Performance Of Shoe Export Firms Located In Agra Cluster: An Empirical Study With Reference To Certain Environmental Factors

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ABSTRACT
The aim of the investigation is to study the influence of environmental factors on the performance of Shoe export firms located in Agra cluster. Descriptive method was employed to study the influence of certain environmental factors (socio-cultural, economic, political and technological factors) on performance of of shoe export firms. Investigator selected five (05) reputed Shoe firms located in Agra cluster though purposive sampling method and through random sampling method, total 100 participants were selected as sample units in this study.Self made instruments were used for assessing the influence of environmental factors and another instrument was used for assessing the performance of Shoe firms. Data collected were analyzed using linear regression analysis. The findings of the analysisshows that the Environmental factors (Socio-cultural Economic, Political and Technological) significantly influenced the firm performance (market share, increase sales, profit and achievement of corporate goal etc). As a result, Firms should do routine environmental scans, especially when entering global markets.

Keywords: Environmental factors (socio-cultural, economic, political and technological factors) and Firm's performance

INTRODUCTION:
Modern businesses work in a more dynamic environment, particularly when doing business abroad. Particularly on the global market, the environmental factors (socio-cultural, economic, political and technological factors) often changed quickly and unpredictably. The environment both inside and outside of the organizations has the most profound impact on its policy and strategy. Exporting firms are commercial establishments that were specifically created to attain and complete specific objectives. Situations within the organization as well as its environment in which the enterprises operate have an impact on the operations of businesses. Currently, the complexity, turbulence, and speed of change in the exporting business are seen to be unmatched. Currently exporting business is perceived to have been rarely exceeded in complexity, turbulence and rapid in change, shoe and lather exporting firm

Considering that performance is a key goal of an organization, it is widely acknowledged that environmental complexity and volatility have an impact on how an organization is structured and makes decisions. As a result, business organizations saw opportunities as well as risks provided by socio-cultural, legal, pragmatic, economic, technological, and infrastructural issues in the external environment. However, this does not mean that other elements present in the micro (internal) and intermediate corporate environments are not significant. Given that the macro (external) environment has an impact on the other two environments; it is clear how crucial it is to scan the macro environment. It must be remembered that the management of the exporting firm requires enough attention in the midst of the environment scanning and taking into account the fast changing, which calls for the ways by which organizations may foresee future possibilities and difficulties.

The elements outside of an organization that are taken into account by a company in its decision-making, according to Duncan (1972), depend greatly on the complexity and dynamism of the environment.However, perceptions of the organizations about the type of the external business environment to a large extent depend on their size and industry in which it operates. Key domain of environmental factors are cited in the following manner-

Economic Environment:
According to Ogundele (2005), economic environment is a crucial issue for an organization. He continued by saying that the economic climate has a significant role in defining and determining the chances for an organization. This is because an expanding economy creates operating space for both existing organizations and the creation of new ones. However, a recessionary era may result in failures and maybe the organization's collapse.

Political Environment

The political context has a significant impact on the marketing strategies of multinational or global companies, whether they operate in their own country or abroad. This has to do with the current administration's business-related policies and attitudes. Governmental policies reflect not just their economic structure and development but also their ideological inclinations.

Socio-cultural Environment:

The social environment offers the foundation upon which interpersonal relationships are constructed as well as the way in which each relationship's structure and functions affect the operations of business organizations. The whole of a people's peculiar ideas, knowledge, morality, aesthetics, laws, conventions, ways of behaving, and habits can be referred to as their culture. Market culture, language, aesthetics, religious views, and education are examples of cultural components that directly influence marketing.

Technological Environment:

The ongoing growth of technology is one of the causes that is propelling globalization. Technology is the application of scientific theories to practical issues in industry. The notion of the innovation process, which has to do with the creation of new technologies, is the one that concerns marketing the most in this situation.

REVIEW OF RELATED LITERATURE:

In the light of present investigation, previous studies are cited with aim and brief methodology in the following manner-

Kurniawan and Hartati (2020) analyzed the relationship between knowledge sharing, absorptive capacity, ambidexterity, innovation capability and company's quality performance. This study uses mixed methods with the results of empirical study through the distribution of questionnaires to 150 business people in the creative industry and combined by interview result of creative industry entrepreneurs. The result showed that knowledge sharing had a positive and significant relationship with absorptive capacity and ambidexterity.

Chitauro, T. (2020) studied the factors affecting export performance of firms in the food and beverages manufacturing subsectors in Zimbabwe. The research has confirmed a positive relationship between the 4Ps, experience in international markets and commitment to exporting with export performance. Management's commitment to export, place, product and attractiveness of foreign markets have emerged as strong precursors for improvement in exporting by firms.

Gupta, S.K (2019) analyzed the progress of Indian leather industry in terms of individual factors and total factor productivity. Method-productivity analysis, spatial variations determinants in productivity and technology closeness ratio were employed in this study. Sample- assessed and compared the performance of Indian leather industry.The findings reveal that the firm size and partial factor productivities have significant positive correlation with TE which supports technological theory of the firm.

Singh, S (2018) examine the impact of major variables/factors affecting the export performance of leather and leather goods, strengths and weaknesses of Indian Leather Industry. The aim is to find out the ways to convert the weaknesses into strengths and the challenges into opportunities so as to improvise the leather export performance. The sample was covering two major citiesfamous for leather manufacturing and exports, i.e. Kanpur and Unnao districts of Uttar Pradesh, India. It was found that dedication to the company; activities of strategic planning, previous fundraising influenced the performance of firm.

Chen, J. et al (2016) synthesized and evaluated recent studies on determinants of export performance. Using a vote-counting technique this paper reviews 124 papers published between 2006 and 2014 to assess the determinants of export performance. Findings-the research of export performance is still limited by (1) a lack of synthetic theoretical basis, (2) inconsistent empirical test results (3) insufficiency in the research framework and statistical methodologies.

Bimir, M.N(2015) studied effects on performance because of corporate social responsibility in the leather and footwear sector. Findings show that firms' learning social responsibility is at emergence stage with the state and foreign market pressure as key motivators.

It is revealed from review of related literature that very few researches were conducted on factor affecting firm's performance and the present study is unique because it encapsulated a comprehensive environmental factors i.esocio-cultural environment, economic environment, political environment and technological environment and its impact of firm's performance. Thus, it is essential to carry an investigation which explores the influence of environmental factors on performance of Shoe export firms.

OBJECTIVES OF THE STUDY:

1. To study the influence of socio-cultural environment on performance of shoe export firms located in Agra cluster.
2. To study the influence of economic environment on performance of shoe export firms located in Agra cluster.
3. To study the influence of political environment on performance of shoe export firms located in Agra cluster.
4. To study the influence of technological environment on performance of shoe export firms located in Agra cluster.

HYPOTHESES OF THE STUDY:
1. There exists no significant influence of socio-cultural environment on performance of shoe export firms located in Agra cluster.
2. There exists no significant influence of economic environment on performance of shoe export firms located in Agra cluster.
3. There exists no significant influence of political environment on performance of shoe export firms located in Agra cluster.
4. There exists no significant influence of technological environment on performance of shoe export firms located in Agra cluster.

METHODOLOGY:
Descriptive method was employed to study the influence of certain environmental factors (socio-cultural, economic, political and technological factors) on performance of of shoe export firms located in Agra cluster.

SAMPLE UNITS:
In the present study, investigator selected five (05) reputed Shoe firms located in Agra cluster though purposive sampling method and through stratified sampling method, 20 participants were selected from each firm in this study. Thus, 100 participants were selected as sample units in this study.

INSTRUMENTS OF DATA COLLECTION:
The instrument for assessing the perception of personnel of Shoe firms towards influence of certain environmental factors on firm's performance was designed in the form of rating scale with five point rating scale (strongly agreed, agreed, undecided, disagreed and strongly disagreed) which focused the aim of the study. Following procedure of scoring was adopted i.e. 5 score for strongly agreed, 4 for agreed, 3 for undecided, 2 disagreed and 1 for strongly disagreed. It had 20 statements reflecting the influence of certain environmental factors (socio-cultural, economic, political and technological factors) on performance (market share, increase sales, profit and achievement of corporate goal etc)of shoe export firms. Responders were instructed to mention their response through selecting any one option in the form of strongly agreed, agreed, undecided, disagreed and strongly disagreed which shows the the perception of responders towards association of environmental factors with performance of Shoe firms. Another instrument was used for organizational performance which includes efficiency, effectiveness, increase in sales, achievement of short and long-term goals, and achievement of customer/client satisfaction.

STATISTICAL TECHNIQUES:
The analysis of quantitative data (collected through the survey) was done using most desired statistical technique i.e. Linear Regression Analysis for reflecting the association of environmental factor with performance of Shoe firms.

FINDINGS OF THE STUDY:
1. **To study the influence of socio-cultural environment on performance of shoe export firms located in Agra cluster.**

H_{01}: There exists no significant influence of socio-cultural environment on performance of shoe export firms located in Agra cluster

Table 1: Regression model for showing the association of socio-cultural environment and performance of Shoe firms

Variable	B-value	t-value	Sig.	R
Constant	130.12	42.12	p<0.01	-
Socio-cultural environment (X_1)	0.273	3.39	p<0.01	0.143
a. Dependent Variable: Organizational Performance (Y) **b. Predictor: Socio-cultural environment (X_1)**				
@ Regression equation: Y=130.12+0.273X_1, where X_1 (score of predictors) and Y (score of criterion variable)				

It is revealed from the table 1 that the coefficient of correlation between socio-cultural environment of firms and its performance was found 0.143 which is positive and significant at 0.01 level. Further the significant value of B-coefficient (B-value=0.273, t=3.39, p<0.01) between socio-cultural environment and performance of Shoe firms shows that there exists significant influence of socio-cultural environment on performance of shoe export firms. Thus, null hypothesis "There exists no significant influence of socio-cultural environment on performance of shoe export firms located in Agra cluster" is rejected at 0.01 level. The reason may be like as socio-cultural environment provides the framework upon which interpersonal relationships are built and how the structure and functions of each relationships impact on the activities of business organizations.

2. **To study the influence of economic environment on performance of shoe export firms located in Agra cluster.**

H_{02}: There exists no significant influence of economic environment on performance of shoe export firms located in Agra cluster

Table 2: Regression model for showing the association of economic environment and performance of Shoe firms

Variable	B-value	t-value	Sig.	R
Constant	128.77	39.64	p<0.01	-
Economic environment (X_2)	0.297	4.21	p<0.01	0.152
a. Dependent Variable: Organizational Performance (Y) **b. Predictor: Economic environment (X_2)** @ **Regression equation: Y=128.77+0.297X_2, where X_2 (score of predictors) and Y (score of criterion variable)**				

It is revealed from the table 2 that the coefficient of correlation between economic environment of firms and its performance was found 0.152 which is positive and significant at 0.01 level. Further the significant value of B-coefficient (B-value=0.297, t=4.21, p<0.01) between economic environment and performance of Shoe firms shows that there exists significant influence of economic environment on performance of shoe export firms. Thus, null hypothesis "There exists no significant influence of economic environment on performance of shoe export firms located in Agra cluster" is rejected at 0.01 level. It may be due to economic environment goes a long way to determine and define the opportunities for an organization and positively influence the performance of Shoe firms.

3. **To study the influence of political environment on performance of shoe export firms located in Agra cluster.**

H_{03}: There exists no significant influence of political environment on performance of shoe export firms located in Agra cluster

Table 3: Regression model for showing the association of political environment and performance of Shoe firms

Variable	B-value	t-value	Sig.	R
Constant	133.24	46.23	p<0.01	-
Political environment (X_3)	0.288	4.06	p<0.01	0.149
a. Dependent Variable: Organizational Performance (Y) **b. Predictor: Political environment (X_3)** @ **Regression equation: Y=133.24+0.288X_3, where X_3 (score of predictors) and Y (score of criterion variable)**				

It is revealed from the table 3 that the coefficient of correlation between political environment of firms and its performance was found 0.149 which is positive and significant at 0.01 level. Further the significant value of B-coefficient (B-value=0.288, t=4.06, p<0.01) between political environment and performance of Shoe firms shows that there exists significant influence of political environment on performance of shoe export firms. Thus, null hypothesis "There exists no significant influence of political environment on performance of shoe export firms located in Agra cluster" is rejected at 0.01 level. The reason of above findings may be determined as through the laws and regulations that direct the activities of the business in issue, the legal framework in which the organization operates is used to examine the political climate. Another prerequisite for the successful and efficient running of the firm is the political stability.

4. **To study the influence of technological environment on performance of shoe export firms located in Agra cluster.**

H_{04}: There exists no significant influence of technological environment on performance of shoe export firms located in Agra cluster

Table 4: Regression model for showing the association of technological environment and performance of Shoe firms

Variable	B-value	t-value	Sig.	R
Constant	154.24	51.49	p<0.01	-
technological environment (X_4)	0.253	3.89	p<0.01	0.138
a. Dependent Variable: Organizational Performance (Y) **b. Predictor: Technological environment (X_4)** @ **Regression equation: Y=154.24+0.253X_3, where X_4 (score of predictors) and Y (score of criterion variable)**				

It is revealed from the table 4 that the coefficient of correlation between technological environment of firms and its performance was found 0.138 which is positive and significant at 0.01 level. Further the significant value of B-coefficient (B-value=0.253, t=3.89, p<0.01) between technological environment and performance of Shoe firms shows that there exists significant influence of technological environment on performance of shoe export firms. Thus, null

hypothesis "There exists no significant influence of technological environment on performance of shoe export firms located in Agra cluster" is rejected at 0.01 level. It may be due to global technology influence the patterns of business and efficiency of organization, that why, technological environment is essential for growing the performance of organizations.

Conclusion:

It is concluded that environmental factors (socio-cultural, economic, political and technological factors)were found as significant predictors for performance of Shoe firms in which economic environmental factor play most vital role for enhancing the Firm's performance, it may be due to economic environment goes a long way to determine and define the opportunities for an organization and positively influence the performance of Shoe firms. In the same manner, another factor i.e. political factor identified as second most significant factor for predicting the outcomes of the Shoe firms located in Agra cluster. The reason may be as through the laws and regulations that direct the activities of the business in issue, the legal framework in which the organization operates is used to examine the political climate. Another prerequisite for the successful and efficient running of the firm is the political stability. In the similar manner Socio-cultural and technological factors were identified as significant factor for enhancing the performance of Firms and placed at third and forth key predictors for forecasting the Firm's performance.

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