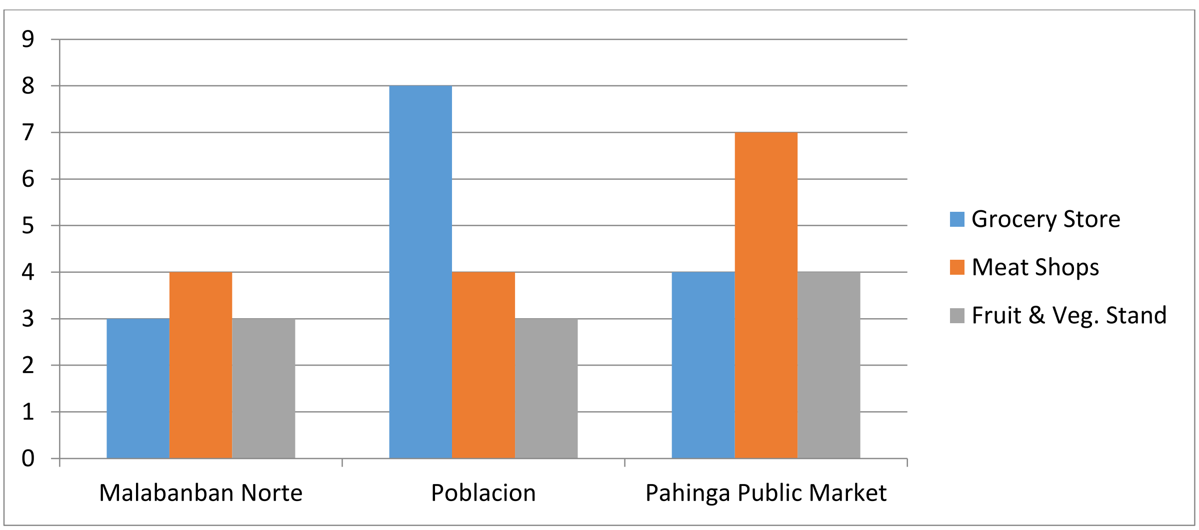


Figure 7

Number of employees

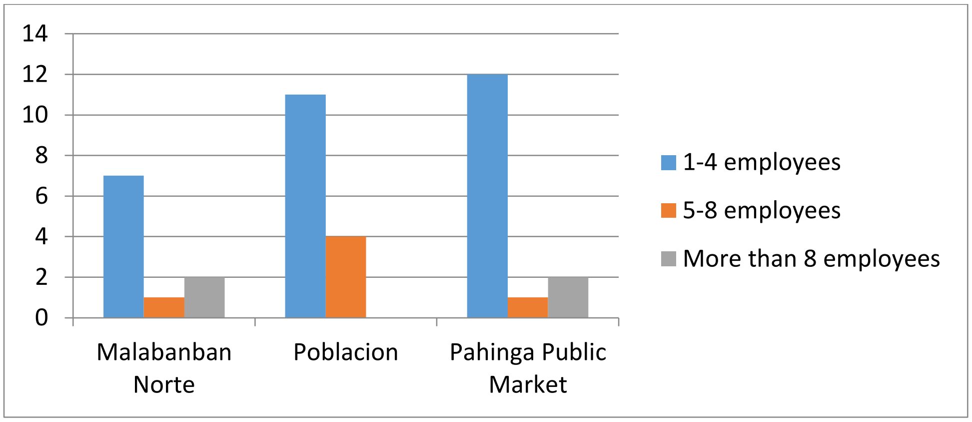


Figure 8

Years of Operation

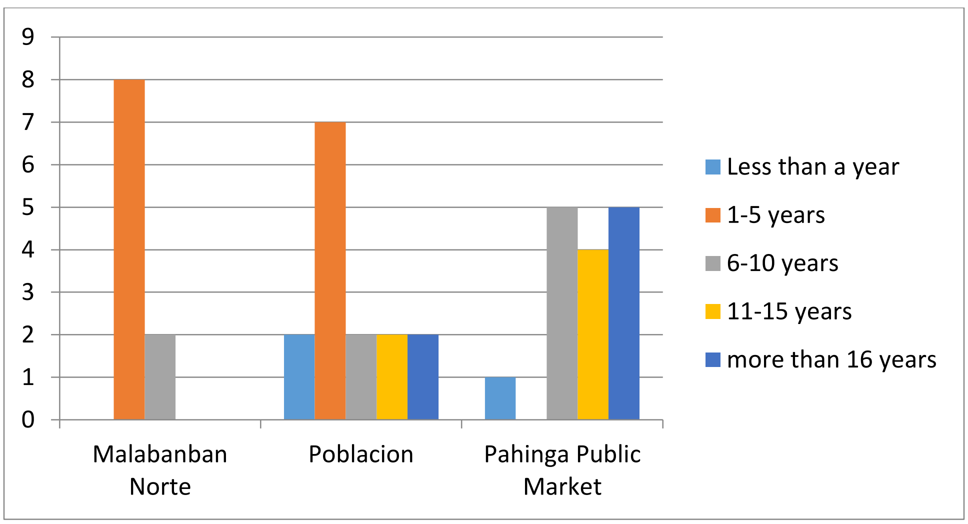


Table 4

Distance and number of businesses near Waltermart Supermarket

Business Location	Distance from Waltermart Supermarket	Frequency	Percentage	Rank
Malabanban Norte	within 500 meters	30	50.00%	1
Poblacion	500m - 800m	20	33.33%	2
Pahinga Public Market	900m – 1.5km	10	16.67%	3

The main instrument used for the study is a survey questionnaire that consists of four parts. The first and second part of the questionnaire is about the retailers' profile and distance from the Waltermart Supermarket. The third part of the instrument was adapted from the questionnaire of Cantuba et al. (2015) that pertains to the effects of Waltermart Supermarket on small retailers. The fourth and last part of the instrument was adapted from Lee et al. (2008) that pertains to the strategies used by the small retailers to sustain their operation and survive the competition imposed by larger retailers.

The researcher distributed and retrieved the instrument. Data were interpreted and analyzed by means of frequency, percentage, mean, and analysis of variance.

4. Findings and Discussion

Table 5

Effects of Waltermart Supermarket to Small Retailers in terms of Sales and Revenue

	Indicators	Weighted Mean	Verbal Interpretation	Rank
1	The order size of existing customers has decreased upon the existence of Waltermart Supermarket.	2.75	Moderately Agree	5
2	Sales quota decreased.	2.80	Moderately Agree	4
3	There is a decrease in the rate of discount and/or consignment.	3.05	Moderately Agree	3
4	Monthly gross sales have decreased upon the existence of Waltermart Supermarket.	3.15	Moderately Agree	2
5	Monthly profit has decreased upon the existence of Waltermart Supermarket.	3.20	Moderately Agree	1
	Overall Weighted Mean	**2.99**	**Moderately Agree**	

Table 5 summarizes the effects of Waltermart Supermarket on the sales and revenue of small retail businesses. (Statement 5) *"Monthly profit has decreased upon the existence of Waltermart Supermarket."* ranked no. 1 with a weighted mean of 3.20 and verbal interpretation of Moderately Agree. (Statement 4) *"Monthly gross sales have decreased upon the existence of Waltermart Supermarket."* ranked no.2 with a weighted mean of 2.15 and verbal interpretation of Moderately Agree. (Statement 3) *"There is a decrease in the rate of discount and/or consignment."* ranked no. 3 with a weighted mean of 3.05 and verbal interpretation of Moderately Agree. (Statement 2) *"Sales quota decreased."* ranked 4 with a weighted mean of 2.80 and verbal interpretation of Moderately Agree. (Statement no. 1) *"The order size of existing customers has decreased upon the existence of Waltermart Supermarket."* ranked 5 with a weighted mean of 2.75 and verbal interpretation of Moderately Agree. The data gathered from small retailers shared the result almost the same as research conducted in the international studies. The existence of large retailers truly affects the sales and revenue of small retailers around the vicinity. In general, an overall weighted mean for sales and revenue was computed and yields 2.99 with a verbal interpretation of Moderately Agree.

Table 6

Effects of Waltermart Supermarket to Small Retailers in terms of Product Movement

	Indicators	Weighted Mean	Verbal Interpretation	Rank
1	The volume of (product/stocks) ordered from the distributor decreased upon the existence of the Waltermart Supermarket.	2.73	Moderately Agree	5
2	Number of inventory replenishment decreased upon the existence of the Waltermart Supermarket.	2.90	Moderately Agree	4
3	The conversion of product into cash or credit increased upon the existence of the Waltermart Supermarket.	3.13	Moderately Agree	2.5
4	The movement of goods into, through and out of a place decreased.	3.13	Moderately Agree	2.5
5	The number of goods sold decreased.	3.25	Moderately Agree	1
	Overall Weighted Mean	**3.03**	**Moderately Agree**	

Table 6 shows the effects of Waltermart Supermarket on small retailers in terms of product movement. (Statement 5) *"The number of goods sold decreased."* ranked no. 1 with a weighted mean of 3.25 and verbal interpretation of Moderately Agree. (Statement 3) *"The conversion of product into cash or credit increased upon the existence of the Waltermart Supermarket."* (Statement 4) *"The movement of goods into, through and out of a place decreased."* ranked no. 2.5 with a weighted mean of 3.13 and verbal interpretation of Moderately Agree. (Statement 2) *"Number of inventory replenishment decreased upon the existence of the Waltermart Supermarket."* ranked no. 4 with a weighted mean of 2.90 and verbal interpretation of Moderately Agree. (Statement 1) *"The volume of (product/stocks) ordered from the distributor decreased upon the existence of the Waltermart Supermarket."* and. ranked no.5 with a weighted mean of 2.73 and verbal interpretation of Moderately Agree. The movement and flow of products and merchandise were negatively affected by the existence of a large retailer. Thus, affects the inventory turnover of small retailers. In general, an overall weighted mean for product movement of small retailers was computed and yields 3.03 with a verbal interpretation of Moderately Agree.

Table 7

Effects of Waltermart Supermarket to Small Retailers in terms of Customer Attraction and Retention

	Indicators	Weighted Mean	Verbal Interpretation	Rank
1	The number of old customers duly patronizing the products decreased upon the existence of Waltermart Supermarket.	3.23	Moderately Agree	3
2	The number of walk-in customers decreased upon the existence of Waltermart Supermarket.	2.95	Moderately Agree	5
3	Unavailable products that suit customer's demand.	3.35	Moderately Agree	2
4	Lacks complementary products offer to customers	3.45	Moderately Agree	1
5	A decline in rewards, points, and discounts given to customers and customer with bulk order.	3.13	Moderately Agree	4
	Overall Weighted Mean	3.22	Moderately Agree	

Table 7 shows the effects of Waltermart Supermarket on small retailers in terms of customer attraction and retention. (Statement 4) *"Lacks complementary products offer to customers"* ranked no. 1 with a weighted average of 3.45 and verbal interpretation of Moderately Agree. (Statement 3) *"Unavailable products that suit customer's demand,"* ranked no. 2 with a weighted average of 3.35 and verbal interpretation of Moderately Agree. (Statement 1) *"The number of old customers duly patronizing the products decreased upon the existence of Waltermart Supermarket."* ranked no. 3 with a weighted mean of 3.23 and verbal interpretation of Moderately Agree. (Statement 5) *"A decline in rewards, points, and discounts given to customers and customer with a bulk order."* ranked no 4 with a weighted mean of 3.13 and verbal interpretation of Moderately Agree. (Statement 2) *"The number of walk-in customers decreased upon the existence of Waltermart Supermarket."* ranked no 5 with a weighted mean of 2.95 and verbal interpretation of Moderately Agree. In general, an overall weighted mean for customer attraction and retention of small business retailers was computed and yields 3.22 with a verbal interpretation of Moderately Agree.

The last part of the survey questionnaire is about the different strategies and practices employed by small retailers to maintain sustainable operation in terms of (a) marketing practices, (b) merchandising practices, (c) customer service practices, and (d) business operation practices.

Table 8

Strategic response and practices employed by small retailers to maintain sustainable operation

Strategic Response and Practices	Malabanban Norte		Poblacion		Pahinga Public Market		Total	
	%	Rank	%	Rank	%	Rank	%	Rank
Marketing	94	2nd	85	2nd	83	3rd	87.33	2nd
Merchandising	75	4th	77	4th	80	4th	77.33	4th
Customer Service	85	3rd	83	3rd	93	2nd	87.00	3rd
Business Operation	97	1st	89	1st	98	1st	94.67	1st

Table 8 shows the strategic response and practices used by small retailers to maintain sustainable operation in the presence of Waltermart Supermarket. It can be observed that Malabanban Norte and Poblacion have the same order of practices employed to maintain sustainable operation which is, ‘business operation’ as the primary practice, followed by ‘marketing’, then ‘customer service’ and last is the ‘merchandising’. Pahinga Public Market also employed ‘business operation’ as their primary practice to maintain a sustainable operation, following the practice of ‘customer service’, ‘marketing’ and ‘merchandising’. In total, small retailers employed and choose ‘business operation’ as a primary practice to maintain sustainable operation in the presence of Waltermart Supermarket, with ninety-four and sixty-seven percent (94.67%), followed by ‘marketing’ ranked no. 2 with eighty-seven and thirty-three percent (87.33%), ‘customer service’ ranked no. 3 with eighty-seven percent (87%), and ‘merchandising’ ranked no. 4 with seventy-seven and thirty-three percent (77.33%).

5. Conclusion

This study assessed the effects of Waltermart Supermarket on small retail businesses in Candelaria, Quezon, Philippines. Using the adapted questionnaire from Cantuba et al. (2015), retailers assessed the effects of Waltermart Supermarket on their sales and revenue, product movement, and customer attraction and retention using a 5-scale Likert style. The adapted questionnaire from Lee et al. (2008) assessed the strategic response and practices used by small retailers to maintain sustainable operation using marketing practices, merchandising practices, customer service practices, and business operation practices using 5-scale Likert style. The sampling design map was used as a guide to determine the number of respondents per given area. Accordingly, the farther the location of the small retailers, the lesser the number of respondents from that area, inversely, greater number of respondents will be assigned to the location or area nearest to Waltermart Supermarket. A total of sixty (60) registered multitudes of retailers that were most likely affected by the presence of Waltermart were used as the sample, thirty (30) of these were from Malabanban Norte, twenty (20) from Poblacion, and ten (10) from Pahinga Public Market. As to the business's profile, majority of the managers and owners from Malabanban Norte were high school graduates, while most of the managers and owners from Poblacion and Pahinga Public Market were college graduates. As to the nature of the business, findings revealed that meat shops dominate the Malabanban Norte and Pahinga Public Market area, while most of the retailers in Poblacion were engaged in grocery stores. Employers also prefer to have one (1) to four (4) employees, and as to years in operation, it is noticeable that the retailers in Pahinga Public Market have the longest years in operation with an equal percentage of six (6) to ten (10) years, and above sixteen (16) years in operation.

When it comes to the effects of Waltermart Supermarket, findings revealed that retailers are moderately affected by the presence of Waltermart Supermarket on customer attraction and retention (3.22), product movement (3.03) and sales and revenue (2.99). In terms of strategic practices used, findings revealed that 'business operation practices' as a primary strategic response to maintain sustainable operation (94.67%), followed by marketing practices (87.33%), 'customer service practices' (87%), and 'merchandising practices' (77.33%).

For this, retailers need to continue an effective business operation practice and enhance the quality, competitiveness, and availability of the product through good inventory quality control management. Business owners and managers also need to re-design and re-organize the store and maintain cleanliness with proper ventilation to uphold the integrity of the store and increase convenience for the customers. Small retailers can also offer competitive prices by reducing operational costs through monitoring and controlling. Selling bundle products, offering complementary goods, giving discounts and freebies can also attract more customers. As the study offers an assessment of the effects of Waltermart Supermarket on small retailers, the results suggest an in-depth analysis of the impact of the supermarket on the retailer's performance through financial ratios.

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Employers' Feedback on Job Performance of Hotel and Restaurant Management Graduates

[1]Faybe Trizha G. Gaite, [2]Rubie A. Arroyo, [3]Patrishia Jade Lim, [3]Princess Mae E. Vergara, [3]Janice A. Doria

Abstract

As the Commission on Higher Education (CHED) encourages all institutions to conduct a study determining the graduates job performance, this study determined the status of the Bachelor of Science in Hotel and Restaurant Management (BSHRM) graduates from Central Mindanao University. Through descriptive research design, employers' feedback was gathered as baseline for assessing the program effectiveness and further improve curriculum offerings. The study used survey instrument to collect data from employers of the 62 of 70 Graduate School Alumni. Results of the investigation showed a significant relationship between the profile of the alumni and their employment data after earning the degree program at the University. Stepwise regression analysis indicated that each graduate student attained most of the skills gained throughout the program. Furthermore, employers rated the graduates excellent thereby reflecting an effective job performance based on collaboration, commitment, credibility, and competence. Based on the findings, the study recommends further identification and keeping track of the progress in the new curriculum for the formulation of student support.

Keywords: *Graduates, Employment, Employers, Feedback, Performance, Credibility*

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About the authors:

[1]Corresponding author. College of Human Ecology, Central Mindanao University
[2] Doctor of Management, Associate Professor V, Department of Hospitality Management, College of Human Ecology, Central Mindanao University
[3]College of Human Ecology, Central Mindanao University

1. Introduction

Organizations are affected by rapid change due to the fast-paced and highly competitive market. As such, employers face a dilemma in obtaining trained and knowledgeable personnel for a particular profession while preserving economic progress. The employer's input on the employee's execution of their tasks may be used to evaluate job performance in the workplace. To succeed, an organization must have a workforce that is constantly learning and developing (Arroyo, 2016). Thus, the employer's feedback to the graduates they employ is a vital input to the institutions where they acquired their degree. It is an excellent indicator of the effectiveness and relevance of any program.

Employers are viewed as significant partners of higher education institutions (HEIs) in the development of graduate attributes as to knowledge, skills, and attitude. They employ individuals they think contributes to accomplishing the organization's central goal and vision. While they can also hone the graduates' capability to become productive member of the organization and the society, they can also give feedback on how the capacity of the graduates in satisfying their organizational requirements. Thus, their evaluation measures the match of capabilities and characteristics with the organizational needs which would highly reflect the level of academic culture and effectiveness of the curriculum in the HEI. Since graduates are considered products of any HEIs that reflect the graduate attributes, they play critical role in building the image and reputation of the college or University (Dotong et al., 2017).

The HEIs face several concerns on the quality of student preparation to the industry needs and trends. According to research on tourism and hospitality education, stakeholders criticize tourism and hospitality institutions for failing to prepare graduates for their careers. As employers in the tourism and hospitality industries expect graduates to possess transferable generic competencies, especially in the areas of leadership, communication, strategic thinking, and decision-making (Shariff et al., 2014), they still need to be trained again by stakeholders due to deficient competencies (Hussein et al., 2013). With counter-effect on the educational institutions, the employment performance of the graduates influences the success, marketability and quality of the program. Similarly, their performance provides key information on the learnings needed and responsive to the specific field of work. For instance, the Bachelor of Science in Hotel and Restaurant Management course offers flexible and several employment opportunities through its curriculum that target the demands of various hospitality industries. As this program encompasses food and beverages, travel and tourism, lodging, and recreation, it also contributes to the growth of excellent communication and interpersonal skills, which are crucial in developing positive customer relationships.

In line with this, it is necessary to keep track of the graduates and the evaluation of the employers as industry partners to evaluate the performance of the program. As the HEIs prepared the graduates for work, the graduate and their performance are the most reliable measures of relevant skills and knowledge. As such, the employers' assessment of the graduates' performance serves as a feedback mechanism and inputs for the institution to develop new methodologies to improve graduate attributes.

2. Literature Review

In today's economy, HEIs must produce quality graduates in order to meet the needs of national development and companies. Government agencies, companies and graduates themselves are concerned on work-readiness. According to Bilsland et al. (2014), higher education administrators are under pressure to offer degree programs that are closely matched with a graduate employer and industry needs regarding employability skills. The working environment also establishes a solid learning climate by allowing students to gain hands-on preparation experience as well as more freedom to develop both delicate and complex skills.

2.1 Employability and Performance

Cheng et al. (2021) present a realistic and straightforward approach to developing employability in higher education. Even though employability and employment are two distinct concepts, the graduate employment rate is frequently used to measure the quality of university provision. This model emphasizes on the understanding of graduate employability by interpreting its meaning and determining who is responsible for graduate employability from the perspectives of four major stakeholders: higher education institutions, students, government, and employers. Furthermore, the employability development model depicts the roles of graduates, higher education institutes, employers, and employment in generating employment, emphasizing that graduate employment should be viewed solely as an indicator of individual graduate employability. According to Wellman (2010), integrated competency model of employability explains how many elements interact to improve employability. This looks to be a revolutionary approach to employability that combines technical and vocational knowledge with general support for micro-level competencies and macro-level attitude and behavior.

By providing a clear perspective on employability, the RAW employability framework addresses various concerns. According to Study and Kottke (n.d.), the RAW model of employability includes: R represents rewarding, A stands for ability, and W stands for willingness. The RAW framework contributed to the literature since it minimized previous employability research concepts while keeping the essential features that comprise employability (Study & Kottke, n.d.). It is advised that undergraduate courses be modified due to this identity-based approach to employability. According to Zeijen et al. (2018), skills and educational achievement are essential factors in determining employability. Students, particularly recent graduates, must be better prepared for employability and global citizenship.

In terms of work performance, Zeijen et al. (2018) assert that job engagement motivates employees to utilize self-management tools to create goals for themselves and monitor their emotions and behavior at work. Employees should develop relevant goals that correspond with organizational goals to improve job engagement and motivation in an organization. Employees should monitor their behavior to ensure performance improvement and positive job engagement. Meanwhile, Breevaart et al. (2014) argue that employees do not require external control from managers to increase work engagement.

Employees are encouraged to define their own goals and objectives, as well as uncover their behavior and sentiments, as a result of which they seek challenges and resources, and therefore the conclusion of employee engagement (Zeijen et al., 2018). Assessment will assist in highlighting prospective skills and finding gaps, identifying areas where training and development are required, and providing them the opportunity to improve or improve on performance. Gathering this information will aid in proper follow-up, monitoring, and decision-making, providing a foundation for adjustment and measuring effectiveness and efficiency, assisting in career development, retention, and motivation and under the close supervision of their supervisors, providing a more congenial, supportive working environment aimed at increasing their capabilities and possibilities and maximizing their contribution to the organization.

Employees who stay engaged have a high-quality influence on their agency's overall performance and desires (Singh, 2018). Agencies must create a high-quality work environment and provide assets so that personnel are extra engaged in their responsibilities (Gerards et al., 2018). Employees who exhibit these traits are much more likely to enhance organizational performance in phrases of productivity, quality, and delivery of excessive ranges of purchaser services, thereby enhancing economic effects (Manhotoma et al., 2014).

2.2 BSHRM Graduates

Many hotel guests rely on the hospitality staff for their travel needs. Administrative personnel's skills, competence, and motivation are essential to service excellence. In order to fulfill particular jobs, organizations prefer to recruit graduates with specific competencies. According to Shariff et al. (2014), graduates must fulfill the industry's competencies to survive. The industry perceives these competencies as essential competencies while the competencies industry expects from the graduates are significant for the graduates to have before entering the industry.

Hotel and restaurant management graduates face a more competitive and unstable employment market in the twenty-first century; hence, they must be equipped with skills that allow them to reach their full potential (Espellita & Maravilla Jr, 2019). Furthermore, hospitality firms, such as hotels, have long been focused on the result of customers' desires and service quality while paying less attention to employees' needs, failing to grasp that people are the key to service excellence. According to Tan et al. (2016), academicians and industry players must be critical in getting these potential hospitality graduates involved. Professionals should address the barriers that influence the students' commitment to work in the hospitality industry.

2.4 Importance of Employer's Feedback

Feedback is a fundamental part of any company's administrative center approach. Furthermore, comments are required because no one works in a vacuum and need to be knowledgeable of both his and her inadequacies and areas for development. Indeed, the feedback loop is so critical to a business enterprise's overall performance that many have specific rules on how personnel need to be given and acquire remarks on a regular foundation.

Employers are regarded as one of the maximum crucial stakeholders in better schooling establishments, as they give greater means and cost to graduates' knowledge, abilities, and attitudes. The employers' remarks on the graduates' overall performance in popular are considered a crucial entry into the instructional institutions. The remarks made by the business enterprise will mirror the performance of the worker and may be very important in determining the capability of the graduates in coming into the real world. Mehrotra and Elias (2017) assert that developing graduates' employability elements is a critical center in better studying for them to be gainfully hired inside the job market. This will significantly affect how employers check their personnel's activity and overall performance. Employer remarks on graduates' performance in the standard seemed to be a critical entry to instructional establishments. However, there will be lapses in which graduates may miss their expected overall performance. Skills that include critical talents, trouble-solving skills, and the capacity to apply area knowledge and ideas in the workplace are regarded as crucial regions that require interest (Dotong et al., 2017).

3. Methodology

3.1 Research Design

This study used the descriptive research design, specifically a quantitative approach to the employers' feedback on the job performance of the graduates in order to present study findings.

3.2 Research Locale

The study area covers Central Mindanao University, one of the top universities offering the Bachelor of Science in Hospitality Management course. Central Mindanao University, considered the academic paradise of the South, is a public research university located at the heart of Mindanao Island in the Philippines.

3.3 Participants of the Study

Participants in the study were the employers of BSHRM Les Toque 7, that graduated on AY 2016-2017, as well as Les Toques 8, that graduated on AY 2018-2019. A total of 70 employers participated from 43 Les Toque 7 graduates and 27 Les Toque 8 graduates. To respond to the query, the study used Google Forms to send the survey questions.

There were 54 companies surveyed. Most of the companies had one (1) respondent while there were four (4) companies with two (2) respondents. In terms of the demographics, most of the respondents were 24 years old (20 respondents) followed by 23 and 25 years old (10 respondents), 27 years old (6 respondents), and 29 years old (5 respondents), twenty-six years old (4 respondents), twenty-eight years old (3 respondents), thirty years old (2 respondents), and 38 and 42 years old (1 respondent). According to Reddy (2020), young employers are more excited about their professions, adhere to corporate laws, and are more truthful at work, which is why the company hires the most controllable employees. They are more eager to put in extra hours. They also propose the most initiatives to help the organization grow. They also try to improve established standards with their new expertise, which is a good sign for the firm. In terms of gender, there were 36 females and 26 males.

3.4 Sampling Procedure

The study used total enumeration sampling, a strategy of purposive sampling in which the researcher decides to examine the entire population with particular characteristics based on the study's purpose. Since this research established employers' feedback on the job performance, all the employers who hired the graduates were chosen.

3.5 Data Gathering Procedure

Given the pandemic in collecting information, specific protocols were observed. The researchers performed all actions online; there was no personal interaction. The researchers also prepared a letter asking permission from the respondents if they were willing to be part of the study, and requested assistance and support from the Department of Hospitality Management, the college registrar, and colleagues to find the respondents list. Personal data, namely graduates' complete names, were gathered. After the collection, the researchers assure that the gathered information of the respondents remain confidential. Afterwards, the researchers contacted the respondents through the given name or their social media account to send the letter, asking for authorization to be the study's respondents before sending the questionnaire for them to know what the study was about. However, their identities and responses remained private and used only in the study. Additionally, the research questionnaire was via Google form for ease of respondent’s access.

The information gathered from the respondents was treated with the utmost privacy and confidentiality. Before sending the questionnaires to the respondents, authorization was sent to inform them of the purpose of the study. Furthermore, the HEI concerned has consented to the study and data collection, disclosing its identity.

3.6 Research Instruments

This analysis used a survey questionnaire from Dotong et al. (2017) on tracer study. The researchers emailed the authors from Lyceum of the Philippines College of Engineering to ask permission to use their questionnaire and permitted the researchers to use it. The questionnaire consists of two sections. The first section consists of the demographic profile of the employers and the second section consists of the employers' feedback on the graduates' job performance in terms of competence, commitment, collaboration, and credibility that were clustered by sections.

The study used the five-point Likert Scale of American Social Scientist Rensis concerning the scoring procedure of employers' feedback on job performance regarding competence, commitment, collaboration, and credibility.

3.7 Statistical Technique

Descriptive statistics, specifically frequency and percentage, were used to analyze the demographic profile of the employers. Meanwhile, weighted mean was used to compute the weight of the employers' feedback and to find out the effectiveness of the graduates' job performance in the questionnaire assigned by the respondents during the actual gathering procedure.

4. Findings and Discussion

Table 1 shows the level of employers' feedback on the job performance of Les Toque 7 and 8 BSHRM graduates in terms of competence, commitment, collaboration, and credibility.

In terms of competence, the graduates are considered very good at adapting quickly to new technology used in operation as indicated by a total weighted mean score of 4.56, exhibiting strong communication skills in dealing with colleagues, customers, and stakeholders, and demonstrating assertive communication skills in dealing with stakeholders as evidenced by a total weighted mean score of 4.68.

Table 1

Level of Employers' Feedback on Job Performance of the Graduates

Indicators	M	Descriptive Meaning	Qualitative Description
Competence			
1. Apply appropriate hospitality skills in performing required duty or functions.	4.31	Good	Above Average
2. Providing sound decision making in responding to the needs of the customers and organization.	4.48	Good	Above Average
3. Adapting easily to new technology used in the operation.	4.56	Very Good	Excellent
4. Demonstrating assertive communication skills in dealing with colleagues, customers and other stakeholders.	4.52	Very Good	Excellent
5. Working professionally with the team applying suitable hospitality competencies to accomplish certain tasks.	4.47	Good	Above Average
Composite Mean	**4.468**	**Good**	**Above Average**
Commitment			
1. Accept willingly and performing leadership roles in various activities with an exceptional sense of duty and dependability	4.56	Very Good	Excellent
2. Providing necessary support to the welfare of organization and service-oriented to customers.	4.55	Very Good	Excellent
3. Demonstrating passion for execution and sense of urgency in all tasks	4.66	Very Good	Excellent
4. Transcending personal needs when organizational concerns need to be attended to	4.31	Good	Above Average
5. Participating in making decisions and implementing the activities of the organization	5.56	Very Good	Excellent
Composite Mean	**4.73**	**Very Good**	**Excellent**
Collaboration			
1. Fostering the sense of family in the workplace by helping co-employees with difficulty in completing some tasks	4.55	Very Good	Excellent
2. Maintaining harmonious and friendly relations with superior peers and subordinates through respecting their individual differences.	4.53	Very Good	Excellent
3. Showing marked interest and pride in the present of joy by completing tasks on time.	4.63	Very Good	Excellent
4. Promoting positive image of the department through serving customers effectively.	4.4	Good	Above Average
5. Demonstrating the significant values of the organization in achieving its vision and mission.	4.6	Very Good	Excellent
Composite Mean	**4.54**	**Very Good**	**Excellent**
Credibility			
1. Becoming the model of leadership who adheres to the policies, rules and regulations of the organization.	4.66	Very Good	Excellent
2. Practicing honesty, fairness, and transparency in all business transactions with the stakeholders	4.63	Very Good	Excellent
3. Protecting and preserving company's property through careful and wise use of resources.	4.77	Very Good	Excellent
4. Demonstrating professionalism in dealing with colleagues.	4.69	Very Good	Excellent
5. Setting oneself as an example of moral and ethical behavior to all employees and stakeholders.	4.66	Very Good	Excellent
Composite Mean	**4.68**	**Very Good**	**Excellent**

Legend: Very Good, Excellent 4.51-5.0; Good, Above Average 3.51-4.0; Fair, Average 2.51-3.5; Poor, Below Average 1.51-2.5; Very Poor 0.51-1.5

According to Laguador (2013), they can put what they have learned from theories into practice through internship and laboratory activities. Meanwhile, providing sound decision-making in responding to the needs of the customers and organization is considered reasonable by the employers, as indicated by the total weighted mean score of 4.48, followed by working professionally with the team and applying practical hospitality skills in applying specific tasks 4.47. However, applying appropriate hospitality skills in performing required duties or functions obtained the least total weighted mean score of 4.31. The total composite mean score of 4.468 implies that Les Toque 7 and 8 BSHRM graduates of Central Mindanao University are above average in terms of competence.

Based on the findings, the job performance of the graduate is rated as good by the employers due to their change in career or profession not inclined in the BSHRM curriculum. Nonetheless, it is up to the graduates how they would apply and make use of the information and abilities acquired throughout their studies. According to Aquino et al. (2015), graduates have personal knowledge of the relevance and content of an institution's curriculum. They are publicly exposed to the ramifications of the quality standards they set, considering their legal and educational responsibilities.

In terms of commitment, the employers assessed the graduates as very good in demonstrating a passion for execution and sense of tasks (4.66), accepting willingly and performing leadership roles in various activities with a unique sense of duty and dependability (4.56), participating in making decisions and implementing the activities of the organization (4.56) and providing necessary support to the welfare of the organization and service-oriented to customers. However, when organizational issues must be addressed, transcending personal demands are required to attain has the lowest overall weighted mean score of 4.73. The computed composite mean score of 4.53 implies that Les Toque 7 and 8 BSHRM graduates are excellent in their job performance in terms of commitment. This indicates that the graduates dedicated themselves to the company's goals and objectives. The graduates intend to stay, remain a part of the company, and achieve their objectives.

In terms of collaboration, the employers assessed the collaboration of the Les Toque 7 and 8 BSHRM graduates as very good in terms of showing marked interest and pride in the presence of joy by completing tasks on time (4.63), demonstrating the significant values of the organization in achieving its vision and mission (4.60), fostering the sense of family in the workplace by helping co-employees with difficulty in completing some tasks (4.55) and maintaining harmonious and friendly relations with superiors, peers, and subordinates through respecting their differences. However, the employers also considered the Les Toque 7 and 8 BSHRM graduates as good at promoting the department's positive image through serving customers effectively, with the least computed total weighted mean score of 3.40. The total composite mean score of 4.54 implies that the Les Toque 7 and 8 BSHRM graduates of Central Mindanao University are excellent in collaboration. According to Bay et al. (2014), the obligation to give better service to their clients and colleagues inside their circle is exhibited by participating in numerous activities that also assist them in molding their character to fit the culture and significant values of the workplace.

In terms of credibility, the employers assessed the credibility of the Les Toque 7 and 8 BSHRM graduates as very good in terms of protecting and preserving the company's property through careful and wise use of resources (4.77), demonstrating professionalism in dealing with colleagues (4.69), becoming the model of leadership who adheres to the policies, rules, and regulations of the organization (4.68), setting oneself as an example of moral and ethical behavior to all employees and stakeholders (4.66) and practicing honesty, fairness, and transparency in all business transactions with the stakeholders (4.63). The total composite mean score of 4.68 implies that the Les Toque 7 and 8 BSHRM graduates of Central Mindanao University are excellent in terms of credibility in performing their duties and responsibilities. The result is also explained by the findings of Dotong et al. (2016) that the character of the graduate is sharpened by utilizing accurate management in making decisions that follow ethical standards and processes on how to utilize workplace resources appropriately.

Table 2

Effectiveness of the Job Performance of the Graduates

Variable	Mean	Descriptive Meaning	Qualitative Description
Competence	4.68	Good	Above Average
Commitment	4.73	Very Good	Excellent
Collaboration	4.54	Very Good	Excellent
Credibility	4.68	Very Good	Excellent

The employers' overall rating on the job performance of the graduates is excellent in terms of credibility (4.76), collaboration (4.60), and commitment (4.53). However, the employers' feedback in terms of competence obtained the least total weighted mean score of (4.44) rated as good. This implies that the Les Toque 7 and 8 BSHRM graduates can be trusted or believed through exhibiting honesty, fairness, transparency, adherence to organizational norms and regulations, professionalism, and setting an excellent example of moral and ethical behavior excellently and effectively.

The employers assessed the graduates as excellent in collaboration with a total weighted mean of 4.60. This similar result was already highlighted in the study of De Castro et al. (2016) emphasizing the employers' need on graduates with excellent collaboration. As such, graduates are hired with high expectations on the concern for the environment and the well-being of the clients as part of the entire organization's image-building process—the capacity to demonstrate genuine enthusiasm in any work.

The employers also assessed the graduates as excellent in commitment, with a total weighted mean score of 4.53. They may be able to provide relevant help in response to the organization's needs. As such, their commitment equates to giving excellent service by demonstrating their dedication to their profession and understanding their profession's obligations and responsibilities and the importance of the company's mission to perform specific tasks and achieve specified goals. These graduates are characterized with value going above and beyond to demonstrate their sincerity and commitment to their career and the organization to which they belong (De Castro et al., 2016).

The findings imply an influence on graduates' work performance since their overall rating on their job performance assessed by employers is extremely good in terms of dedication, collaboration, and credibility, making them exceptional in executing their job. However, in terms of competence, the graduates are rated as good which can be considered above average. Each Les Toque 7 and 8 BSHRM graduate is hired and managed by 24-year-old employers, some of whom work for international companies. As a result, graduates are well-trained in their workplace, enabling them to perform their jobs effectively rather than just through the curriculum's training system. Some graduates were unable to apply what they have learned resulting to competence rated as good. This is also attributed to their change in a career not inclined in the BSHRM curriculum. As Aquino et al. (2015) explained that employers significantly impact on building a university's graduate attributes. Graduate attributes offer institutions a clear picture of what competencies, attitudes, and talents are necessary for the workplace, allowing graduates to be productive in their jobs.

With the employers' evaluation of the graduate attributes, the graduate's passion for execution, sense of urgency in all tasks, and showing significant interest and pride in the presence of joy by completing tasks on time enable them to perform their job well. As reflected in the assessment, graduates are considered effective in their job performance making them globally competitive and flexible in different sectors and fields. In terms of the academic institution, the BSHRM program ensures that graduates are equipped with the job-related skills and national certifications before graduation from the program.

5. Conclusion

This study was conducted to determine the employers' feedback on the job performance of Les Toque 7 and 8 BSHRM Graduates in Central Mindanao University through the quality of job performance in terms of competence, commitment, collaboration, and credibility. This study utilized quantitative descriptive research with 70 BSHRM Graduates from Central Mindanao University as participants. The adopted questionnaire used the five-point Likert Scale with results treated with descriptive statistics such as mean, frequency, and percentage distribution.

The results showed that graduates are considered outstanding in terms of credibility, collaboration, and dedication based on the efficacy of their work performance. Employers considered the graduates with excellent job performance in terms of credibility, commitment, and collaboration while rated as good in terms of competence. The assessment showed the characteristics of the graduates as very good in adapting to new technology, demonstrating a passion for work, showing significant interest and pride in completing their tasks, protect and preserving the company's properties, applying appropriate skills in performing duty, transcending personal needs when organizational concerns need to be attended to, promoting a positive image of the department, and practicing honesty, fairness, and transparency in all businesses obtained the lowest rate from the employers. Respondents rated the graduates as "excellent" in their job, which inclines the effectiveness of the job performance of each graduate with their collaboration, commitment, credibility, and competence.

The study recommends the employers' feedback as baseline data for the program development. With the current study limitations, further research must be conducted to identify and keep on track the progress of the program curriculum.

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Preference and Constraints on Outdoor Recreational Activities: Insights from Hospitality Management Students

[1]Silver Cheesedale G. Regidor, [2]Rubie A. Arroyo, [3]Queen April Joy E. Aclan & [3]Arsheena Pearl L. Azuelo

Abstract

This study was conducted to determine patronage and benefits of the hospitality management students on recreational activities. This specifically assessed the preference and constraints on the land, water, and air outdoor recreational activities. Through descriptive-correlational research design and researcher-made questionnaire, it identified significant relationship between the demographic profile and their preference on outdoor recreational activities. The survey tool was distributed through Google Forms via messenger. Results showed that camping, swimming and parasailing are the most preferred outdoor recreational activities. Majority of the respondents preferred participating in outdoor activities with their families. Majority of them have joined activities inside the campus while others wanted to experience it in local parks, trails or playgrounds. Furthermore, the statistical results for motivation are much higher than the constraints implying higher benefits than the experienced constraints. The test of relationship proved that the demographic profile of the participants is irrelevant to their preferences, motivation and constraints.

Keywords: *Outdoor recreational activities, perceived benefits, Hospitality Management*

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About the authors:
[1]Corresponding Author. College of Human Ecology, Central Mindanao University.
[2]Doctor of Management, Associate Professor V, Department of Hospitality Management, College of Human Ecology, Central Mindanao University.
[3]College of Human Ecology, Central Mindanao University

1. Introduction

The Commission on Higher Education (CHED) Memorandum Order No. 62 explains tourism-related activities as a curricular requirement for hospitality students. It is necessary to observe, learn, and carry out managerial and operational tasks in food production, lodging, food and beverage service, transportation services, travel and tour operations, and other developing sectors of the hospitality and tourism industry. These types of activities enable academic institutions to produce hospitality management professionals with the necessary competencies. Hence, participation in recreational activities among Hospitality Management students is beneficial for academic achievement as well as self-development.

Outdoor recreation is essential for a healthy mind, body, and spirit to cope with crises or disasters. Through physical connection with the natural world, outdoor recreation provides vital recreational ecosystem services such as stress release, socializing, and nature appreciation (Scholte et al., 2019). Recreation is a healthy alternative to a positive attitude and provides opportunities for learning and a balanced and productive lifestyle (Davis, 2021). However, the current pandemic placed major areas on lockdown; thus, engagement in outdoor recreational activities has been limited (Leal & Burt, 2021). As the lockdown begins, people have been forced to stay at their homes while students have relied on online learning in most universities since face-to-face interactions have been restricted.

The students' lack of social interaction due to government restrictions on Covid-19 has greatly harmed their mental health, affecting their studies and relationships. In fact, Oyoque and Brown (2020) stress the lack of social interaction harming people's mental health which obstruct academic success. Motivation, focus, and social relationships are significant variables in students' educational progress affected by mental distress. While recreational activities can help introduce social interaction to students, the pandemic limited the curricular and extra-curricular activities of the students. Hearth (2022) believes recreational activities can help students feel less stressed, anxious, and depressed. A sense of worth, belonging, and attachment are all fostered by engaging in group recreation.

In this context, this study determines the preference and constraints experienced by the Hospitality Management students of a university in the Philippines. It details the outdoor recreational activities the students availed and patronized recreational activities during the pandemic.

2. Literature Review

2.1. Outdoor Recreational Activities

Over the past years, the term "outdoor recreation" has been used in leisure studies. Outdoor recreation is any activity that requires place in the open air and involves interactions with each other as well as by the natural environment. A wide range of activities from playgrounds to playfields and wilderness trips to camping are included in outdoor recreation and do not just refer to activities done in parks or open spaces. Mehlhaf (2019) explains that as children grow into adults, they discover their favorite pastimes and routines, which are then molded and molded by their views, perceptions, and ideals. These hobbies and habits emerge from the user's passions, and when that passion is focused on outdoor recreation, such outdoor recreation pursuits give the participant with benefits that can be noticed. According to Culp (1998), natural outdoor spaces are still frequently regarded as a man's domain. Certain outdoor sports, such as hunting and fishing, are rarely introduced to girls; for example, hunting and fishing skills are traditionally passed down from father to son, and a daughter is rarely invited to participate. Moreover, The Outdoor Foundation (2017) found that adults who were exposed to the outdoors as children were more likely to participate in outdoor activities as adults than adults who were not exposed to the outdoors as children.

Spending time outside of one's comfort zone has been shown to improve one's physical and mental well-being. Sisson (2012) affirms that spending leisure time doing things not limited to region enhances physical and emotional well-being. For example, walking, fishing, running, playing, mountain trekking, riding, and swimming are all outdoor activities. Kamaroff (2012) stresses outdoor activities as essential for the growth and development of both the body and the mind. Similarly, engaging in outdoor activities ensures that a person receives adequate sunshine. When sunlight strikes the skin, the process begins with the participation of the liver and kidneys, leading to creating the physiologically active form of the vitamin. Brodwin (2019) found that humans also feel happier when they engage in outdoor activities. Natural light has been shown to improve people's moods, yet the only way to get it is to leave the enclosures. Physical activities calm and energize individuals. Spending time outside makes a person more proactive, cheerful and starts a good attitude. The practice of exercising one's body amid nature is commonly referred to as "green exercise." Such activities are essential for mental growth and development. Participating in a green movement for at least five minutes' boosts self-esteem, happiness, and mood (Navarro et al., 2017). Outdoor activities provide mental advantages, such as stress reduction. The outdoor exercise engages all five senses in ways that indoor workouts do not. Furthermore, being outside in nature has a beneficial effect on the brain, helping you feel better about yourself.

According to World Health Organization (2003), the anti-cancer protein and natural killer cells increase over time to prevent infection and cancer cell development. Body activities are done outside in natural green and blue water, such as swimming, promoting body defensive cells. Gladwell et al. (2013) emphasize spending leisure time in nature to reduce the prevalence of illnesses such as high blood pressure, heart failure, and sympathetic nerve activity. Moreover, Mason (2002) explains that time spent outside entails venturing outside of the confined environment to a natural setting where one has ample time to explore what is new in the natural setting. It demonstrates that participating in outdoor activities is suitable for an individual's physical and emotional well-being. Spending time outside as a youngster helps prevent mental and behavioral problems. This can gain positive value and enhance the individual's quality and skill to face the struggle and challenge in life (Barton, Griffin & Pretty, 2011).

Among the many outdoor recreational activities, water resources provide an entire habitat for biodiversity as well as appealing aspects to recreationalists in many villages, towns, and cities across the world (Keys et al., 2012). They offer opportunities for water-based leisure activities such as swimming, boating, sunbathing, skiing, recreational fishing, and aesthetic attractions (Godbey, 2009). Water-dependent ecotourism is appropriately used in industrialized nations such as the Caribbean islands, the United States, and the Middle East for the benefit of both environmental protection and commercial profits through suitable policies, plans, management systems, and budgets. However, this only applies to developing countries, some of which have abundant water resources in terms of lakes and rivers (Ngunyi, 2009). The nation's rivers, lakes, and coastal waterways are used for a variety of recreational activities. Swimming, boating, fishing, whitewater rafting, and surfing are some of the water-based leisure activities. Other hobbies, such as hiking, nature watching, and waterfowl shooting, benefit from being near water. Marine biologists investigated the consequences of recreational tourists on rocky coasts by observing activities (e.g., Addison et al., 2008, Natural England, 2010, Porter and Wescott, 2004; Smallwood, Beckley, and Moore, 2012) and linking them to future habitat impacts (e.g., Beauchamp and Gowing, 1982, Fitzpatrick and Bouchez, 1998, Fletcher and Frid, 1996).

2.2. Students Participation in Outdoor Recreational Activities

According to Sidi et al. (2017), it is essential that students participate in the outdoor recreation program to help them build their self- esteem, think positively, and strive for perfection. Outdoor activities have been shown to help students succeed academically, stay committed to their jobs, and think critically, as well as to keep them out of trouble. Moreover, it serves as a medium for gaining recreational experience and engaging in the great outdoors in their natural habitat. Buedron (2019) adds getting up and moving around as essential functions that the human body has evolved to carry out with vigor and competence. Because they are young, college students are expected to engage in a variety of extracurricular activities.

Andre et al. (2017) found that it is common for students to experience anxiety when studying in college and navigating through the academic environment. Students are pulled in various directions by the demands of school, work, social, and family responsibilities. Recreation, mainly when it takes place outside, has been shown to reduce stress levels. Outdoor recreation has been shown to impact the levels of social support experienced by participants positively. Students who are involved have more friends, and there are more people on campus with whom they would feel comfortable sharing an emotional secret if they were not involved.

On the other hand, Ayhan et al. (2018) said it is believed that leisure activities help students develop positive social behaviors and a high-quality lifestyle, as well as protect the young population from developing harmful habits. Educating the next generation to adopt pro-active behaviors and attitudes is one of the primary goals of promoting leisure activities based on diversification of motivation, improvement of physical fitness, and enhancement of motor skills, all of which are important for the future of our society.

2.3. COVID 19 Pandemic Impact on Outdoor Recreation Participation

According to World Health Organization (2020) recognized the coronavirus disease 2019 (COVID-19) as a pandemic. In an official statement, the WHO Director-General urged all countries to 'detect, test, treat, isolate, trace, and mobilize their people in the response minimize. The COVID-19 Pandemic is not only a public health emergency on a global scale, but it has also disrupted people's daily lives all over the world. Bao et al. (2020) said that travel restrictions on all scales, from intercontinental tourism to stay-at-home orders, have significantly strained the global community. While it is necessary to halt the spread of the virus, reduced or restricted access to settings that facilitate outdoor recreation reduces a community's capacity to deal with a crisis, particularly for the outdoor enthusiast subculture—those who rely heavily on outdoor recreation as a source of leisure (Outdoor Industry Association, 2015). From a recreational standpoint, urban outdoor enthusiasts are one group that has been particularly impacted by the Pandemic and the subsequent institutional response. Stay-at-home orders and physical distancing recommendations are potential deterrents to outdoor recreation activities that are essential to the lifestyles and well-being of outdoor enthusiasts. Loss of access to outdoor recreation opportunities limits people's ability to engage with healthy natural environments and escape the crisis's pressures (Rung et al., 2011; Samuelsson et al., 2020).

According to the Leave No Trace Center, Recreationists are going out alone, more often and some Recreationists are staying closer to home. Some of them are shifting their recreation activities. The most impacted Urban residents are reducing the amount they hike and the length of their backcountry excursions significantly more than rural and suburban residents. It also harms their Physical and Mental Health. Outdoor recreation engagement, distance traveled to participate in outdoor recreation, and distance traveled beyond roadways during outdoor recreation have decreased much more among urban residents than in urban clusters or rural areas.

According to Thomsen et al. (2013) and Holland et al. (2018), outdoor recreation has been strongly connected to physical, mental, and social health and welfare through the provision of ecosystem services, even outside of the context of the current crisis. Design and planning that increase exposure to natural features in recreation settings can improve these ecosystem services in urban environments (Tan et al., 2020). Moreover, Samuelsson et al. (2020) assert that it is critical to comprehend how recreation patterns are evolving in response to COVID-19 and how the delivery of recreational ecosystem services may be impacted to implement better park management, planning, and design.

2.4. Motivation for Participating in Outdoor Recreational Activities

Adventure recreation events are relatively new form of leisure that has grown in popularity since then, but little is known about what motivates people to participate. Lynch and Dibben (2016) stress on physical exertion as requirement for participation in adventure recreation events. People are motivated to get away from urban environments and regain a sense of freedom in 'wilderness' areas. Mountaineers and trampers discovered that being in a natural place and enjoying natural scenery were the most compelling reasons for participating in each activity. On the other hand, Side et al. (2017) describes outdoor recreational activity participation increasing over the last 20 years, which involved a large population and various age groups, including the elderly, adults, adolescents, and children. Recreational activities are generally pursued a person's enjoyment during their leisure time without being forced by others; these recreation activities are sought to fill their leisure time or, in the recreation term, those activities that provide positive values and benefits to the people. In the study of Pomfret and Bramwell (2016), importance of overcoming mental and physical challenges, enduring suffering, and pushing themselves to their limits are key motivators for participating in outdoor recreational activities.

2.5. Constraints in Participating Outdoor Recreational Activities

Recreation in the outdoors is widely perceived as a fundamentally important and beneficial aspect of many people's lives, and it is frequently used as a tool to assess social well-being among the general population (Fagerholm et al., 2021; Tinsley et al., 2002). Despite the benefits gained from outdoor recreational activities, constraints in participating in outdoor recreational activities are unavoidable. According to the Mehlhaf (2019) and Scott et al. (2004), leisure constraints are factors that prevent or restrict a person from participating in any activity they might be interested in experiencing.

Tae (2007) cites the three subcategories of leisure constraints: intrapersonal constraints, interpersonal constraints, and structural constraints. Intrapersonal constraints involve the individual psychological states and attributes which interact with leisure rather than intervening between preferences and participation including stress, depression, anxiety, religiosity, kin, and non-kin reference group attitudes, prior socialization into specific leisure activities, perceived self-skill, and subjective evaluations of the appropriateness and availability of various leisure activities. Interpersonal constraints are the product of the intrapersonal constraints that accompany spouses into the marital relationship, thus affecting joint preference for leisure activities or those barriers that arise from spousal interaction. Barriers of this sort may interact with both preferences for and subsequent participation in companionate leisure activities. Lastly, structural constraints are intervening factors between leisure preference and participation that include family life cycle stage, family financial resources, season, climate, the scheduling of work time, availability of opportunity (and knowledge of such availability), and reference group attitudes concerning the appropriateness of certain activities.

3. Methodology

3.1. Research Design

This study utilized the descriptive-correlational research design. It was used to ascertain the perceived benefits of outdoor recreational activities among the respondents during the COVID-19 pandemic and the relationship between independent and dependent variables.

3.2. Respondents of the Study

The respondents for this study were the third and fourth year level students from Central Mindanao University, College of Human Ecology, Department of Hospitality Management. There were sixty-two (62) third year and eighty-four (84) fourth year enrolled in the academic year 2021-2022 and were purposively chosen based on their participation in outdoor recreational activities. In total, there were 112 respondents of the study.

Table 1

Demographic Profiles of the Respondents

Characteristics	F	%
AGE		
17-19 Years old	1	0.89%
20-24 Years old	111	99.11%
SEX		
Female	70	62.5%
Male	42	37.5%
CIVIL STATUS		
Single	112	100.0%
Married	0	0%
STUDENT STATUS		
Full-Time Student	96	85.71%
Part-Time Student	16	14.29%
EMPLOYMENT STATUS		
Not Applicable	96	85.71%
Part-Time Employed	16	14.29%
Full-Time Employed	0	0%
YEAR LEVEL		
3rd Year	62	55.36%
4th Year	50	44.64%

3.3. Research Instrument

The study utilized an adapted questionnaire from Mehlhaf (2019). The questionnaire has three parts: (1) respondents' demographic profiles such as age, gender, civil status, student status, employment status, and year level; (2) category of outdoor recreational activities in terms of land, air, and water; (3) outdoor Recreation participation, motivation for participation, and constraints to participation. Additionally, the questionnaire includes an open-ended question for the purpose of sharing other perspectives as well as reasons related to three (3) sub-variables given.

3.4. Data Gathering Procedure

Prior to distributing the research instrument, the researcher requested permission from the dean of the College of Human Ecology, the Department Head of Hospitality Management, and the students' consent to participate in the survey. The researcher disseminated the questionnaire through Google Forms sent via Facebook messenger.

The study assured that information of the respondents as well as their answers are treated with confidentiality. In addition, this research material is freely accessible for students, teachers, and individuals.

3.5. Statistical Treatment

The study used frequency, percentages, and weighted mean in the demographic profile of the respondents as well as on determining the outdoor recreational activities mostly participated. The Pearson R correlation coefficient, on the other hand, was used to measure the relationship between the respondent's profile and the perceived benefits of outdoor recreational activities participation. Several open-ended questions were used to explain demographic data (such as academic focus and current age) and behaviors related to outdoor recreation (age, at which recreation started; the best ways to be engaged in outdoor recreation participation). Those who participated in the survey were also given the opportunity to clarify or explain their responses, which included other factors related to motivation and constraints, other activities they had participated in, and their usual location for outdoor recreational activities.

4. Results and Discussion

Table 2

Students' Preferences on Recreational Activities

Activities	N	Sex		Student Status		Year Level	
		Female	Male	Full Time	Part Time	3rd	4th
Land							
Mountaineering	50	27	23	26	4	22	28
Trekking/Hiking	65	40	25	62	3	28	37
Camping	81	46	35	75	6	40	41
Backpacking	63	36	27	62	1	45	18
Picnic	28	21	7	28	0	18	10
Birdwatching	21	17	4	19	2	12	9
Mountain Biking	15	9	6	14	1	8	7
Water							
Swimming	93	61	32	88	5	49	44
Snorkeling	47	23	24	43	4	26	21
Diving	34	15	19	28	6	19	15
Surfing	30	19	11	30	0	17	13
Canoeing	20	9	11	20	0	9	11
Kayaking	27	10	17	25	2	12	15
Fishing	43	24	19	39	4	26	17
Air							
Parasailing	51	12	39	46	5	23	28
Skydiving	18	7	11	18	0	6	12
Paragliding	38	13	25	32	6	21	17

Table 2 demonstrates that most respondents are female in the listed land recreational activities, taking over half of the sample, while the minority are male. This signifies that most of the results were acquired from the female population, and most Hospitality Management students are female. This supports the findings of Korir (2012) that Hospitality Management students are primarily female, indicating that women in Hospitality Management at Central Mindanao University are more adventurous when it comes to land recreational activities. Furthermore, the result indicates that full-time students are more likely to participate in land recreational activities than part-time working students since they have more time to do so. Similarly, there is a balance on the student year level in terms of participation in outdoor recreational activities the most. As a result, most participants have turned to these outdoor recreational activities to unwind and relax to improve their mental health, relieve stress, and create moments and memories. These factors, however, have come to a standstill due to hectic schedules, a shortage of finances, and, most significantly, the COVID-19 pandemic and its travel restrictions.

Furthermore, result indicates that swimming receives the most responses from female students of all the stated water activities. Male students, on the other hand, prefer water sports such as canoeing and kayaking, which they like because of the ambiance, and it motivates them to hang out with families and friends. Furthermore, full-time students are more likely to participate in water-related recreational activities than part-time working students since they have more time. Lack of time and cost are the top two barriers preventing participants from doing more, with lack of time being the most common barrier. According to Arzu et al. (2006), not having enough time was the most important barrier to not participating in physical activity. Lack of time was similarly reported by students as the main obstacle (Grubbs et al., 2002; Gyurcsik et al., 2004).

Parasailing and paragliding, both available in the Philippines, are the most preferred air activities by the students. Nevertheless, only a tiny percentage of the population favored skydiving since the activity is currently only available abroad. Furthermore, most students that enjoy these activities are male students, who are believed to be more wild-spirited and most likely to seek high-risk activities than females. The table also shows that full-time students are more likely than part-time working students to participate in air recreational activities because they have more time and money. Additionally, there is a proportionality regarding who participates in outdoor recreational activities the most in terms of student year level. Although there are limits concerning the type of activity, which involves air and cloud level heights, it cannot be denied that the view from above and the adrenaline rush are the factors that attract mostly male students to participate in these activities.

As shown in table 3, during the past year, (18.75%) of the respondents participated in outdoor recreation activities about once or twice a week, (24.11%) of the respondents participated several times a month, (33.93%) of the respondents participated several times a year, and (19.64%) have not participated this year, but have participated in the past, while the (3.57%) have never participated in outdoor recreational activities. These imply that some respondents were enthusiastic about participating in outdoor recreational activities, and some were not. Regardless of the pandemic, they have still managed to find a way to connect with nature and relax their lives. As a human person, connecting to nature is essential. Humans and the natural world benefit from a close relationship with nature. As a result, spending time in nature makes people happier and more connected, and being happy and connected makes individuals feel healthier (Richardson, 2017).

Table 3

Frequency and Percentage Distribution on Participation in Outdoor Recreation Activities

Indicators	F	%
Participation in outdoor activities during the year		
About once or twice a week	21	18.75%
Several times a month	27	24.11%
Several times a year	38	33.93%
Not participated this year	22	19.64%
Participated but not outdoor	4	3.57%
Recreational Companion		
Alone	1	0.89%
With friends	38	33.93%
With family	70	62.50%
With friends and family	3	2.68%
Participation on on-campus outdoor activities		
Yes	65	58.04%
No	13	11.61%
Have not, but interested	34	30.36%
Outdoor recreation participated		
Local/municipal parks, trails, or playground	50	44.64%
State parks, recreation areas, public land/hunting areas	33	29.46%
Private-owned recreation area (Resorts, private land/property, etc.)	29	25.89%
Comfort on outdoor activity		
Extremely Comfortable	53	47.32%
Somewhat Comfortable	33	29.46%
Neutral	25	22.32%
Somewhat Uncomfortable	1	0.89%

As to recreational companion, 0.89% of the respondents participated by him/herself, 33.93% participated with friends, 62.50% participated with family, and 2.68% participated with friends and family. This means that the respondents more actively participated in outdoor recreational activities with family; they enjoyed things with family; they treasured every moment with family; they gave more importance to their family. According to Cris (2006), one of the most acceptable ways to reduce stress and needless anxieties is to spend time with your family which strengthens familial relationships. Furthermore, 58.04% of the respondents participated in outdoor recreation on campus, 11.61% did not participate at all and 30.36% have not tried but interested. The result further means that most of the respondents actively participated in outdoor recreation for educational purposes. Diversity stimulates students' minds. Adopting outdoor learning activities allows students to participate more in their classwork. In addition, participating in outdoor learning activities allows students to reconnect with nature. Students learn more about the environment and become more responsible by participating in outdoor activities (Carllota, 2019).

As to the participation in the local outdoor activities, 44.64% of the respondents participated in local/municipal parks, trails, or playgrounds, 29.46% in state parks, recreation areas, public land/hunting areas, 25.89% in private owned recreation areas (resorts, private land/property, etc.). The most popular proposals for encouraging young people to get outside include decreasing park entry prices and organizing outdoor competitions. Regardless of population, outsiders perceive their city or town as a great place to spend time outside.

The result further shows that 47.32% of the respondents are extremely comfortable with outdoor activities, 29.46% are somewhat comfortable, 22.32% neutral and 0.89% are somewhat uncomfortable. Comfort is a state of physical ease and freedom from pain or constraint. Many environmental factors influence outdoor comfort, including solar radiation, infrared radiation from the surroundings and the sky, air temperature, humidity, and wind speed. In addition, the degree of physical activity is influenced substantially by the environment. Walking, biking and recreational amenities are all obvious considerations. Traffic, public transportation, crime, and pollution may also play a role in a person's health. Other environmental factors include social environment such as support from family and friends, as well as a sense of belonging to a greater community. Hence, making physical activity a regular part of one's routine may be made simpler by identifying common barriers and providing solutions to them.

Table 4

Motivation for participation in Outdoor Activities

Indicators	M	Interpretation
1. To enjoy favorite activity	4.27	Agree
2. For relaxation/get away from the demands of life	4.32	Agree
3. To be close to and feel at one with nature	4.21	Agree
4. To learn about the environment	4.2	Agree
5. To observe wildlife and scenic beauty	4.29	Agree
6. To meet new people	4.18	Agree
7. To be with family and friends	4.36	Agree
8. To challenge myself	4.21	Agree
9. To keep physically fit	4.21	Agree
10. Gain a sense of accomplishment	4.24	Agree
11. Experience excitement or adventure	4.38	Agree
12. Gain a sense of self-confidence	4.22	Agree
13. Experience solitude	4.29	Agree
OVERALL MEAN SCORE	**4.26**	**Agree**

Legend: 4.51-5.00 Strongly Agree; 3.51-4.50 Agree; 2.51-3.50 Neutral; 1.51-2.50 Disagree; 1.00-1.50 Strongly Disagree

Table 4 shows the motivations of the respondents to participate in outdoor recreational activities. All of the respondents agreed to the statements with descriptive interpretation of "agree" and an overall mean score of 4.26. This implies many factors affecting the motivations of the respondents to participate in an outdoor recreational activity. Leisure time is an extremely important part of life for adults, children and adolescents. It represents an important context for developing social and communication skills, tolerance, self-esteem, self-confidence, creative expression. Recreation is an activity that attracts a wide range of sports activities and attracts a wide audience. However, in order to be seen as a recreational phenomenon, participation in sport activities must be realized in leisure time with the purposes of entertainment, physical activity and play (Sevil et al., 2012). Hence, it is directly parallel to the results of this study.

The respondents clearly stated the further reasons that motivates them to participate outdoor recreational activities amidst pandemic, which include to unwind, relief stress or mental drain, create memories, learn real life stories from locals, give time to oneself, have freedom with resiliency, escape from day to day routine, see wonderful creation, learn more about culture, socialization, gain inspiration for art piece, increase well-being of life, have fun, peace of mind and satisfaction, travel and develop oneself, experience and participates outdoor recreation and be close with the family.

Table 5

Constraints to participation in Outdoor Activities

Indicators	M	Interpretation
1. Lack of interest	3.3	Neutral
2. I'm too focused on extracurricular activities	3.39	Neutral
3. Fear of injury (from animals or others)	3,44	Neutral
4. Lack of Time	3.84	Agree
5. Don't feel welcome	3.16	Neutral
6. Lack of information	3.5	Agree
7. Don't have anyone to go with	3.45	Agree
8. Lack of transportation	3.57	Agree
9. Don't have the skills or ability	3.23	Neutral
10. Friends prefer to do other things	3.46	Agree
11. School work keeps me from participating	3.94	Agree
12. People I know live or work too far away	3.63	Agree
13. Admission fees are too high	3.63	Agree
14. Equipment fees are too high	3.69	Agree
15. Areas are too crowded	3.54	Agree
16. I work too much to participate	3. 38	Neutral
17. Weather	3.65	Agree
18. Facilities I want don't exist near me	3.71	Agree
OVERALL MEAN SCORE	**3.53**	**Agree**

Legend: 4.51-5.00 Strongly Agree; 3.51-4.50 Agree; 2.51-3.50 Neutral; 1.51-2.50 Disagree; 1.00-1.50 Strongly Disagree

Table 5 shows the constraints to participate in outdoor recreational activities of the respondents with an overall mean score of 3.53, with verbal interpretation of agree. These results imply many reasons why a person cannot participate in outdoor recreational activities. It can be attributed to their priorities, such as earning money before healthy lifestyle. They also agree with the statement "equipment fees are too high" as one of the big reasons some of the respondents cannot participate in outdoor recreational activities. Participating in any activities, especially in outdoor activities, a participant should have an amount of money to be spent on the equipment, and effort.

Results of the open-ended responses showed that students lack of time and money is one of the primary constraint. In addition, the other identified constraints are parental permission, availability of the family and or friends, culture, not interested in outdoor activity, on-going pandemic, health matters, and being prone to accident.

Table 6

Test of Relationship Between the Demographic Profile and Preference on Outdoor Recreational Activities

	Pearson R			Sig. F		
	ORP/MP	**ORP/CP**	**MP/CP**	**ORP/MP**	**ORP/CP**	**MP/CP**
Sex						
Male	0.47	0.3	0.31	0.001	0.05	0.05
Female	0.42	0.38	0.4	0	0.001	0
Student Status						
	ORP/MP	ORP/CP	MP/CP	ORP/MP	ORP/CP	MP/CP
Full Time	0.26	0.25	0.38	0.01	0.01	0
Part Time	-0.06	-0.1	0.25	0.82	0.71	0.36
Employment Status						
Part time	0.44	0.15	0.35	0.09	0.57	0.18
Not employed	0.41	0.37	0.35	0	0	0
Year Level						
3rd Year	0.21	0.04	0.41	0.11	0.79	0
4th Year	0.18	0.05	0.28	0.2	0.75	0.05

Legend: ORP (Outdoor Recreational Activity); MP (Motivation to Participate); CP (Constraints to Participate)

Test is significant ≤ 0.5

Test is not significant > 0.5

Table 6 shows that sex of the respondents has low positive (negative) correlation with a size of correlation range of .30 to .50. On the other hand, there is significant relationship between sex and participation to outdoor recreational activity, constraints to participation and motivation to participation. This implies that participation, motivation to participate, and constraints to participation of students in outdoor recreational activities vary depending on their sex. This suggest that female have different interests and hobbies than male. Similar to the findings of Ghimire et al. (2014), both male and female respondents participate in outdoor recreational activities but female respondents face higher constraints to participating in such activities than male respondents. Ayhan et al. (2018) discovered that women were more likely than men to participate in leisure activities. In the direction of the findings of this study, however, it is believed that women face greater obstacles than men in the same situation, possibly because families do not provide enough support for girls' participation in recreational activities.

The student status has negligible correlation with size of correlation of .00 to .30. On the other hand, part-time students show no significant relationship on the perceived benefits of the outdoor recreational activities while full-time students reveal significant relationship on perceived benefits of outdoor recreational activities. This means that the student status of the respondents affects the participation, motivation to participate, and constraints participation in outdoor recreational activities. This due to the reason that students who are only part-time students have lesser time to engage in outdoor recreational activities for the reason they have more priority like working and job they are paying much more time. As stated by the University of California (2021), students who are unable to undertake the full course load due to employment, family obligations, or illness.

The employment status of the students as part time has no significant relationship to the perceived benefits of outdoor recreational activities. In the same way, the strength of the relationship is at a low positive (negative) correlation with a size correlation score of 0.44 in outdoor recreation participation (ORP) and motivation to participation (MP); 0.35 on motivation to participation (MP) and constraints to participation (CP). On the other hand, 0.15 size correlation (negligible correlation) range was obtained in outdoor recreation participation (ORP) and constraints to participation (CP). For unemployed respondents, it revealed a significant relationship to the perceived benefits of outdoor recreational activities with a significant level value (Sig. F) of 0.00. This means that perceived benefits of outdoor recreational activities can be a factor towards respondent's participation, motivation to participation and constraints to participation of outdoor recreation activities. However, the strength of the relationship of perceived benefits of outdoor recreational activities to employment status shows that a low positive (negative) correlation with a size range of .30 to .40. This means employment status of the student will not hinder participation to outdoor recreational activities. As stated by Aksoy and Arslan (2019), even though the working hours of the unemployed are more precise (morning and evening working hours), the working time of the employed is not clear. The more regular working hours of unemployed may allow for planned participation in physical activity (due to the fact that outdoor recreational activities involve movement of body as participating towards activities). Thus, it is not the employment status as basis for participating outdoor recreational activities.

The year level of the respondents has no significant relationship to the perceived benefits of outdoor recreational activities with significant value level (Sig. F) of greater than 0.5 on the outdoor recreational activities variables; outdoor recreation participation (ORP) with a p-value of 0.11 for the 3rd year respondents; and motivation to participation (MP) with a p-value of 0.79. The 4th year level perceived benefits of outdoor recreational activities has a significant level (Sig. of 0.20 (ORP/MP) and (ORP/CP) 0.75 although the strength of the relationship is low positive (negative) correlation. This means that year level will not affect the students' participation, motivation to participation and constraints to participation towards outdoor recreational activities as well as the respondents' age ranges of 17-19 and 20-24 years old.

5. Conclusion

The students' preference on the outdoor recreational activities revealed that camping, swimming and parasailing as the most preferred land, water and air activities, respectively. In the midst of the COVID-19 pandemic, the students participated in outdoor activities several times during the year with their family, inside the campus of Central Mindanao University and in local/municipal parks, trails, or playground. Most of the respondents are extremely comfortable and motivated in participating to outdoor recreational activities. Furthermore, sex, employment status, student status and year level have significant relationship to the perceived benefits of outdoor recreational activities, motivation to participation and constraints to participation.

Because of the small sample size of the study, it is highly recommended that future research be directed at the entire population of students to assure high accuracy of results. Furthermore, the study showcased the preferences of the students on the outdoor recreational activities that could local government and tourist destinations could benchmark. As such, tourist destinations and business establishments within the vicinity or nearby area can offer camping sites, swimming areas, and paragliding activities.

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Public Banking: From Feasibility to Implementation

Curtis J. Gregory

Abstract

The purpose of this study is to explore the obstacles towards implementation of a public banking system within the United States through a review of the literature on public banking. A review of the literature on public banking demonstrates fluidity in the definition of public banking as legislative efforts attempt to take the path of least resistance towards implementation. This study provides macro and micro benefits and challenges for formation. Global examples of public banking systems are reviewed along with political challenges in coordination and cooperation learned from the COVID-19 pandemic. This literature review concludes with practitioner observations at the micro level on the potential impact in forming a public bank along with future research opportunities. The study also includes narrative around implementation challenges in determining capitalization requirements in the formation of a public bank.

Keywords: *Public banking; access to capital; small business lending, microfinance*

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About the author:

PhD. Temple University, 1801 Liacouras Walk Alter Hall, Room 542, Philadelphia, PA 19122. Contact Information: email - curtis.gregory@temple.edu; Phone Number: 215-204-4127; Fax Number: 215-204-8029

1. Introduction

On March 10, 2018, in Loveland, Colorado a retreat on the topic of Public Banking was convened through an anonymous donation to the Public Banking Institute. This small group consisted of scholars, bankers, elected officials, public servants, and activists from all over the United States. The objectives of the retreat were to share best practices, identify strategies, and discuss potential obstacles towards implementation of public banks throughout the United States of America (USA). As a participant in the retreat, the experience provided foundational context, varied perspectives on the obstacles for implementation, and incentive towards future research opportunities. The strategies regarding implementation of a public bank require proficiencies in public policy, money, and banking, along with political savvy and/or agility.

In a study by Fairlie et al. (2022), data from the restricted-access version of the Kaufmann Firm Survey (KFS) was compared to the credit ratings from Dun and Bradstreet reports for black-owned businesses. Large racial differences in the sources and amounts of financial capital used to start a business continue with black-owned start-ups continuing to experience disparities in alternative sources of capital (Fairle et al., 2022). Minority entrepreneurship continues to experience barriers to acquiring work experience or corresponding education, access to debt and equity capital, and access to markets for their products and services (Bates et al., 2018). As large banks change their business models to larger and more profitable loan amounts, many small-business borrowers find themselves without viable options for bank funding (Zhu, 2022). Although the Community Reinvestment Act (CRA) and the Community Development Financial Institution Fund (CDFI Fund) were established as reforms to address the challenges of low-income communities with high minority populations, these reforms have had limited success in closing the access to credit gap for minority entrepreneurs (Zhu, 2022).

Public Banking has been a point of discussion throughout the United States as a resource for closing the gap on access to credit for small businesses and minority entrepreneurs. Firms owned by minorities continue to show a heavy reliance on debt capital and lower approval rates including the pandemic driven Paycheck Protection Program (PPP) loans (Wiersch & Misera, 2022; Wiersch & Shane, 2013). This review of the literature provides the conduit towards future research regarding implementation strategies around the creation and funding of a public bank.

2. Literature Review

Public banks are different from private banks as their mandate begins with the public's interest and are owned by the public since their funds come from a state or local governing body (Public Banking Institute, 2021). This concept of placing value in stakeholder's interests over shareholders' interests is also referenced as a stakeholder management theory (Parmar et al., 2010). Stakeholder theory is defined by assigning an economic unit of measure to stakeholders such as employees, customers, suppliers, financiers, and even competitors (Parmar et al., 2010). Although there is agreement that public banks are publicly funded and therefore publicly owned, there are discrepancies around whether the bank is controlled by a municipality, city, or state or run privately through a holding company (HR&A Advisors, 2020; Scherrer, 2017). In a feasibility study for the City of Philadelphia, HR&A Advisors (2020) provided a comprehensive list of resources for financial services divided by commercial banks, non-traditional banking services, mission driven institutions, and city efforts of programs and services. Even with the acknowledgement of a long list of resources for access to capital, demand for capital in underserved communities continues to be elusive (HR&A Advisors, 2020; Wiersch & Shane, 2013). In a survey of nearly 11,000 employer small businesses, it was demonstrated that firms owned by people of color reported lower approval rates for even the pandemic related Paycheck Protection Program (PPP) loans (Wiersch & Misera, 2022).

There are 32 states with active legislation around public banking and four pieces of legislation at the federal level being given consideration in the USA (Public Banking Institute, 2021). Additionally, eighteen public bank bills were introduced in 2021 (Public Banking Institute, 2022). These legislative efforts center around the feasibility of a public bank at a city or municipal level or at the state or commonwealth level (Public Banking Institute, 2021). Despite the recognized financial success and community impact of the Bank of North Dakota that has been in existence for over 100 years, no city or state has implemented a public bank in the USA (HR&A, 2020 & Public Banking Institute, 2021). The Bank of North Dakota remains as the only state-level public bank in the USA (Uğurlu & Epstein, 2021).

The creation of the Bank of North Dakota (BND) initially was a strategy to address access to capital for the underserved agriculture industry but evolved over time to become an economic development strategy with the first transfer of funds to the State's General Fund occurring in 1945 (Bank of North Dakota, 2021). The history of BND is a compelling one as examples of the bank focusing on their stakeholders as opposed to their shareholders is prevalent. From recovery funding during the floods of 1997, participations loans for development in 1967, to paying teachers during the Great Depression, BND has been a resource for North Dakota (Bank of North Dakota, 2021). The passion of activists' eager to find resources for the underserved communities of minority and women owned businesses is easy to understand, as public banking as seen through the BND model, appears to be a viable solution to the problem of access to capital. What can we learn from the success and failure of public banks outside of the USA? This study will review public banking from a global perspective to see if there are lessons to be learned from the success or failure of public banks outside of the USA.

3. Discussion

3.1. Problem or Challenge

There is empirical analysis around three different countries that share the commonality of a significant public sector in banking (Scherrer, 2017). Brazil, Germany, and India have significant differences with India having significant numbers of unbanked households, and Germany representing a mature financial market and one of the places where public banking started (Scherrer, 2017). Brazil provides an opportunity to research how public banking can provide stabilization to a financial market through anticyclical interventions (Scherrer, 2017). Most of the activist driven research and narrative around public banking looks to solve the challenges of access to capital in underserved or unbanked communities (Beitel, 2016; HR&A, 2020), but there is research that demonstrates an opportunity for public banks to play a role in macroeconomic policies or economic development strategies (Scherrer, 2017).

Flögel and Gärtner (2018) in their qualitative study found significant differences between banking systems in the United Kingdom (UK), Germany, and Spain. Of particular interest is the elimination of savings banks in 2017 along with failures of small and regional banks in the UK (Flögel & Gärtner, 2018). Comparatively, 3,400 U.S. based financial institutions have failed since the mid-1980s as of 2012, with 457 representing community banks (Parsons, 2013). The study by Flögel and Gärtner (2018) is a focus on centralized banking systems vs decentralized banking systems with a recommendation for the UK to consider a network of local and public banks. Restructuring of the Royal Bank of Scotland into a network of local and public banks is mentioned in the article as a potential strategy (Flögel & Gärtner, 2018). One of the challenges in implementing a public banking model in the U.S. is that a considerable number of feasibility studies are predicated on creating and starting a public bank as opposed to restructuring an existing bank (HR&A, 2020; & Public Banking Institute, 2021). The void left by the acquisition of community banks by the larger banks has been noted and documented (Fairlie et al., 2022; Zhu, 20222). Converting small community banks into locally owned but privately run public banks appears to coincide with the strategy of a network of local and public banks successfully implemented by the Royal Bank of Scotland (Flögel & Gärtner, 2018). Additionally, the study by Swack et al. (2012) suggests a policy recommendation to establish a network of CDFIs in order to build infrastructure and scale up resources to provide significantly more services to under-served populations.

There is also the challenge of cooperation among all the states and municipalities within the U.S. The COVID-19 pandemic illustrated the need for political cooperation as members of the World Health Organization (WHO) had trouble in coordination problems and cooperation problems (Benvenisti, 2020). Benvenisti (2020) articulates lessons learned from the SARS outbreak and the COVID-19 pandemic in terms of the effectiveness of the WHO and calls for the need to refit this organization with the power to secure interstate cooperation. This presents a possible need for an umbrella organization that ensures coordination and cooperation among a network of local and public banks as a public bank by definition would be outside of the Federal Reserve Banking System.

Uğurlu and Epstein (2021) point out that the BND model of public banking is a partnership model between the state funded bank and other financial institutions. A feature worth noting is that in the partnership model the public bank does not compete with private banks for retail deposits and relies primarily on interest and fees associated with lending activities (Uğurlu & Epstein, 2021). HR&A Advisors (2020) project a return on assets (ROA) of 1.42% to 1.46% in their feasibility study for a public bank in the City of Philadelphia, if the city were to incorporate a small business lending component to their small business support model. This ROA aligns with research from the Roosevelt Institute’s 1% projected ROA (Beitel, 2016). This conservative estimate of a 1% ROA translates into $15 million in profit for a $15 billion portfolio, provides context on why elected officials are investing time and energy on public banking (Beitel, 2016). Profits that can be reinvested back into the community for challenges such as infrastructure, education, and public safety.

The worldwide public health emergency of COVID-19 has emerged as a global economic crisis as countries continue to struggle with the socioeconomic challenges in the short-term and long-term objectives of macroeconomic policies (Loayza & Pennings, 2020). Consumers have had first-hand experience with the USA's weaknesses in healthcare, supply chain management, economic development, and access to capital. "Change happens when the pain of staying the same is greater than the pain of change" (Robbins, 2021). The economic and social disparities that have been highlighted by the COVID-19 pandemic have activists re-energized around the role public banks can play as new economic policies start to emerge. One of the topics from the 2018 public banking retreat in Loveland, Colorado was on the need for banking services for the emerging cannabis industry. Medicinal and recreational cannabis is still considered illegal at the federal level but as more states and municipalities move towards the legalization of cannabis, the industry has been limited by having to do business on a cash basis only. The majority of merchants that provide credit card services and cash management services are part of the Federal Reserve Banking system thus creating legal challenges for cannabis distributors to accept credit cards. The strategic solution could be that a public bank can be set up to receive deposits from the cannabis industry and in return provide access to credit and merchant services enabling them to receive credit and debit card transactions.

3.2. Solution/Results

The recession of 2017 demonstrated the cyclical behavior of markets and the corresponding regional or sector inequalities that could be reduced through the alternative of a public bank (Falk & Blaylock, 2012; Scherrer, 2017). The impact of the COVID-19 pandemic has shown that businesses owned by people of color continue to experience disparity in access to capital (Wiersch & Misera, 2022). The definition of what constitutes a public bank appears to be fluid as control of the bank fluctuates depending upon the audience or legislative steps required for implementation (HR&A, 2020; & Public Banking Institute, 2021). There is agreement among the eighteen public bank bills that the bank is publicly funded (Public Banking Institute, 2022), but inconsistency as to the control of the bank. Feasibility studies fluctuate as to whether the proposed public bank be privately run, under government control, or a quasi-government agency. There is research that suggests the answers to these questions depends on whether the objective of the bank is to allocate resources to segments of the economy that will generate income and employment, or to meet the credit demands in underserved economic segments and geographical areas (Scherrer, 2017).

A considerable number of feasibility studies and research around public banks focuses on the impact of a public bank from a macro perspective. Missing from these feasibility studies is the potential impact of a public bank at the operational or micro perspective. In conversations with small business lenders or commercial lending officers there are often references to the credit policy of a financial institution. The credit lending policy determines a financial institution's standards, objectives, and risk parameters for lending activity and there is an opportunity to manage credit risk on the national financial system of the bank (Cociug & Postolache, 2019). When I was a Senior Vice President in banking, I would ask to review the credit lending policy during the exploratory phase of an interview and selection process for jobs in commercial lending. Consistently, I was denied access to the credit policy until employment was offered and accepted. Lessons learned from working for 4 top 10 US based financial institutions is there is consistency if not duplication of the credit policy from one institution to another. Furthermore, the credit policies of financial institutions still are weighted towards an industrial or manufacturing based economy. Typically, within the credit lending policy is a list of cautionary industries or industries that a commercial lender should proceed with extreme caution in advancing capital Over the years of leading various commercial lending teams it became apparent that the majority of growth in our (USA) economy was within the service or knowledge-based industries, but credit policies leaned in favor or in support of a manufacturing-based economy.

A public bank with a credit policy designed and written to the satisfaction of stakeholders as opposed to shareholders offers an opportunity to impact underserved communities and socio-economic objectives. The Carsey Institute conducted a detailed analysis of over 500 CDFIs from the period of 2005 through 2010 (Swack et al., 2012). Although CDFI banks saw a 7.9 percent annualized return on median assets compared to .63 percent for the comparison group of banks, 30-89 days' delinquency rates for business loans aligned with the comparison group at less than one percent (Swack et al., 2012). In my nine years of public service within the Commerce Department for the City of Philadelphia it was common to see CDFI underwriting and credit policies that were synonymous if not identical to the credit policies of privately owned banks. Low delinquency rates that align with comparable commercial lending banks support this observation (Swack et al., 2012). The formation of a public bank has the potential for positive economic impact as demonstrated by the BND, but attention needs to be given to the design of the public bank from a micro-perspective focusing on the credit policy of the proposed bank. A bank with a credit policy that focuses on the community's infrastructure, educational, or affordable housing needs and shifts the objective from the needs of the shareholder to the needs of the stakeholders would be following a stakeholder management theory as opposed to beholden to shareholder goals (Parma et al., 2010).

4. Conclusion/Future Research

Although there is inconsistency in the definition of a public bank as it pertains to the control or management of the proposed public bank, there is an opportunity to have the desired positive impacts on small businesses owned by people of color if attention is given to the operational aspects of extending credit. Public ownership of a bank by definition means that the bank operates in the interest of the public or a stakeholder management theory (Public Banking Institute, 2021; Parmar et al., 2010). Policy makers can be agnostic to the management and control of the operations of the bank if attention is given at the micro-level towards the proposed bank's credit policy and lending philosophies.

Opportunities for additional research are needed for the implementation of a public bank. Scherrer (2017) discusses the how microfinance institutions and financial credit cooperatives share the experience of public ownership but with a focus on stakeholder objectives as opposed to shareholder objectives. There is a need for research that explores the targeted capital or funding requirements for a public bank and the projected community impact of said capitalization. The study by HR&A (2020) and Beitel (2016) projects the financial impact of a 1% ROA, but what should be the initial capital need and will it require legislative approval.

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Ethical Practices and Organizational Sustainability: A Three Dimensional Approach

[1]Marierose P. Valenzuela, [2]Lorena H. Garcia, [3]Elaine Joy C. Apat & [4]Mario R. Briones

Abstract

Ethical practices as viewed on the three ethics approaches can drive leader and employee involvement in sustainability-related behaviors. This study sought to determine the ethical practices of employees and leaders of a state university in the province of Laguna Philippines as well as the institution's sustainability. Descriptive research was conducted through a survey administered to sixty-six (66) faculty members. The study also investigated if there are differences in the ethical practices of the leaders and employees when grouped according to profile factors as well as looked into the relationship between ethical practices and organization sustainability. The study revealed that the leaders and employees highly put into action the ethical practices in relation to Kantian, Virtue, and Care Ethics. Moreover, the level of sustainability exercised by the institution in terms of its contribution to society and the environment is perceived to be highly practiced. Furthermore, it was concluded that there is no significant difference in the ethical practices of the leaders as perceived by the faculty members. A significant relationship between ethical practices and organizational sustainability was established. As such, continuous review of the ethical code of conduct and laying down of procedures in carrying out ethical issues are emphasized by the results.

Keywords: *ethical practices, organizational sustainability, Kantian, Virtue, Care*

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About the authors:
[1]Corresponding author. Program Coordinator – Business Administration. Laguna State Polytechnic University, San Pablo City Campus
[2]Quality Assurance Chairperson and Research Implementing Unit Head - College of Hospitality, Management and Tourism, Laguna State Polytechnic University, San Pablo City Campus
[3]Program Coordinator – Office Administration, Laguna State Polytechnic University, San Pablo City Campus
[4]President - Laguna State Polytechnic University

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1. Introduction

Business ethics is one of the most often deliberated subjects in the present corporate and business environment, as well as in educational and academic field (Brown et al., 2005). It has been discussed in various degrees alongside the adaption of business organizations with the increasing globalization, advance technology and talent management. On the other hand, businesses that lean towards performing in accordance with ethical standards, morals and values have recognized the relevance and significance that ethical procedures and policies are communicated and practiced throughout the organization, while in concurrence to becoming a priority of the leaders of the organization. Since leaders are considered to be the most influential sector in any organization affecting the organizational culture, they are the ones expected to be role models of principles and values according to the objectives, mission, and vision shared with the employees.

Institutions of higher education strive for world-class status. It is not by self-declaration that a university attains world-class rank; rather, elite status is granted on the basis of international acknowledgment (Salmi, 2009). This desire for academic excellence encompasses faculty and instruction, curriculum, physical environment, equipment and facilities, student assistance, and administration. To accomplish this objective, every member of an organization must collaborate. Therefore, an ethical mindset is one of the prerequisites for achieving this great goal.

An organization must institutionalize an ethical mindset. In accordance with the presented notion, Martin and Meezan (2003) argued that clients and employees are more loyal to firms perceived as ethical. This can result in increased profitability for firms in the private sector and improved public trust for organizations in the public sector. Organizations are placing a greater emphasis on ethics because it makes sound commercial sense. In so doing, remarkable organizational performance could be achieved which could further contribute to its sustainability. Hence, this study aims to determine the ethical practices of the employees and leaders of a state university in the province of Laguna which would be a basis for designing organization sustainability. Significant differences in the ethical practices of the leaders and employees would also be investigated as well correlation between ethical practices and organizational sustainability would be determined.

2. Literature Review

2.1. Ethical Dimensions

Ethical practice is the utilization of ethical values in organizational conduct. It applies in all aspects of organizational conduct, including corporate governance, employment practices, stakeholder relations, accounting practices, and issues of product and corporate responsibility. It is about the discretionary decisions that organizations and the people who work for them make, and transparency with all stakeholders about those decisions (cipd.asia, 2021). Organizations that have a propensity for acting in accordance with ethical standards, morals, and values have realized the significance of having ethical procedures and policies communicated to and followed by all members of the organization, while also becoming a top priority for the management of the organization (Brimmer, 2007). With the support of the organization's administration, these principles must be shown and put into reality. On the other hand, Paliwal (2006) stated that organizations ought to provide a thorough training program to prepare the employees for the policies, practices, and expectations in order to increase employee "ethical awareness" and to "define criteria for ethical decision-making within the organization". He further added that, besides the responsibilities that the organization has towards its employees, it is of utmost importance that the employees support their organization, are trustworthy and loyal. Internal and external stakeholders must be taken into account when establishing the ethics program's rules and procedures because they affect and are affected by the company in addition to the employees and the administration.

Meeting current demands without compromising the capacity of future generations to satisfy their own needs was the original definition of sustainability (Commission on Environment and Development, 1987). The ability to meet the requirements of the present without jeopardizing the ability to meet the needs of future generations is a key concern for organizations. In essence, sustainability is about providing for current needs without sacrificing the ability of future generations to provide for their own needs. Vargas-Hernandez (2021) posited hat organizational sustainability values must have to be inculcated at all levels in the system of the organization to engage the initiatives while performing the tasks. Workforce diversity initiatives contributing to recruit, develop, and retain talent respond to sustainability challenges with economic, social, and environmental awareness. Organizational values must be consistent with sustainability in the workplace supported by the leadership of top management in charge of designing and implementing the organizational sustainability strategy for sustainable organizational practices.

Ethical theories explicitly describe ways of thinking and doing that people naturally employ to address common ethical issues. This section discusses the three ethical theories used in this study.

2.1.1. Kantian Ethics Theory

Immanuel Kant, a German philosopher, created a deontological ethical theory known as Kantian ethics, which holds that an action must be chosen and performed out of a sense of moral obligation to be truly good (Camilar-Serrano, 2016). In addition, Becker (2019) explained that, according to Kantian ethics, every individual has the right to be valued as an end in and of herself and to be equipped with reason. From this, further fundamental rights follow, including the right to freedom, which includes the (i) right to privacy and self-determination and recognizes that everyone has his own property, no one is owned by anyone else, and this includes a right to privacy and self-determination; (ii) the right to be treated fairly and without discrimination because we are all rational beings who are equal in our own right; (iii) the right to be treated with respect, who are persons to be recognized as rational beings. This involves the freedom from interference with our ability to choose, decide, and direct ourselves. Kant's theory of morality has not become irrelevant to business ethics, according to Donaldson et al. (2002) as they described Kantian ethics in commercial organizations. However, it is possible that his insistence on the objectivity of the moral purpose is more than just a roadblock that needs to be climbed. Maybe focusing on things other than profits, like providing employees with meaningful work, fostering a democratic workplace, and maintaining a non-coercive relationship with all stakeholders, will improve the bottom line.

2.1.2 Virtue Ethics Theory

Virtue ethics is referenced as early as the ancient Greek thinkers and is justifiably the oldest type of ethical theory in Western Philosophy. Aristotle was the first one who theorized virtue ethics with his systematic explanation written down in his famous work Nichomachean Ethics. Aristotle believed that as people develop good character traits, they are better able to regulate their emotions and their reason. When presented with morally challenging judgments, this aids people in making them. Persons come first in virtue ethics. It considers the moral fiber or goodness of the individual performing an action (Camilar-Serrano, 2016). According to virtue ethics, an action is judged as good or correct based on whether it is what a virtuous agent would do in the current situation given (Constantinescu & Kaptein, 2021). Therefore, rather than focusing on how they are manifested in human behaviors, greater attention is paid to how qualities decide and are inwardly expressed in human character (Jackson, 2018). According to virtue ethics, every person has a fundamental right to prosper and develop his or her potential toward personal perfection (Becker, 2019).

2.1.3 Ethics of Care

Care ethics emphasizes the interdependence of every person. It takes into account the fact that some groups of people and communities are weaker than others, and that strong groups should show greater concern for the weaker group based on how their decisions would affect them. Care ethics advocates for the maintenance of interdependence and shared efforts and benefits rather than promoting dependency among individuals (Camilar-Serrano, 2016). The importance of caring relationships, the various ties of mutuality, the idea that caring both establishes and transforms who we are as people, the requirement that genuine caring results in actions that address actual needs are some of the key themes in the ethics of care. Given all these facts that care ethics, as a normative theory, it has significant consequences for individuals and relationships, and how we might foster caring values in others (Reamer, 2016). According to Carmeli et al. (2017), employee engagement in sustainability-related behaviors might be influenced by ethics of caring. By expanding on the moral theorizing of care, these theoretical advancements and empirical discoveries aimed to aid in a better understanding of the micro-foundations of organizational sustainability.

2.2. Dimensions of Sustainability

2.2.1 Societal Sustainability

Kahn (1995) defined social sustainability as a mechanism that ensures economic growth by reducing poverty. The ideas of equity sharing, cultural identity, participation, and institutional stability are typically included. This definition is supplemented with a list of corresponding principles, which include equity of access to key services, equity between generations, a system of relations that values disparate cultures, and political participation of citizens particularly at a local level. McKenzie (2004) identifies several attempts to define social sustainability and concludes that it generally is, "a positive condition within communities, and a process within communities that can achieve that condition." Poor nations are able to reject the idea that environmental degradation cannot be stopped through to social sustainability. A setting that promotes resource allocation efficiency can stabilize society. A system of social organization with the objectives of reducing poverty and preserving cultural values and norms is known as social sustainability (Ruttan, 1991).

2.2.2. Environmental Sustainability

Environmental sustainability is the responsibility to conserve natural resources and protect global ecosystems to support health and wellbeing, now and in the future (Sphera's Editorial Team, 2020). According to Morelli (2011), environmental sustainability is a state of equilibrium, adaptability, and interconnection that enables human civilization to achieve its demands without depleting the capacity of the ecosystems that support it or by causing a decline in biological diversity.

3. Methodology

The objective of the research is to identify traits, frequencies, trends, and classifications, descriptive research is the method of choice. Quantitative design was used wherein each respondent was asked with the same questions, which enables a fair analysis of the complete data sample. The data is provided in a numeric format and can be analyzed quantitatively using statistical techniques.

The population of the study were the teaching employees of a state university in the province of Laguna totaling two hundred seventy-one (271). Using a convenience sampling, sixty-six (66) faculty members were able to respond to the survey administered through a Google form because the respondents were still in a work from home set-up. The survey was conducted through a researcher-administered questionnaire which consists of the profile of the respondents, ethical practices of the leaders and employees as categorized into Kantian, Virtue and Ethics of Care and level of sustainability. This was chosen because this theory outlines a person-centered ethical framework where human existence and ability are centered on a moral philosophy that establishes standards and directs how people understand moral behavior. In addition, a reliability test using Cronbach-alpha on the survey statements was conducted and resulted with the scores shown in table 1.

Table 1

Cronbach-Alpha

Indicator	Number of Items	Cronbach-alpha	Interpretation
Ethical Practices of Employees			
Kantian	7	0.735	Acceptable
Virtue	5	0.829	Good
Care	5	0.781	Acceptable
Ethical Practices of Leaders			
Kantian	5	0.930	Excellent
Virtue	5	0.927	Excellent
Care	10	0.953	Excellent
Sustainability			
Societal	6	0.935	Excellent
Environmental	3	0.847	Good

Ethical practices and sustainability were summarized and described using weighted mean. Kruskal Wallis was utilized in determining significant differences on ethical practices and sustainability. Lastly, Spearman-rho correlation coefficient was computed to determine significant relationships of the variables.

4. Findings and Discussion

Table 2

Ethical Practices of the Leaders in terms of Kantian Ethics

Indicators	Mean	SD	Interpretation
1. Our officials lead in the attainment of the University's vision and mission with utmost integrity, honesty and professionalism.	3.80	0.47	Highly Practiced
2. Our officials treat each employee equally, fairly and respectfully.	3.56	0.65	Highly Practiced
3. Our officials practice due process in evaluating, promoting and terminating employees.	3.50	0.66	Highly Practiced
4. Our officials make reasonable decisions and have reasonable requests for employees.	3.58	0.60	Highly Practiced
5. Our leaders are transparent about deliberations and decisions, and empower employees to contribute to, or participate in, decision-making as far as it is feasible.	3.52	0.66	Highly Practiced
Composite Mean	**3.59**	**0.54**	**Highly Practiced**

As per the Kantian ethical code, the state university perceives that its faculty members and officials highly practice moral principles with regards to their responsibilities in the institution. It could be observed on Table 1 that the officials of the said higher learning institution exceedingly practices their function to lead in the attainment of the University's vision and mission with utmost integrity, honesty, and professionalism (M=3.80, SD=0.47). And although the lowest average (M=3.50, SD=0.66) computed in relation to the other indicators, the officials are observed to remarkably practice due process in evaluating, promoting and terminating employees.

It implies that the leaders of the university exceptionally practice actions in the institution as though their actions form part of the universal law, applicable to everyone in a similar situation and these actions are both the means as well as the ends of these actions. According to the National Association of Secondary School Principals (2022), school leaders should be a role model for teachers and students and must maintain standards of exemplary professional conduct.

Table 3

Ethical Practices of the Leaders in terms of Virtue Ethics

Indicators	Mean	SD	Interpretation
1. Our officials assume responsibility for the Institution and the area they oversee, and respond to others, such as higher-level management, stakeholders, or the public, if something goes wrong.	3.64	0.57	Highly Practiced
2. Our officials at all times show professional courtesy, helpfulness and sympathy towards teachers and other personnel.	3.61	0.57	Highly Practiced
3. Our officials do not accept bribes.	3.61	0.67	Highly Practiced
4. Our officials encourage and attend to the professional growth of all teachers under them such as recommending them for promotion, giving them due recognition for meritorious performance, and allowing them to participate in conferences and training programs.	3.70	0.49	Highly Practiced
5. Our officials provide regular feedback to the employee on performance.	3.52	0.63	Highly Practiced
Composite Mean	3.61	0.52	**Highly Practiced**

The officials of the respondent university are deemed to also highly practice ethical ways in relation to virtue ethics (M=3.61, SD=0.52). Specifically, the leaders eminently practice encouraging and attending to the professional growth of all teachers under them such as recommending them for promotion, giving them due recognition for meritorious performance, and allowing them to participate in conferences and training programs (M=3.70, SD=0.49). Provision of regular feedback on employee performance got the lowest score (M=3.52, SD=0.63) albeit it is interpreted as being highly practiced by the officials of the said institution.

The result shows that the university has a good leadership as it manifests on the assessments of the respondents. According to Wittmer and O'Brien (2014), the good qualities of the leader is that they should show excellence in providing a vision and building trust that will motivate others to achieve a common purpose. Moreover, "Trust, along with shared cultural assumptions, is the strongest glue binding people together in groups" (Bennis et al. 2008, p. 26), and leaders have the responsibility of binding and motivating members of the group or organization.

Table 4

Ethical Practices of the Leaders in terms of Ethics of Care

Indicators	Mean	SD	Interpretation
1. Our officials conduct programs to promote the personal and emotional wellbeing of the employees.	3.61	0.60	Highly Practiced
2. Our officials objectively evaluate extension services proposal for the community and ensure provision of sufficient funds.	3.65	0.51	Highly Practiced
3. Our officials listen to reasonable concerns and insights of stakeholders such as students and employees and consider them in their decision making.	3.61	0.62	Highly Practiced
4. Our officials provide programs that promote health and safety of students and employees especially during this pandemic.	3.71	0.52	Highly Practiced
5. Our officials provide incentives and interventions to motivate employees who have contributed ideas, suggestions, inventions, discoveries, superior accomplishments and other personal efforts.	3.56	0.61	Highly Practiced
6. Our leaders provide equal opportunities to age, gender and others.	3.62	0.60	Highly Practiced
7. Our leaders encourage knowledge and information sharing like re-echo seminars etc.	3.67	0.56	Highly Practiced
8. Our leaders provide social benefits like insurance, leave with pay to administrative members and regular employee	3.56	0.58	Highly Practiced
9. Our leaders provide a friendly and pleasant working environment.	3.58	0.55	Highly Practiced
10. Our officials implement effective mechanisms to fight bullying, discrimination and all forms of harassment.	3.62	0.54	Highly Practiced
Composite Mean	**3.62**	**0.48**	**Highly Practiced**

Looking at the perspective of the care ethics, the officials of the state university are perceived to be exceptional in their ethical practices (M=3.62, SD=0.48). They highly observe each of the ethical practices identified in relation to ethics of care. It is noteworthy to mention that the faculty members deem that the officials evidently provide programs that promote health and safety of students and employees especially during this pandemic (M=3.71, SD=0.52). This may be due to the continued support provided by the school administration to faculty members during the pandemic such as provision of internet allowance as well as compliance to national and local health protocols and standards. Provision of incentives and interventions to motivate employees who have contributed ideas, suggestions, inventions, discoveries, superior accomplishments and other personal efforts (M=3.56, SD=0.61) as well as provision of social benefits like insurance, leave with pay to administrative members and regular employee are perceived to be highly practiced (M=3.56, SD=0.58) even if both practices garnered the lowest average as compared with the others.

It can be implied that the officials of the concerned institution have a caring leadership. Ciulla (2009) stated that the job of a leader includes caring for others, or taking responsibility for them but while we want leaders who have feelings of care for other human beings, a sense of duty is also important in times of crisis. This is manifested on the programs conducted by university officials during the COVID-19 pandemic.

Table 5

Ethical Practices of the Employees in terms of Kantian Ethics

	Mean	SD	Interpretation
1. I execute instruction in accordance with the targeted goals of timeliness and quality.	3.76	0.43	Highly Practiced
2. I accomplish complete research paper every year.	2.33	0.99	Slightly Practiced
3. I observe strictly the official time in order to promote efficiency and has avoided any disciplinary actions as consequence of non-observance	3.67	0.59	Highly Practiced
4. I attend the program of activities hosted by the institution.	3.80	0.43	Highly Practiced
5. I observe regular and timely submission of requirements, such as grades, accomplishment reports and other pertinent reports.	3.71	0.45	Highly Practiced
6. I observe proper wearing of uniform and I.D at all times.	3.62	0.67	Highly Practiced
7. I regularly participate and attend flag raising and flag lowering as scheduled.	3.83	0.51	Highly Practiced
Composite Mean	**3.53**	**0.38**	**Highly Practiced**

In the case of the faculty members of the state university, on the viewpoint of Kantian ethics, they are perceived to notably put into action ethical practices in relation to their function as employees of the institution (M=3.53, SD=0.38). It is considerable to mention that the faculty members regularly participate and attend flag raising and flag lowering as scheduled (M=3.83, SD=0.51) and consistently attend the program of activities hosted by the institution (M=3.80, SD=0.43). It signifies that the employees perform their duties well in terms of the attendance to the various school's activities. However, it is remarkable to mention that the faculty members do not perform satisfactorily on the ethical practice of accomplishing complete research paper every year (M=2.33, SD=0.99).

It implies that an employee will experience a sense of belonging in a business when they are allowed greater freedom, which will inspire them to perform better. Becker (2019) posited that the responsibility of the employee to perform well, which means to do the job as agreed upon. Kantian ethics emphasizes the significance of morally motivated behavior so that corporations can establish a positive working environment (Boje, 2008).

Table 6

Ethical Practices of the Employees in terms of Virtue Ethics

Indicators	Mean	SD	Interpretation
1. I respect and follow orders from my superiors.	3.88	0.33	Highly Practiced
2. I accept individual difference in my workplace.	3.85	0.36	Highly Practiced
3. I get along with my co – workers with different values and beliefs.	3.82	0.39	Highly Practiced
4. I take responsibility in all my decisions regarding my job and own up to my mistake.	3.86	0.34	Highly Practiced
5. I am entrusted by my superior with designations outside of my regular functions.	3.61	0.60	Highly Practiced
Composite Mean	**3.80**	**0.32**	**Highly Practiced**

In terms of virtue ethics, the faculty members of the institution perceived to evidently put into action ethical practices (M=3.80, SD=0.32). Respecting and following orders from their superiors recorded the highest mean (M=3.88, SD=0.33) although the other indicators do not fall behind as taking responsibility in all decisions regarding their jobs and owning up to their mistakes (M=3.86, SD=0.34) and accepting individual differences in the workplace (M=3.85, SD=0.36) immediately follow. It implies that in spite that being entrusted by superior with designations outside of regular functions got the lowest mean (M=3.61, SD=-.60), it was still deemed to be highly practiced by the respondents.

According to Younkins (2012), virtues play a crucial role in enabling a person to act to acquire values. Virtuous employees frequently do their tasks competently and in line with the company's aims. Additionally, Meglich (2015) stressed the crucial role that human resource (HR) functions have in helping organizations and their people act honorably and cultivate true "virtue," as HR may set an example for others to follow by modeling honorable behavior. HR procedures have the power to motivate workers in ways that produce positive results.

Table 7

Ethical Practices of the Employees in terms of Ethics of Care

Indicators	Mean	SD	Interpretation
1. I regularly participate in various extension programs of our College.	3.21	1.01	Practiced
2. I attend to the academic needs of students even outside class hours.	3.70	0.52	Highly Practiced
3. I inform my students with the school policies and course guidelines.	3.91	0.34	Highly Practiced
4. I help the school keep the people in the community informed about the school's work and accomplishments as well as its needs and problems.	3.62	0.57	Highly Practiced
5. I extend my support to my co-teachers and co-employees when my expertise is called for.	3.77	0.45	Highly Practiced
Composite Mean	**3.64**	**0.41**	**Highly Practiced**

Table 7 shows that the faculty members of the university remarkably practice actions in accordance with ethics of care (M=3.64, SD=0.41). The mean for informing students with the school policies and course guidelines is noticeably high (M=3.91, SD=0.34). The rest of the ethical practices are highly acted upon by the respondents except for regularly participating in various extension programs of their College (M=3.21, SD=1.01). Some of the faculty members do not consistently participate in these programs since the respondents consist of part-time instructors who are not required to join.

It implies that **c**are ethics upholds the proper use of emotion to obtain and apply moral insight, continuing the sentimentalist heritage of moral thought. Careful workers put their sub-virtues and skills into practice. An ethic of care, as described by Hamington and Sander-Staudt (2011), is motivated by memories of receiving care as well as one's ideal self, and it is based on the desire to provide for the dependent and vulnerable, including oneself. Various scholars have recognized the following as sub-virtues: respect, attention, completion, and responsiveness (Noddings 1984; Tronto 1994; Held 2006; Engster 2007 as cited by Hamington & Sander-Staudt, 2011).

Table 8

Level of Societal Sustainability

	Mean	SD	Interpretation
1. The university promotes development of spirited, transparent, upright, disciplined, efficient, noble, trustworthy and skillful students.	3.73	0.48	Highly Practiced
2. There is a provision for technological innovation that promotes sustainable utilization of resources, collaboration and partnership.	3.74	0.44	Highly Practiced
3. Intensive programs/activities of extension programs and initiatives intended to community stakeholders.	3.74	0.47	Highly Practiced
4. Continuous improvement program through accreditation and certification.	3.83	0.37	Highly Practiced
5. Establish sustainable government-academe industry networks, partnerships, and linkages, responsive to human resource's needs locally and internationally.	3.73	0.48	Highly Practiced
6. Promotes gender fairness	3.80	0.43	Highly Practiced
Composite Mean	**3.76**	**0.39**	**Highly Practiced**

The level of sustainability as exercised by the institution in terms of its contribution to society is perceived to be highly practiced (M=3.76, SD=0.39). The identified practices of sustainability are deemed to be exceedingly taken into action as all indicators have means ranging from 3.73 to 3.83. It could be observed that the institution highly promotes continuous improvement programs such as accreditation and certification (M=3.83, SD=0.37) and evidently advocates gender fairness (M=3.80, SD=0.43).

Business, according to Becker (2019), should be concerned about sustainability as well because it has the power to contribute to society's sustainability. Business is a huge social force and may contribute significantly to sustainable development. Other significant societal players, such as the media, research universities, and legislators, can and must also play a role.

Table 9

Level of Sustainability in terms of Environmental

Indicators	Mean	SD	Interpretation
1. There are programs promoting environmental sustainability like tree planting, energy saving policies and the likes.	3.73	0.45	Highly Practiced
2. The institution has a waste management system being implemented.	3.64	0.51	Highly Practiced
3. The institution has recycling programs.	3.47	0.66	Highly Practiced
Composite Mean	**3.61**	**0.48**	**Highly Practiced**

In terms of environmental aspect of sustainability, the institution is perceived to remarkably uphold and exercise its practices (M=3.61, SD=0.48). Specifically, it exceedingly conduct programs that promote environmental sustainability like tree planting, energy saving policies and the likes (M=3.73, SD=0.45). Even though recycling programs garnered the lowest mean (M=3.47, SD=0.66) among the indicators, it is still regarded as being highly practiced.

Dalvi et al. (2019) concluded that sustainability initiatives have a motive of an operational benefit and it is also considered as a strategic driver by adding social and environmental dimension in the core purpose of the organization.

Table 10

Test of Difference on the Ethical Practices of the Leaders When Grouped According to Profile Factors.

Profile	Kantian Ethics			Virtue Ethics			Ethics of Care		
	H	p	Interpretation	H	p	Interpretation	H	p	Interpretation
Age	0.812	0.847	NS	2.255	0.521	NS	0.452	0.929	NS
Years in Service	0.612	0.894	NS	0.098	0.992	NS	0.625	0.891	NS
Classification	0.883	0.427	NS	0.883	0.427	NS	0.883	0.427	NS

Table 10 shows that there is no significant difference among the ethical practices of the leaders of the university as they are grouped according to profile factors. It could be deduced that differences in age, years in service and classification of the respondents do not translate to differences in their perception of their officials' ethical practices as viewed according to the three moral approaches.

Ethical leadership focuses on building leadership qualities that balance the role of a principal as a manager and a leader whereby the principal is able to administer the school and care for teachers' well-being for overall school success via good interpersonal relationship and personal activities, for instance decision-making, role modelling, and communicating.

It implies that the current school leaders, especially the principals, need to practice a leadership style that develops trust, sustain the trust, and create a belief system that can also morally motivate teachers to produce quality work. Vikaraman et al. (2021) said that respect in the organization works and matters most towards the realization of the desired goal.

Table 11

Test of Difference on the Ethical Practices of the Employees When Grouped According to Profile Factors.

Profile	Kantian Ethics			Virtue Ethics			Ethics of Care		
	H	**p**	**Interpretation**	**H**	**p**	**Interpretation**	**H**	**p**	**Interpretation**
Age	4.165	0.244	NS	4.372	0.224	NS	7.849	0.049	S
Years in Service	3.026	0.388	NS	1.997	0.573	NS	3.744	0.290	NS
Classification	9.574	0.001	S	2.253	0.087	NS	12.621	<0.001	S

Table 11 demonstrates that there are significant differences on the ethical standards of the faculty members in view of the Kantian ethics when they are grouped according to their classification, $H(4) = 9.574$, $p = 0.001$ and in relation to care ethics when they are categorized into their age, $H(4)=7.849$, $p=0.049$ and into their classification, $H(4)=12.621$, $p=<0.001$. They differ significantly in the exercise of the Kantian ethics since it measures considerably on their function as faculty members of the institution that involves not only instruction but also research. However, part-time instructors are not required to accomplish research and extensions and that regular faculty members are evaluated with corresponding criteria according to their classification. This may also hold true in the significant difference determined in the case of the care ethics since it involves the extension function.

The result is similar to the study of Catuby (2017) on teaching profession and ethical practices which concluded that most of the ethical standards prescribed by the Code of Ethics for Professional Teachers and Code of Conduct and Ethical Practices of Government Employees are practiced by the teachers-respondents. It implies that the ethical practices of public school teachers vary in rank in the different aspects, teachers as personal beings, teachers as social beings, teachers as economic beings, teachers as political beings and teachers as relational beings.

Table 12

Correlation between Ethical Practices of the Employees/Leaders and Level of Sustainability

	Employees		**Leaders**	
Ethical Practices/ Sustainability	Societal	Environmental	Societal	Environmental
Kantian Ethics	0.411**	0.332**	0.618**	0.664**
Virtue Ethics	0.435**	0.262*	0.615**	0.698**
Ethics of Care	0.318**	0.217	0.670**	0.640**

**p<0.05, **p<0.01, two-tailed*

Table 12 displays that there is significant relationship between ethical practices and level of sustainability. It is notable to mention that there is a moderate correlation between ethical practices of the leaders in relation to virtue ethics and environmental sustainability, r_s (64) = 0.698, p < .001**.** In addition, there is reasonable correlation found between the officials' ethical practices in terms of Kantian ethics and sustainability (societal, $r_s(64)=0.618$, $p<0.001$, environmental, $r_s(64)=0.664$, $p<0.001$) as well as in terms of ethics of care and sustainability (societal, $r_s(64)=0.670$, $p<0.001$, environmental, $r_s(64)=0.640$, $p<0.001$). On the contrary, it could be noticed that ethical practices of the faculty members in terms of ethics of care is not significantly correlated to their perception on the institution's environmental sustainability.

It implies that the moral character of the leaders is linearly related to environmental actions and programs. Though it can be said that faculty members are employees and part of the institution, the decision regarding environmental sustainability lies on the officials. Lashly (2016) in his study concluded that moral behavior would consider sustainable actions that go above and beyond legal requirements. Sustainable social development and protection of the environment would be actively defined and managed by ethical sustainability. To establish it as a strategic requirement actively handled and observed throughout the organization would go beyond pious declarations. Businesses will be able to create money within legal and value-motivated boundaries that do not jeopardize the sustainability of future generations by implementing ethical procedures, having ethically driven leaders, creativity, and careful environmental initiatives (Nicolaides, 2017).

5. Conclusion

Based on the data gathered, the university officials highly practiced moral principles based on Kantian, Virtue, and Care Ethics as their responsibilities. Relevant to employees' ethical practices, they highly practiced virtue ethics, however in terms of Kantian, it is found out that the task of accomplishing a research every year is slightly practiced, and in Care ethics, the faculty members do not regularly participate or conducted regular extension programs. Furthermore, in terms of level of sustainability, when it comes to contribution to society, all practices identified were exceedingly taken into action, the institution highly promotes continuous improvement programs such as accreditation and certification as well as advocating gender fairness. Likewise, the university is exceptionally promoting and conducting environmental sustainability programs like tree planting, energy saving policies, proper waste management and the likes. Lastly, the result shows significant differences on the ethical standards of the faculty members in view of Kantian and Care ethics as to age and classification. It is also noted that there is a significant relationship between ethical practices and the level of sustainability, and moderate correlation between ethical practices of the leaders in relation to virtue ethics and environmental sustainability.

Organization sustainability is contingent to leaders who formulate and implement rules and standards down to its members as well as maintaining healthy relationship in the aspect of employees, community as well to environment. Based on the findings and conclusion it is recommended that trainings and programs be conducted so as to encourage the faculty members to regularly conduct a research and to inculcate in them the benefits of conducting a research regularly, same with conducting and participating in extension programs of respective college. This is beneficial both for the administration and the faculty members especially for the regular ones since research and extension are university's mandate aside from instruction. Although, provision of incentives, benefits and promotion are highly practiced, regular orientation and monitoring and the likes are highly encouraged. Moreover, since it was proven that ethical practices is significantly related to organization sustainability, it is suggested that the university strengthen its programs concerning ethical practices such as continuous review of the ethical code of conduct, laying down of procedures in carrying out ethical issues in the organization and conduct of trainings on the concept of ethics. Likewise, cross sectional study may be conducted to employees with longer years and higher academic rank.

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Measuring Customer Experience in Select Rural Banks Through SERVQUAL

[1]Nelda A. Rosima & [2]Elaine Joy C. Apat

Abstract

Improvement of every financial institution is based on the quality of service they provide. In the Philippines, most bank's clients prefer financial institutions that render quality service. With resurgence of interest and need for effective delivery of service, this study aimed to determine the effectiveness of service provided by selected rural banks in terms of tangibility, responsiveness, reliability, empathy and assurance. It utilized descriptive method and selected two hundred client-respondents through quota sampling. The results showed significant differences in empathy, reliability, responsiveness and assurance when grouped according to sex, kind of service availed and monthly income. However, no significant difference was found when the five dimensions are grouped according to age and civil status. The results further revealed that the company is highly effective in providing quality service in terms of assurance and reliability, and effective in terms of tangibility, responsiveness, and empathy. From the assessments of customer experience, the banks need to provide more modernized facilities for better services, furnish more pamphlets and promotional tools to educate clients on the bank regulations, new products or services catered, and improve facilities by providing additional seats and reading materials while clients are waiting for their transactions.

Keywords: *assurance, empathy, reliability, responsiveness, rural bank, service quality, tangibility*

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About the authors:

[1]Corresponding author. Batangas State University – Lipa City, Philippines

[2]Laguna State Polytechnic University – San Pablo City, Philippines

1. Introduction

In today's society, an effective banking system performs a crucial and active role in the growth of the country. A well-developed financial system ensures both economic and social development. Banks play important roles in socioeconomic development by encouraging people to save, making trade and commerce functions easier, creating job opportunities, promoting agricultural development, implementing monetary policy, and balancing development. The Philippine banking system is composed of universal and commercial banks, development banks, thrift banks, rural and cooperative banks. With the introduction of universal banks as a result of the relaxation of Philippine regulatory rules; the merger of one commercial bank with another; and, for rural banks, the implementation of international banking standards, the competition to remain relevant has become a daily battle. Banks are key players in financial market operations (Khan & Fasih, 2014), and they play a critical role in keeping a country's economy running smoothly.

In today's highly competitive corporate environment, service quality is critical to increase customer satisfaction and loyalty. Thus, service quality and customer satisfaction are more important than ever for banks to understand in order to remain competitive and, inevitably, grow. It is vital to understand how to measure the consumer's perspective in order to better understand and satisfy their needs. Service quality is highly valued because it leads to increased customer satisfaction (Chingang & Lukong, 2010). In order to have key outcome, banks must consider various antecedents of service quality such as tangible things, dependability, guarantees, and compassion (Sharp & Sharp, 1997) as well as to improve their performance and profitability (Hackl et al., 2000; Anderson et al., 1994; Lewis, 1993). Initially, service quality was assessed using the following criteria: reliability, responsiveness, competence, access, courtesy, communication, credibility, security, understanding the customer, and tangibles to assess the gap between customer expectations and experience.

Given the premise of measuring service quality, this study considered empirical evidence on the particular need to assess service quality and customer satisfaction in rural banks, as well as using the SERVQUAL model to better measure customer satisfaction. Several studies pointed out the need to clearly state the measurable organizational goals and targets through visible activities that would entail quality products and services. These serve as the organizational roadmap to achieving higher market share, customer satisfaction and loyalty. In addition, studies showed that providing quality services gives any business with a long-term competitive advantage. It enables them to meet not only their customers' current needs, but also to anticipate their future needs. This ability to anticipate future customer needs enables them to consistently delight their customers by providing high-quality services. As a result, it increases customer satisfaction and loyalty (Wisniewski, 2001; Naik et al., 2010; Zeithaml, 1988). Furthermore, the study sought to address the importance of improving service quality in the banking industry, particularly in selected branches of a rural bank, to identify customer attitudes toward current customer service quality, to assist the bank in determining the influential factors that define the quality of customer service based on customer research, to assess clients' satisfaction with the services and to compare service quality dimensions.

Kossman (2017) indicated that the single most important factor in successfully running customer service operations is service quality. Meanwhile, Ayikwei Quarshie et al. (2018) described that rural banking sectors' service quality is still a critical component of the customer experience. Clients are satisfied when rural banks provide quality service that meets their aspirations (Swar & Sahoo, 2012). As a result, most rural banks consistently evaluate their services to promote customer satisfaction, with the end goal of increasing consumer loyalty in mind. In particular, this study assessed the service quality of selected rural banks through a survey of the service quality in terms of tangibility, empathy, reliability, responsiveness and assurance. It also sought to determine the significant difference on the assessment of service quality on selected rural bank when grouped according to customer profile.

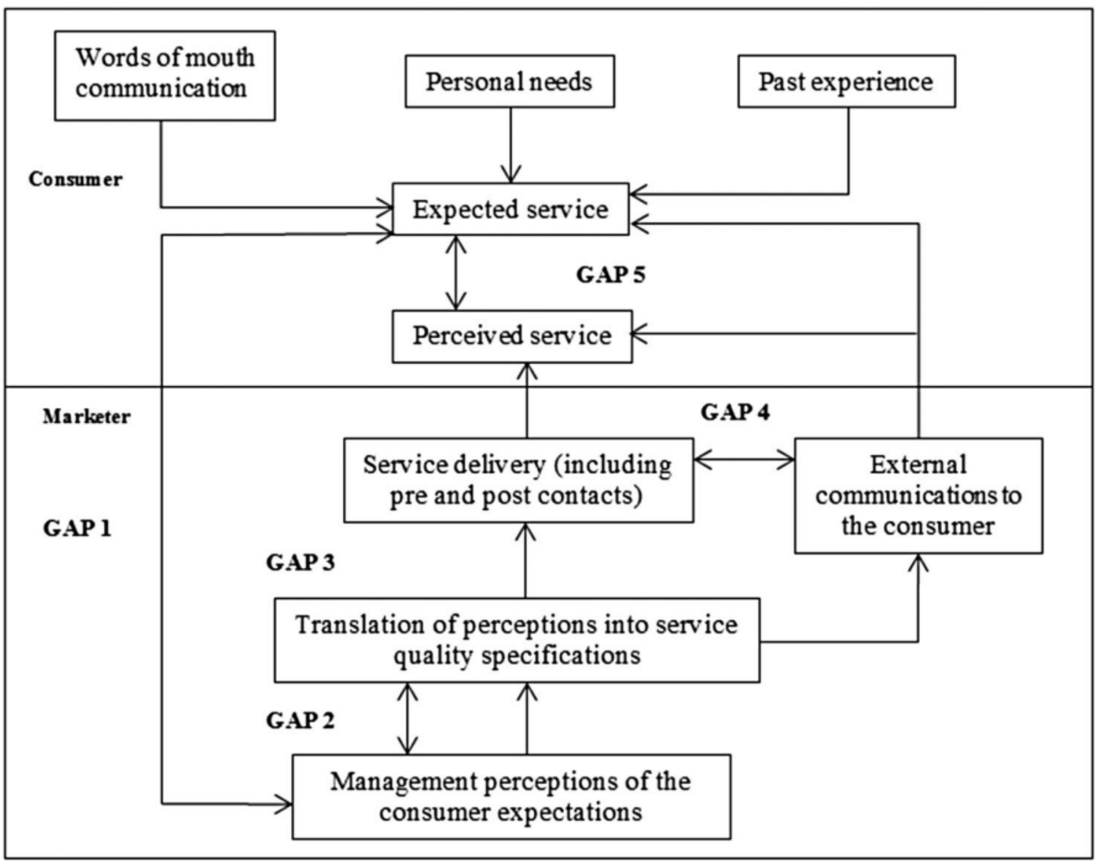
2. Theoretical Framework

This study is anchored on the Service Quality Model or SERVQUAL Model developed and implemented by Valarie Zeithaml, A. Parasuraman and Leonard Berry in 1988. This model is the widely-used and accepted measure of service quality experience by the customers. Several studies scrutinized and assessed the different dimensions of SERVQUAL model (Park et al., 2021; Gregory, 2019; Altuntas, & Kansu, 2020) and applied the theory to measure customer experience in various industries such as hospitality (Sonawane, 2020; Beheshtinia, & Farzaneh, 2019), healthcare (Behdioğlu et al., 2019; Fan et al., 2017; Demir et al., 2020; Muhammad & Cyril, 2010; Ali & Ware, 2018; Jonkisz et al., 2021; Altuntas & Kaya, 2020; Pekkaya et al., 2019), telecommunications (Samen et al., 2013), aviation (Rezaei et al., 2018; Chou et al., 2011;

Basfirinci & Mitra, 2015), transportation (Tumsekcali, 2021; Awasthi et al., 2011), education (Shekarchizadeh & Hon-Tat, 2011; Gregory, 2019; Udo, 2011), banks (Ali, & Raza, 2017; Raza et al., 2020), and logistics (Baki, 2019; Stević et al., 2021). This model is also known as the RATER model, which emphasizes the five service factors being measured such as reliability, assurance, tangibles, empathy and responsiveness. This model was initially designed for service industries. However, several other industries started to adopt the concept in the measurement of customer satisfaction.

Figure 1

The gap model by Parasuraman et al. (1985)



The five dimensions of SERVQUAL known by its acronym RATER are:

Reliability. It is the firm's ability to perform the promise service accurately and dependably.

Assurance. It is knowledge and courtesy of employees and their ability to inspire trust and confidence

Tangibles. It refers to physical facilities, equipment and appearance of personnel

Empathy. It is caring and individualized attention paid to customers

Responsiveness. It is the firm's willingness to help customer and provide prompt service

3. Methodology

The descriptive method of research was utilized in this study. The data were gathered from the responses of two hundred (200) clients of the selected rural banks in the Philippines. Quota sampling was used since survey was only administered to clients who were willing and interested in answering the questionnaire.

Table 1

Demographic Profile

Characteristics	Frequency	Percentage
Age		
18 – 22 years old	36	18
23 – 27 years old	55	28
28 – 32 years old	28	14
33– 37 years old	26	13
38 – 42 years old	25	12
Above 42 years old	30	15
Sex		
Male	48	24
Female	152	76
Civil Status		
Single	87	43.5
Married	93	46.5
Widower	8	4
Separated	12	6
Monthly Income		
less than P8,000	58	29
P8,000– P19,999	106	53
P20,000 – P29,000	23	11.5
P30,000- P39,000	8	4
P40,000 and above	5	2.5
Kind of Service Availed		
Deposit	43	21.5
Loan	93	46.5
Both	64	32

The researcher-made survey questionnaire was the primary data collection tool in this study. It was divided into two sections: the first focused on the respondents' profile on age, sex, civil status, monthly income, and services used, while the second contained items to assess the service quality. It was validated by the panel, which included a grammarian, an industry expert, and a statistician. Furthermore, to test the instrument's reliability, the researcher performed a dry run and obtained a reliability of 0.745 using Cronbach's alpha.

The researcher distributed hardcopy questionnaires to clients of selected rural bank. At the onset, the objectives of the study were explained and the respondents were asked whether they have availed any services from any rural bank within the vicinity. Only respondents who had transaction with the rural bank, whether offline or online, were considered to the survey. The study followed data privacy procedures such as personal data of the respondents are secured and confidential. Furthermore, the information gathered was securely kept after the distribution of questionnaires and the data gathered was used only for the purpose of the study.

Upon the administration of the survey questionnaire, the gathered data were tallied and subjected to the following statistical tools:

Frequency and Percentage. This was used to analyze the profile of the respondents in terms of age, gender, civil status, monthly income, and kind of service availed.

Weighted mean. It was used to determine the assessment of the respondents on the effectiveness of service quality in terms of tangibility, empathy, reliability, responsiveness, and assurance.

T-test. This was used to determine the significant difference on the assessment of the respondents on the service quality when grouped according to sex.

F-test (ANOVA): This was utilized to determine the significant difference on the assessment of the respondents on service quality when grouped according to age, civil status, monthly income, and kinds of service availed.

4. Results and Discussion

The SERVQUAL MODEL as used in this study consists of five dimensions: tangibility, reliability, empathy, responsiveness, and assurance. The assessment of the services consists of:

Tangibility - the physical facilities, equipment, and personnel appearance

Responsiveness - willingness to assist customers and provide prompt service

Reliability - provide the promised service consistently and accurately

Assurance - dependability and reputation

Empathy - personalized attention given (Lau et al., 2013)

Table 2

Perceived Service Quality using SERVQUAL

Indicators	M	SD	Interpretation
Tangibility			
The bank has......			
1. modern equipment and IT system.	3.17	0.094	Effective
2. appropriate physical facilities.	3.26	0.093	Effective
3. neat reception desk.	3.23	0.099	Effective
4. good promotional tools such as pamphlets.	3.03	0.203	Effective
5. a pleasant atmosphere and good ambiance.	3.30	0.158	Effective
Composite Mean	**3.20**		**Effective**
Empathy			
The employees of the bank....			
1. give attention to each customer.	3.59	0.049	Highly Effective
2. observe consideration to clients.	3.52	0.049	Highly Effective
3. respond to the client's specific needs.	3.57	0.038	Highly Effective
4. Clearly explain the bank transactions.	3.67	0.036	Highly Effective
5. show politeness.	3.6	0.005	Highly Effective
Composite Mean	**3.6**		**Highly Effective**
Reliability			
The bank......			
1. makes sure that the clients records are all correct.	3.6	0.031	Highly Effective
2. shows sincerity in solving client's problem.	3.59	0.031	Highly Effective
3. shows truthfulness.	3.65	0.035	Highly Effective
4keeps customer informed and updated.	3.57	0.012	Highly Effective
5. references are always available.	3.56	0.029	Highly Effective
Composite Mean	**3.6**		**Highly Effective**
Responsiveness			
The employees of the bank...			
1. inform the clients when services will be performed.	3.52	0.041	Highly Effective
2. accomplish the service on time.	3.47	0.041	Effective
3. are always willing to help their clients.	3.6	0.030	Highly Effective
4. respond to clients request punctually.	3.53	0.035	Highly Effective
5. attend to customer's need immediately.	3.53	0.046	Highly Effective
Composite Mean	**3.5**		**Highly Effective**
Assurance			
1. The employees deal with client's confidentiality.	3.61	0.032	Highly Effective
2. Clients feel secure about their transactions with the bank.	3.63	0.021	Highly Effective
3The accounts are handled safely by the bank employees.	3.68	0.011	Highly Effective
4. The bank employees answer questions comprehensively.	3.68	0.012	Highly Effective
5. The bank assures safety while serving the clients.	3.69	0.015	Highly Effective
Composite Mean	**3.7**		**Highly Effective**

The assessment of service quality was analyzed in two ways. The survey results on the five dimensions were tested for its manifestation of the level of satisfaction received and perceived by customers. Similarly, the test of significant difference reflects the market segmentation. This allows the rural banks to provide focused and customized services to different market segments.

Based on the tangibility dimension, rural banks have a pleasant atmosphere, a good ambiance, and adequate physical facilities. The majority of clients were pleased with the bank's services; they felt at ease when entering the building. It was also revealed that the bank had a nice reception desk. Furthermore, the bank's equipment is adequate and visible for client use. However, the bank has effective promotional tools, such as pamphlets, which result in the lowest mean. Overall, the bank meets the client's satisfaction in terms of tangibility, and the result indicates that the rural bank's service quality was effective. According to Bateson and Hoffman (2016), the SERVQUAL tangible dimension compares consumer expectations to consumer perceptions of the firm's ability to manage its tangibles. The tangible of a company includes a wide range of objects such as architecture, design, layout, carpeting, desks, lighting, wall colors, brochures, daily correspondence, and the appearance of the company's personnel. The findings are similar to Aktharsha et al. (2013) that modern-looking equipment and visually appealing physical facilities improve customer service experience.

Based on the empathy dimension, the respondents' assessment was highly effective, with a composite mean of 3.59. The highest weighted mean of 3.67 indicates that employees clearly explain bank transactions, while the lowest weighted mean of 3.52 indicates that employees show consideration to clients. Overall, bank employees meet client satisfaction by providing quality service with empathy. According to Krznaric (2014), empathy has a reputation as a soft, feeling emotion. Many people associate it with everyday kindness, emotional sensitivity, and being gentle and caring toward others. Empathy, as a well-thought-out concept in the relationship marketing literature, is regarded as a significant variable for individual consideration among people (Jones & Shandiz, 2015; Lee et al., 2011; Markovic et al., 2015). Empathy is regarded as an essential component for fruitful employee and customer communications, which frequently lead to encouragement and pro-social and selfless behavior, particularly in the service literature (Aksoy, 2013; Daniels et al., 2014; Itani & Inyang, 2015).

In terms of reliability, the respondents' assessment showed highly effective services provided with a composite mean of 3.59. The highest weighted mean of 3.65 indicates that the bank is truthful, while the lowest weighted mean of 3.57 indicates that the bank's references are always available. Overall, the bank meets the expectations of its customers by providing high-quality services that are dependable. According to Goble (2010), reliability as a measure of success, serves as a likelihood that a device will be successful: that is, that it will perform its intended function satisfactorily when required to do so. According to service quality researchers, as indicated in the study of Johnson and Nilsson (2003), because of the nature of service production instead of goods production, reliability is relatively more important for services.

In terms of responsiveness dimension, the rating was highly effective with a composite mean of 3.53. The highest weighted mean of 3.60 indicates that bank employees are eager to assist their customers, while the lowest weighted mean of 3.47 indicates that bank employees complete the service on time. Overall, the bank meets client expectations by providing quality service in a timely manner. According to Verma (2012), it is client's concern whether employees of the company would be willing and ready to provide service promptly. Moreover, Robert and Wowor (2011) argue that tangibles and responsiveness can lead to customer satisfaction and repeat transactions. Customers who are treated well by employees in the organization will have a long-term positive impact on the organization's long-term survival.

In terms of bank's assurance of client safety, the respondents rated them highly effective. Furthermore, the clients confirmed that they feel secure when transacting with the bank. The highest mean of 3.69 is obtained by respondents who are satisfied that the bank ensures their safety while serving them. Employees who deal with clients confidently, on the other hand, obtain the lowest mean of 3.61. Overall, the bank meets the clients' expectations in terms of assurance. The result indicates that assurance is highly effective when it comes to the bank's service quality. According to Wu (2013), the ultimate fate of the enterprise in the market is governed by quality assurance. Quality assurance provides employee teams with systems, resources, and discretion tailored to their unique contribution to the organization to keep them up to date on the progress of quality management improvements.

Table 3 shows that there is no significant difference in respondents' assessments of the Rural Banks' service quality in terms of tangibility, empathy, reliability, responsiveness, and assurance when grouped by age. This implies that despite a large age difference among the clients, they have the same assessment of the bank's service quality dimensions. As such, there is no implied need for customized banking services by age group. Although rural banks offer banking services for children and teens, the majority of the customers transacting for them are the legal guardians. As such, rural banks provide same services across all age groups. The study of Lee et al. (2012) found that satisfaction level of senior citizens and younger customers differ. While there is statistical difference in level of satisfaction, there was no significant relationship between the customer level of satisfaction and perceived service quality. Similarly, Titko et al. (2021) found generation as an independent and significant predictor of service satisfaction.

Table 3

Differences on the Perceived Service Quality

Dimension	Computed F-Values	P-Values	Decision on Ho	Interpretation
Age				
Tangibility	2.17	0.061	Do not Reject	Not Significant
Empathy	0.838	0.525	Do not Reject	Not Significant
Reliability	0.504	0.773	Do not Reject	Not Significant
Responsiveness	2.054	0.075	Do not Reject	Not Significant
Assurance	1.698	0.139	Do not Reject	Not Significant
Sex				
Tangibility	0.022	0.982	Do not Reject	Not Significant
Empathy	3.812	0.000	Reject	Significant
Reliability	2.88	0.005	Reject	Significant
Responsiveness	2.643	0.010	Reject	Significant
Assurance	2.78	0.007	Reject	Significant
Civil Status				
Tangibility	2.158	0.096	Do not Reject	Not Significant
Empathy	0.936	0.425	Do not Reject	Not Significant
Reliability	1.214	0.307	Do not Reject	Not Significant
Responsiveness	1.711	0.167	Do not Reject	Not Significant
Assurance	1.27	0.287	Do not Reject	Not Significant
Monthly Income				
Tangibility	3.812	0.000	Reject	Significant
Empathy	2.78	0.004	Reject	Significant
Reliability	2.633	0.010	Reject	Significant
Responsiveness	2.68	0.007	Reject	Significant
Assurance	2.78	0.004	Reject	Significant
Services Availed				
Tangibility	3.812	0.000	Reject	Significant
Empathy	2.88	0.005	Reject	Significant
Reliability	2.643	0.010	Reject	Significant
Responsiveness	2.78	0.007	Reject	Significant
Assurance	3.11	0.001	Reject	Significant

When respondents are grouped by sex, there is a significant difference in their assessment of the Rural Bank's service quality in terms of tangibility, empathy, reliability, responsiveness, and assurance. The findings of Kim (2020) explained similarities and differences between male and female consumers’ perceptions of service quality, which involves male looking for limited dimensions while female considering more dimensions for satisfaction. For example, if male customers are focused on fast transactions with the bank, female customers include comfort, personalized service and enthusiasm of the bank employees. Similarly, Newell (2019) found gender bias in the buying and selling activities. For example, gender of the sales person does not seem to be a consideration for male buyers while female buyers consistently give less favorable evaluations to female sales people than male sales representatives. Liu et al. (2015) found that personal innovativeness has more positive impact on behavioral intention for males than for females while Snipe et al. (2006) found that males tend to rate the fairness of service encounters higher than females.

Furthermore, there is no significant difference in respondents' assessments of the Rural Bank's service quality in terms of tangibility, empathy, reliability, responsiveness, and assurance when grouped by civil status. As civil status does not correspond to an economic position, but rather to a social position (Rotman, 2009), this implies that civil status is not regarded when providing customized banking services. However, when respondents are grouped by monthly income, there is a significant difference in their assessment of the Rural Bank's service quality in terms of tangibility, empathy, reliability, responsiveness, and assurance. This implies that social status of a person affects the perception on customer satisfaction. For this, Lawes et al. (2022) found that life satisfaction and income satisfaction significantly decreased for individuals affected by unemployment. Similarly, customers with lower income tend to rate their satisfaction much lower than those with higher income.

There is also a significant difference in respondents' assessments of the Rural Bank's service quality in terms of tangibility, empathy, reliability, responsiveness, and assurance when categorize by type of service availed. This clearly explains that the different services of the banks required different levels of personalized services. While other types of services required less customer interaction such as deposit and withdrawal, majority of the services need personalized approach such as opening an account, loan, complaints and corporate services. Hence, it becomes vital for service providers to meet or exceed their target customers' satisfaction with the quality of services they expect (Singh & Arora, 2011).

5. Conclusion

This study assessed the services of select rural banks by the 200 clients through SERVQUAL dimensions such as tangibility, responsiveness, reliability, empathy, and assurance. The descriptive method via a researcher-designed questionnaire gathered data treated with frequency count, weighted mean, T-Test, and F-Test (ANOVA).

The results showed the quality of service in terms of empathy, reliability, responsiveness, and assurance as highly effective. Furthermore, there is significant difference in view of quality service when grouped according to sex, monthly income and kind of service availed while there is no significant difference in view of quality service when grouped according to age and civil status. While the customers are satisfied with their banking experience, the banks need to consider personalized services by sex, social status and services offered. In addition, the banks could consider more branding and marketing tools, newspapers, and magazines and keeping references readily accessible and to maintain accurate and reliable information. Furthermore, banks could consider well-modernized equipment for improved services and enough marketing tools for clients to learn more about the bank's product features. On a small scale, providing additional seats and several printed materials like magazines, newspapers for the clients while waiting for their transactions.

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Is Self-Motivation linked to Job-related Factors? A Case Study of Teaching and Non-teaching Personnel

[1]Elaine M. Francisco, [2]Jherwin P. Hermosa & [3]Darwin D. Ofrin

Abstract

This study aims to determine the relationship between personal motivational factors and job-related factors as measure of employee satisfaction in the workplace. Through descriptive-correlational research design, a total of 100 teaching and non-teaching personnel of a state university were surveyed to determine their personal motivational factors and the job-related factors they consider to stay in their job. The result showed a positive relationship between various motivational factors such as health and wellness, rewards and recognition, peer support, work-life balance and work environment and the working environment factors including the workload and job description. In addition, the organization's role induces high level of motivation to the individual employees. It also shows that all of the motivation factors as well as the job-related factors truly motivate employees to work with satisfaction. The significant relationship exists on the input and output variables showed that health and wellness, rewards and recognition, fear, peer support, work life balance and work environment greatly help the respondents to understand better their roles performed in the organization.

Keywords: *self-motivation, job-related factors, job satisfaction, teaching and non-teaching personnel*

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About the authors:

[1]Corresponding author. Assistant Professor, Laguna State Polytechnic University San Pablo City Campus

[2]Instructor 1, Laguna State Polytechnic University San Pablo City Campus

[3]Associate Professor 2, Laguna State Polytechnic University San Pablo City Campus

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1. Introduction

Motivation directs workplace control, behavior and performance. Employee motivation has been a famous area of research as applied in various industries such as hospitality (Grenčíková et al., 2022; Ann & Blum, 2020; Lundberg et al., 2009; Malik & Ranga, 2021; Xu et al., 2022), manufacturing (Yoon & Choi, 2019; Rathor & Vikram, 2021; Bandyopadhyay, 2014; Vasileva & Datta, 2021), telecommunication (de Almeida, et al., 2016), service (Jacobs & Roodt, 2019; Geng et al., 2018), construction (Soliman & Altabtai, 2021; Ruthankoon & Olu Ogunlana, 2003), health and safety (Ilea et al., 2020; Ju, 2020; Abu, 2019). While majority of these studies provide diverse motivational factors, the commonality of workplace environment as a motivating factor is of great interest. Similarly, the nature of job itself as a source of drive to perform the task is deemed necessary for proper evaluation of employee motivation (Hur & Bae, 2021). Many studies pointed various factors on employee motivation, however, satisfaction on the job and the working environment are two most common factors (Zakaria & Che, 2022; Bui & Footner, 2016; Hur & Bae, 2021; Sihag, 2016; Akhtar et al., 2014; Amir & Cuma, 2020). According to Froman (2010), healthy environment makes a productive team.

Educational institutions boost high motivation among its employees (Rao, 2016; Parkes & Daniel, 2013; Smela et al., 2019) which is mainly anchored on personal efficacy, interest in the task, and effort placed on teaching responsibilities (Almeida et al., 2021). One of the educational implications in motivation is that employees also need to be motivated so that they will perform their job effectively. Motivation is a strong driving force to behavior; people need to be well motivated. Sometimes, incentives may be used to reinforce motivation (Ashraf & Jack, 2014; Mustafa & Ali, 2019; Wolff et al., 2005; Tumi et al., 2022). However, most studies proved non-monetary rewards highly motivate employees in the higher education and other industries (Sureephong & Dahlan, 2020; Meyer et al., 2022; Mustafa & Ali, 2019; Low & Robertson, 2006; Markova & Ford, 2011; Longden & Throsby, 2021). While the success of every organization is dependent upon the employee's work performance, the best way to ensure employees commitment and loyalty is through motivation. If employees are highly motivated, they get fully satisfied with their job (Sudiardhita et al., 2018; Rahim & Jam'an, 2018; Christofer et al., 2022; Idris & Wahyudi, 2021; Kaseger et al., 2021; Juli, 2021) and work performance, efficiency and productivity levels increase (Strauss et al., 2017; Razak et al., 2018; Sadiartha & Suartina, 2019; Said et al., 2022).

Personal productivity is an on-going process that heightens further as you acquire the right mind set and attitude necessary for a motivated work ethic.

Motivation requires discovering and understanding employee drives and needs, since it originates within an individual. Motivation is necessary in all aspects of life, in business, in industry, in government, in politics and in the home. For instance, the salesman needs to motivate the perspective customers so that they will buy what he is selling. The politicians motivate the electorate so that they will vote for him. The employer needs to motivate the employees so that they will work efficiently. Even the members of the family have to be motivated as to the proper behavior expected of them. Motivation is an inner state of need or desire that activates an individual to do something that will satisfy that need or desire. Because motivations derive from need or desires internal to the individual, others cannot “motivate” an individual but must manipulate environmental variables that may result in an increase or decrease of motivation. Motivators exist on a continuum from intrinsic to extrinsic, describing the relationship of the goal to the activity necessary to secure it. Intrinsic motivators are goal and activity related; while extrinsic have little relationship to the goal or task.

Both types of motivators can be effective. Intrinsic motivators have the advantage of constancy; in other words, once an individual identifies the activity necessary to achieve the goal, it remains constant. Extrinsic motivators, on the other hand, involve prior assessment of the environment each time in order to determine the activity needed to achieve the desired end. But if an individual is unable to identify the necessary “trigger” activity, extrinsic motivators are the logical first-step. Thus, putting the employees’ welfare on top of its priorities, the Laguna State Polytechnic University system revitalized its employees program during the pandemic. A special program for all the teachers and employees was launched to ensure physical and mental fitness. This is also in response to the Civil Service Commission memorandum order 38 series of 1992 on physical and mental fitness and sports development program. As the University aims to sustain maximum productivity in the employees’ performance of responsibilities, the programs were initiated. Thus, this study was conducted in cognizance with the aim of the University to gather fundamental data on the motivational factors and satisfaction of the employees.

Within the context of employee motivation, this study assessed the self-motivational factors of academic and non-academic employees in a state university in the Philippines through various factors such as health and wellness, rewards and recognition, fear, peer support, work-life balance and work environment. Similarly, it also assessed the various job-related factors such as ambiguity, responsibility, relationship at work and career development. This study postulates that self-motivational factors and job-related factors have no significant relationship.

2. Literature review

2.1. Motivational factors

According to Golzadesh (2001), human beings, whether in industrial or business organizations are one of the important factors for the attainment of the organizational goals. As such, motivating factors inside humans must be recognized in order to enhance efficiency and productivity and then embark on satisfying their needs to improve their efficiency. In addition, all authorities in the field of management regard motivation as a complex behavior and thus with a multidimensional nature. As a result, the understanding and the application of motivation is dependent on the knowledge and skills needed to apply it.

Awareness of motivation as the cause of the activities and behaviors done by the organizational members is of high significance for all managers. The explorations of motivation provide answers to questions dealing with human behavior. For instance, some people are active while some are inactive. Managers must be aware of the reasons for job interest/disinterest. The answers to these issues can be found in employees' motivation and their motives. Therefore, managers can take easily some actions to fulfil organizational goals in cooperation with the employees and successfully perform their other roles by gaining mastery on how to motivate employees. Accordingly, making employees satisfied and getting them more interested in their job as well as the fulfilment of organizational goal is of vital importance. If the reasons for employees' dissatisfaction become clear it is possible to make more efforts to enhance their working conditions and make them more satisfied since when people feel satisfaction with their jobs they will unconsciously perform their job more carefully and they will be pleased by doing so.

2.2. Employees Satisfaction

Weiss (2012) argued that job satisfaction is an attitude anchored on the cognitive evaluation which are affect (emotion), beliefs and behaviors. This definition suggests that employees form attitudes towards their jobs by taking into account their feelings, beliefs, and behaviors. One of the biggest preludes to the study of job satisfaction was the Hawthorne studies. These studies (1924- 1933), primarily credited to Elton Mayo of the Harvard Business School, sought to find the effects of various conditions on workers' productivity. These studies ultimately showed that novel changes in work conditions temporarily increase productivity called the Hawthorne Effect. It was later found that this increase resulted, not from the new conditions, but from the knowledge of being observed.

Job satisfaction can be influenced by various factors within the work environment, including wages, working hours, employee autonomy, organizational structure, and communication between employees and management (Lane et al., 2010). For instance, Arnetz (2013) argues that most employees have issues with their supervisor, who does not treat them with respect. Additionally, supervisors exhibit abusive behaviors toward employees, making them uncomfortable sharing excellent and innovative ideas with their supervisors. Similar scenarios like top management confines employees to their assigned tasks rather than instilling a sense of responsibility through teamwork to achieve high performance.

There are several studies on the relationship between work environment and job satisfaction worldwide in different contexts over the years. The study is gaining more and more critical with time because of its nature and impact on society. For example, the findings of a Danish study suggest that a firm can increase its productivity by improving physical dimensions of the work environment (internal climate) and may positively impact firms' productivity (Buhai et al. 2018).

Herzberg et al. (1959) as cited by Jielye (2014) developed a motivational model for job satisfaction, which emphasized that job-related factors can be divided into two categories: hygiene factors and motivation factors. Hygiene factors can not cause satisfaction but can change dissatisfaction into no dissatisfaction or short-term motivation. In contrast, motivational factors have a long-lasting effect as they raise positive feelings towards the job and convert no dissatisfaction into satisfaction. In the absence of hygiene factors (working conditions, supervision quality and level, the company policy and administration, interpersonal relations, job security, and salary), the employee's chances of getting dissatisfied increase. Baah and Amoako (2011) described that the motivational factors (the nature of work, the sense of achievement from their work, the recognition, the responsibility that is granted to them, and opportunities for personal growth and advancement) help employees to find their worth concerning value given to them by the organization. Further, this can increase employees' motivational level, ultimately raising employees' internal happiness and cause satisfaction.

3. Methodology

The study utilized the descriptive correlational type of research to determine the possible relationship between the motivational and job-related factors.

The study used quota sampling on the 100 teaching and non-teaching personnel of a state university in the Philippines. Due to the COVID-19 restrictions, the sample was chosen from a single campus. Any university staff who consented on the survey was automatically included in the sample. All the employees were considered for the sample selection.

The study used a researcher-made survey questionnaire, which was validated by experts and underwent pilot testing. The questionnaires were pre-tested to twenty (20) front-liners which are not part of the actual respondents of the study. The survey was divided into two parts: motivational factors and job-related factors. The motivation factors were assessed using the following indicators: health and wellness, rewards and recognition, fear, peer support, work-life balance and work environment. Meanwhile, the job-related factors were ambiguity, responsibility, relationship at work and career development. Each indicator has eight statements rated using a 5-point Likert scale.

Due to the current pandemic restrictions, the survey was conducted online. The Google Form link was sent to the respondents' email and social media accounts. The retrieval of the forms was carried out a week after the distribution until the quota sample of 100 was reached.

The study used frequency, weighted mean, and Pearson Product Moment Correlation Coefficient as statistical tools to analyze the data.

4. Results and Discussions

Table 1 shows the summary of the respondents' motivational factors on their current job position. The detailed assessments of the various indicators are shown in the Appendix.

As per the self-assessment of the respondents, the work environment is the greatest motivational factor with an overall mean of 4.55, interpreted as 'highly motivational.' Meanwhile, fear has the lowest overall mean of 4.25 which is "motivational." The results showed that the various motivational factors are influential to the job satisfaction and retention. The work environment contributed much to the personnel's desire to stay on their current position at the university.

Table 1

The Personal Motivational Factors

Indicators	M	SD	VI
Health and Wellness	4.33	0.71	Motivational
Rewards and Recognition	4.43	0.73	Motivational
Fear	4.25	0.74	Motivational
Peer Support	4.37	0.71	Motivational
Work-life Balance	4.44	0.64	Motivational
Work Environment	4.55	0.56	Highly Motivational

Legend: *1.00-1.49 Highly not motivational; 1.50-2.49 Not Motivational; 2.50-3.49 Moderately Motivational; 3.50-4.49 Motivational; 4.50-5.00 Highly Motivational*

It implies that even with the pandemic restrictions and the work-from-home arrangements, the personnel still consider the health and wellness programs of the university as a necessity to stay and be satisfied with their job. Similarly, Kitani (2014) emphasizes that employees look to their employers to foster a workplace culture of health and well-being. The employees find it necessary to start a culture of health and wellness because of the current work environment. This implies two areas: the work environment seems positive to health and wellness program as manifested by more employees joining the various activities hosted by the university and the work environment promotes inactivity that makes employees find some actions and activities.

Table 2 shows the perception of the employees on the various job-related factors affecting their satisfaction and retention.

Table 2

The Job-related Motivational Factors

Indicators	M	SD	VI
Ambiguity	4.25	0.53	Relevant
Responsibility	4.44	0.55	Relevant
Relationship at Work	4.53	0.51	Highly Relevant
Career Development	4.35	0,70	Relevant

Legend: *1.00-1.49 Highly not motivational; 1.50-2.49 Not Motivational; 2.50-3.49 Moderately Motivational; 3.50-4.49 Motivational; 4.50-5.00 Highly Motivational*

Table 2 shows that the relationship at work with the highest overall mean of 4.53 was ‘highly relevant’ while ambiguity, with the lowest mean of 4.25, was only ‘relevant.’ It implies that the employees are motivated to work if relationships at work is healthy, and the employer provides career development for the staff. In addition, the employees' responsibility and role ambiguity make them stay motivated. According to Hartenian et al. (2011), role ambiguity refers to the discrepancy between expected and perceived roles or the lack of role clarity. Meanwhile, clarity of role is defined as the extent to which an employee's role is communicated and understood clearly. Boles et al. (2013) found that perceived lack of clarity precedes role ambiguity in studying the relationships between role conflict, role ambiguity, work-family conflict, and various facets of job satisfaction. With the study results, the employees seem somewhat unclear of their exact role and job description.

Table 3

Test of Correlation between Motivational Factors and Role in the Organization

Personal Motivational Factors								
Health & Wellness	.682**	.536**	.550**	.378**	.604**	.218**	.226**	.386**
Rewards & Recognition	.702**	.623**	.547**	.346**	.583**	.132*	.160*	.392**
Fear	.633**	.559**	.492**	.441**	.516**	.159*	.174**	.336**
Peer support	.630**	.585**	.566**	.402**	.601**	.143*	.165**	.452**
Work-life-balance	.684**	.648**	.605**	.425**	.661**	.158*	.202**	.462**
Work Environment	.558**	.594**	.540**	.348**	.509**	0.070	.163*	.474**
Job-related Motivational Factors								
Role Ambiguity	.517**	.565**	.555**	.473**	.583**	.263**	.228**	.459**
Responsibility	.686**	.756**	.689**	.424**	.701**	.186**	.201**	.623**
Relationship at Work	.559**	.686**	.582**	.392**	.648**	0.086	.140*	.614**
Career Development	.700**	.631**	.583**	.423**	.604**	.131*	.182**	.413**

***. Correlation is significant at the 0.01 level (2-tailed). *. Correlation is significant at the 0.05 level (2-tailed).*

Findings shown in table 3 reject the null hypotheses as evidence by the obtained r-value for each parameters of motivational factors and job-related factors which were found significant at the 0.01 r- 0.05 level which are indicated by the double asterisk (**) and single asterisk, respectively. This means that all motivation factors as well as the job-related factors are related in increasing the job satisfaction of the employees. The significant relationship existing between the variables implies that, health and wellness, rewards and recognition, fear, peer support, work life balance and work environment greatly help the employees to understand better their job roles and descriptions.

Kong and Li (2018) also found that proactive personality was significantly and positively related to the teachers' behavior. This suggests that personality (as job-related factor) and the way teachers see their job influence their behavior towards their job. The positive association suggests that as the drive to love their job increases their perception towards their function and job description also increases. Similarly, Wong and Ladkin (2008) indicated a relationship between creativity and job-related motivators. Intrinsic job-related motivators which include opportunity for advancement and development, loyalty to employees, appreciation and praise of work done, feelings of being involved, sympathetic help with personal problems and interesting work, are found to encourage the employees' risk-taking behavior.

5. Conclusion

This study found a strong positive correlation between the personal motivational factors and job-related motivation factors. In the case of the teaching and non-teaching personnel, their self-motivation is strongly linked to the various job-related factors. Hence, as the desire for their job increased, their perception of their role in the organization also increases. This explains the pattern of retention of most of the respondents. For instance, their high personal desire for the work environment that motivates them to come to work also induces them to look at their role positively thereby increasing their job satisfaction. These non-monetary motivational factors are highly regarded as job motivators.

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Appendices

Appendix A

Distribution of the Respondents as to Length of Experience and Age.

	Length of Experience						
Age	1 year and below	2 - 5 years	6 - 10 years	11 - 15 years	16 - 20 years	21 years and above	**Total**
21 to 25	12	35	0	0	0	0	47
26 to 30	2	21	5	0	0	0	28
31 to 40	4	29	28	18	2	0	81
41 to 50	0	10	11	6	11	12	50
51 to 60	1	6	5	5	1	18	36
older than 60	0	0	0	1	1	6	8
Total	19	101	49	30	15	36	250

Appendix B

Distribution of the Respondents as to gender, civil status and educational attainment

	Civil Status				Educational Attainment				
Gender	Single	Married	Divorced	Widowed	Doctorate degree	Masters with PhD/EdD units	Masters	Bachelor with masters' units	Bachelor's degree
Male	60	58	1	0	23	7	34	21	34
Female	56	68	1	6	24	5	56	17	29
Total	116	126	2	6	47	12	90	38	63

Appendix C

Distribution of the Respondents as to Income and Status of Appointment.

	Income						Status of Appointment			
Educ. Attainment	7001 - 11000	11001 – 15000	15001 - 19000	19001 - 23000	23001 - 27000	27001 and above	Permanent /Regular	Part-timer	Job order	Contractual
Doctorate degree	0	0	3	4	8	32	44	1	1	1
Masters with PhD/EdD units	1	1	2	0	2	6	9	3	0	0
Masters	2	3	6	20	36	23	66	23	1	0
Bachelor with master's units	1	4	12	14	5	2	5	32	0	1
Bachelor's degree	5	11	19	17	8	3	5	49	2	7
Total	9	19	42	55	59	66	129	108	4	9

Appendix D

Respondents Perception on Motivation Factors in terms of Health & Wellness

The health and wellness activities in the University…	**Mean**	**SD**	**Interpretation**
1. help me regain my vigor and stamina.	4.30	0.83	Motivational
2. make me feel relax and free spirited	4.32	0.81	Motivational
3. widened my social sphere	4.27	0.85	Motivational
4. develop my ability to deal with different people and different situation	4.30	0.81	Motivational
5. taught me to live healthy lifestyle	4.38	0.81	Motivational
6. improve my physical appearance	4.24	0.84	Motivational
7. built my self confidence	4.37	0.76	Motivational
8. boost my morale and self-worth	4.41	0.75	Motivational
Overall	**4.33**	**0.71**	**Motivational**

Appendix E

Motivation Factors in terms of Rewards & Recognition

The *incentives and recognitions provided by the institution…*	**Mean**	**SD**	**Interpretation**
1. push me to work hard and do my responsibilities to the best of my ability	4.45	0.77	Motivational
2. help me to recognize my self-worth / self-efficacy	4.44	0.79	Motivational
3. help me feel that I am valued and appreciated	4.40	0.83	Motivational
4. inculcate the value of professionalism and advancement	4.43	0.77	Motivational
5. inspire me to work forward and be more cooperative in accomplishing the goals of the institution.	4.47	0.79	Motivational
6. develop my ability to finish a goal established.	4.46	0.77	Motivational
7. provide an environment where diverse individuals can work together effectively and happily to achieve the common goals.	4.40	0.80	Motivational
8. make me realized the vital role of the support of authority to make decision necessary to accomplish the tasks.	4.42	0.79	Motivational
Overall	**4.43**	**0.73**	Motivational

Appendix F

Motivation Factors in terms of Fear

The fear of not providing quality service…	**Mean**	**SD**	**Interpretation**
1. makes me more conscious to prevent mistakes.	4.12	0.83	Motivational
2. inspires me to meet the expectation of my superior.	4.25	0.80	Motivational
3. motivates me to get along well with supervisors and colleagues	4.23	0.86	Motivational
4. drives me to improve my ability and skills to cope up with the changes brought about by the new technology.	4.28	0.87	Motivational
5. helps me to become aware of being physically fit to perform well and be secured in my position.	4.22	0.84	Motivational
6. serves as challenges to pursue my professional advancement	4.31	0.81	Motivational
7. helps me to fully utilize my skills and abilities in the organizations.	4.26	0.81	Motivational
8. stimulate me to exert extra effort to deliver my tasks/responsibilities to the best of my ability.	4.29	0.79	Motivational
Overall	**4.25**	**0.74**	Motivational

Appendix G

Motivation Factors in terms of Peer Support

The support provided by my peers/friends …	**Mean**	**SD**	**Interpretation**
1. influences me to work well with my colleagues / group.	4.38	0.76	Motivational
2. helps me understand the importance of collaboration in terms of decision making.	4.43	0.77	Motivational
3. helps me to avoid rejection among members or co-members.	4.28	0.80	Motivational
4. inspire me to do my task with my colleagues and be productive member of the group	4.39	0.78	Motivational
5. encourage me to please my groupmate and colleagues.	4.24	0.84	Motivational
6. motivates me to be more optimistic in life despite problems.	4.41	0.80	Motivational
7. allows me to appreciate the value of teamwork.	4.46	0.76	Motivational
8. develops my sense of being altruistic.	4.34	0.78	Motivational
OVERALL	**4.37**	**0.71**	Motivational

Appendix H

Motivation Factors in terms of Work – Life Balance

The balance between life and work that I maintain …	**Mean**	**SD**	**Interpretation**
1. boosts my desire to be more productive in my work	4.43	0.68	Motivational
2. strengthens my desire to excel in my work.	4.46	0.66	Motivational
3. inspires me to finish my work ahead of time.	4.42	0.71	Motivational
4. helps me to rise from negative situation.	4.41	0.77	Motivational
5. serves as challenges to be a better employee.	4.46	0.70	Motivational
6. motivates me to take care of my health.	4.45	0.76	Motivational
7. allows me to value my mental health as with my physical health.	4.48	0.72	Motivational
8. helps me to develop a personal work life balance plan.	4.42	0.77	Motivational
Overall	**4.44**	**0.64**	Motivational

Appendix I

Motivation Factors in terms of Work Environment

As employee I am motivated to deliver my duties/responsibilities in work environment…	**Mean**	**SD**	**Interpretation**
1. that is conducive to work with colleagues and superiors.	4.56	0.62	Highly Motivational
2. when the employees are working collaboratively for a common goal	4.58	0.62	Highly Motivational
3. when there is functional and available equipment or tools for doing work.	4.50	0.67	Highly Motivational
4. that is fair and just in dealing with all employees regardless of status in life	4.57	0.63	Highly Motivational
5. that assures security and safety of the employees.	4.57	0.66	Highly Motivational
6. that offers equal opportunities and privilege to all employees.	4.56	0.67	Highly Motivational
7. there is a good lighting and ventilation in the workplace.	4.45	0.71	Highly Motivational
8. that allows freedom in working and heard queries of the employees	4.58	0.61	Highly Motivational
Overall	**4.55**	**0.56**	Highly Motivational

Appendix J

Role in Organization in terms of Role Ambiguity

Indicators	**Mean**	**SD**	**Interpretation**
1. I am sure on how much authority I have.	4.33	0.75	Relevant
2. The aims of my job is clear.	4.58	0.62	Highly Relevant
3. I know what my responsibilities are.	4.70	0.54	Highly Relevant
4. I know what my expectation in the organization.	4.55	0.65	Highly Relevant
5. I know exactly what is expected of me.	4.50	0.68	Highly Relevant
6. I must do things that should be done in different ways.	4.29	0.80	Relevant
7. I work on unnecessary things.	3.34	1.34	Moderately Relevant
8. I do things which are not part of my job descriptions.	3.68	1.20	Relevant
Overall	**4.25**	**0.53**	**Relevant**

Appendix K
Role in Organization in terms of Responsibility

Indicators	Mean	SD	Interpretation
1. relate my feeling with what I think, do and say and how I perform.	4.22	0.82	Relevant
2. am mindful of the values and goals which guide me.	4.61	0.60	Highly Relevant
3. am able to manage my impulsive feelings and distressing emotions well.	4.36	0.77	Relevant
4. am conscious of the emotion that I feel and why.	4.41	0.75	Relevant
5. reflect, gain perspective about me and learn from experience.	4.51	0.65	Highly Relevant
6. have a positive sense and of self-worth and capabilities.	4.54	0.68	Highly Relevant
7. am organize and careful in my work.	4.41	0.67	Relevant
8. am decisive, able to make sound decisions.	4.42	0.65	Relevant
Overall	**4.44**	**0.55**	**Relevant**

Appendix L
Role in Organization in terms of Relationship at work

Having a good work relationship helps me to…	Mean	SD	Verbal Interpretation
1. take full responsibility for the consequence of my action.	4.63	0.55	Highly Relevant
2. practice independent thinking and critical analysis.	4.54	0.59	Highly Relevant
3. believe that self-confidence, industry, and persistence are more important than mere luck.	4.60	0.60	Highly Relevant
4. respond to constructive criticism positively.	4.52	0.64	Highly Relevant
5. always consider delaying of work a major cause for frustrations and failures.	4.18	0.93	Relevant
6. involve myself in helping or being in service to people.	4.57	0.62	Highly Relevant
7. totally commit myself in doing the assigned job/task.	4.61	0.59	Highly Relevant
8. show initiative and demonstrate interest in work.	4.57	0.63	Highly Relevant
Overall	**4.53**	**0.51**	**Highly Relevant**

Appendix M
Role in Organization in terms of Career Development

Indicators	Mean	SD	Verbal Interpretation
1. the school management give importance to strategic training of employees.	4.31	0.85	Relevant
2. the school provides career enrichment programs.	4.30	0.84	Relevant
3. employees are encouraged to participate in training to improve skills.	4.44	0.72	Relevant
4. The school motivates me to perform well in my chosen career.	4.38	0.81	Relevant
5. The institution provides me opportunity to take a role in school leadership.	4.26	0.88	Relevant
6. the trainings provided are sufficient for everyone.	4.18	0.92	Relevant
7. The institution encourages post-graduate studies.	4.48	0.72	Relevant
8. degrees earned is valued in the institutions as reference for promotion.	4.44	0.77	Relevant
Overall	**4.35**	**0.70**	**Relevant**