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STRATEGIC MANAGEMENT ANALYSIS OF MACROECONOMIC FACTORS AFFECTING FINANCIAL PERFORMANCE IN INDIA'S VISUAL AND PERFORMING ARTS SECTOR

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ABSTRACT

This paper attempts to assess the strategic management worth of the macroeconomic forces on the economic performance of firms in the Indian visual and performing arts industry on the current economic circumstances. The research is the empirical test of the key macroeconomic variables including in this case, inflation rate, interest rate, GDP growth, exchange rate fluctuation, and government expenditure on arts so as to establish their contribution towards increased increment in revenue, profitability as well as financial sustainability of arts organizations. Through the secondary data sources which includes industry reports, government publications and the finance statements of the sampled firms and institutions the research will employ the use of statistical methods such as correlation and regression analysis in identifying the significant associations amongst the macroeconomic variables and the firm performances. The conclusions indicate that cost structure and financing availability would be significantly influenced by the inflation, fluctuating interest rates, whereas the demand and financial stability would be positively influenced by the GDP growth and government assistance. The study is also able to offer effective strategic results to the arts administrators and policymakers in a rapidly shifting economic framework so as to augment the strength, best economic planning, and reactive plans.

Keywords: Strategic Management, Macroeconomic Indicators, Financial Performance, Visual and Performing Arts, Arts Management, Creative Industries, India

1. INTRODUCTION

The Indian economy and culture has a special niche in the visual and performing arts sector as a significant source of creative expression, cultural preservation and continuity, and as a significant provider of employment, region tourism and development. The industry deals with culture and business, which involves various activities of theatre, music, dancing, movies, visual arts and exhibitions and allied creative businesses. During the past two years or so as the Indian economy evolved (along with globalization, digitalization, etc) the operating environment of the arts organizations in question shifted, compelling the latter to become more organized and strategic in their operations. It is interesting to

note that in comparison with more traditional manufacturing or service sectors, visual and performing arts organizations are prone to fluctuating revenues, high sensitivity of consumer spending, and disaster sensitivity to economic shocks, the latter being usually shrewd enough to respond to the latter. This has made the study of how the macroeconomic environment has impacts on the financial performance of managers, policymakers and stakeholders in the creative economy to be more pertinent.

The macroeconomic indicators involving the GDP development, rate of inflation, interest rate, variation of the rate of conversion and government expenditure give a conclusive measure on how the business will perform in the different sectors. Such indicators impact on the demand side and the supply side of activities in case of arts organizations. The economic growth rate also increases the disposable income and consumer confidence leading to more people participation in cultural activities and also spending more money in art, entertainment and cultural events. Conversely, a recession, inflation or high interest rates at any given time will most likely deter discretion products, reduce sponsorship and cost of operating hence, affects the financial sustainability negatively. The macroeconomic forces, affecting the arts sector image in the Indian context, are many-sided and multifaceted as the image of the arts sector in the Indian context is a combination of the public institutions, the business companies, the non-profit-making organizations, and the practitioners themselves on their own.

Strategic management has become a very significant tool in this weather since any organization in the arts sector must align its internal power with the external economic conditions in order to endure and survive financially. The visual arts and performing arts involve strategic management decision-making process in terms of resources allocation, pricing mechanisms, diversifying wisdoms in the field of funding, nurturing audiences, digitization, and risk management. Such managers in this industry are increasingly being made to be more prone to discern macroeconomic indicators and implementing them when developing the strategies. One such-way is that the inflationary pressures necessitate the administration of costs and the variety of novel revenue models, and the vagaries of interest rates have an influence on the borrowing practices and capital outlay in infrastructure, technology and talent development. Similarly, the exchange rate fluctuations affect the international joint venture, tourism and exportation of the Indian culture products to other markets.

The shifts in the industry have occurred due to changes which are seen within the Indian visual and performing arts industry in the modern economic state like the effects of world economic shocks, the shift in tastes and preferences of the consumers and the anticipated reliance on the internet platforms. Online streaming online exhibit and online performance has given chances to new revenues and sources, however, the competition has risen and the cost structures have altered. At the same time, the governmental initiatives to develop cultural heritage and creative sector as well as co-branding of soft power diplomacy have offered channels of financial support and capacity building at the institutional level. However, the magnitude of the conveyance of these macroeconomic and policy factors on to favorable financial performance is completely reliant on the strategic responses adopted by the organizations within the industry. This shows the importance of employing empirical research that studies that bind macroeconomic variables with the results at the firm level vis-a-vis financial results in a management perspective.

Despite the heightened sensitivity of creative economy in the national development, little empirical study has been conducted on the financial healthy operations of the visual and performing arts firms in India. The available literature is more preposed to cultural, sociological, or aesthetical considerations and disregard of strategic and economic reality in which arts managers had been permitting to perform. The ones that do look into economic variables are macro-level and descriptive, and do not give much information on how individual macroeconomic variables influence the financial variables of revenue growth, profitability, liquidity and financial resilience. Further, research quotient citing relationship in the strategic management paradigm simply does not exist or at least is limited, which is necessary to realize economic analysis into the management implications.

Respectively, the proposed research objectives to discourse this knowledge gap by undertaking a strategic management habitat of the macroeconomic variables that have an influence on the financial performance of companies in India visual in addition performing arts business. The research will aim at providing a holistic understanding of the role that environment of the external economy plays in determining organizational results through empirical studies of the association that occurs amongst key macroeconomic variables and financial performance measures. Hopefully, the results will be useful to the arts managers when improving their adaptational strategies, and enable the policymakers to create favourable economic and cultural policies, as well as contribute to the academic literature on the arts management and the economics of the creative industry. Lastly, the paper reflects also on the notion that we need strategic

management that is knowledgeable about the macro economical levels of understanding, in order to create financial feasibility and growth of the visual and performing arts industry in India, in the time of economic unpredictability and dynamism.

2. STATEMENT OF THE PROBLEM

Indian visual and performing arts sector also plays a critical role in the preservation of the cultural inheritance in India, in addition to assisting in the creation of job opportunities, tourism and creative economy. Nevertheless, organisations operating within this industry have remained to suffer financial issues, which can be explained by the inconsistency of the level of revenue collection, insufficiency of institutional funding, dependence on consumer spending, which is discretionary, and being vulnerable to economic changes. Financial performances of arts organizations have direct and indirect influence on inflation, interest rates, GDP growth, exchange rates turmoil and government expenditure because of the cost of running the industry, demand, availability of finances and investment decision.

However, notable lack of empirical research to study at length the consequence of these macroeconomic variables on the financial performance of visual and performing art company under the context of strategic management is very obvious in India. The available literature is rather focused on cultural, artistic, or policy factors and little has been done to determine financial performance elements and management responses to macroeconomic changes. This implies that in dynamic economic conditions, it is likely that the arts managers have insufficient evidence-based thoughts to formulate sustainable strategies that would keep their business or organization afloat in terms of finances and curb risks and uncertainties.

Similarly, therefore, the identified gap that gets addressed in the given paper is the distortion that lacks profound, empirical understanding on how the interrelation between the macroeconomic influences besides the financial performance of the companies in the Indian visual and performing arts sector and the way that the strategic management practices can be harmonized to obtain higher resilience and financial sustainability.

3. OBJECTIVES OF THE STUDY

The objectives outlined following were developed in relation to the current research.

1) To identify the key macroeconomic indicators affecting the visual and performing arts sector in India.
2) To examine the financial performance of firms operating in India's visual and performing arts sector.
3) To investigate the relationship between selected macroeconomic indicators and financial performance of arts businesses.
4) To evaluate the influence of current economic conditions on the financial sustainability of the sector.

4. METHODOLOGY

The research study presupposes descriptive and empirical research design in order to test the influence of macroeconomic indicators on financial performance of the companies of the industry of visual and performing arts in India with respect to strategic management perspective. Published financial statements of some of the selected firms, government publication, publications by reserve bank of India, Ministry of culture data and industry reports of the present economic conditions in recent few years have been chosen in the collection of secondary data. The main macroeconomic factors, such as GDP growth rate, inflation, interest rate, exchange rate and government cultural spending, have been considered where as such financial performance, as the revenue growth, profitability rate, liquidity and cost efficiency have been taken into account to determine the financial performance. The sample was selected using purposive sampling because it was required that the sample should give the representation of large visual and performing arts organizations. The relationship in the association of the macroeconomic indicators with the financial performance was also conducted using the multiple regression analysis, and the descriptive statistics. The findings were projected based on a strategic management with the aim of coming up with the managerial implications.

4.1. ANALYSES AND INTERPRETATIONS

1) Hypothesis

Designated macroeconomic variables have a noteworthy influence on the return on assets of organizations in India's visual and performing arts sector.

Model Summary [b]

			Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.368[a]	.135	.083	3.00443	.135	2.612	7	117	.015	1.738

a. Predictors: (Constant), GDPgowthrate, monetaryp

olicy, unemploymentrate, Inflation, exchangerate, economicgrowthrate, costofdebt

b. Dependent Variable: returnonassets

ANOVA [a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	165.042	7	23.577	2.612	.015[b]
	Residual	1056.110	117	9.027		
	Total	1221.152	124			

a. Dependent Variable: returnonassets

b. Predictors: (Constant), GDPgowthrate, monetarypolicy, unemploymentrate, Inflation, exchangerate, economicgrowthrate, creditrate

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	11.090	3.760		2.950	.004
	Creditrate	-.035	.089	-.039	-.390	.698
	Inflation	-.049	.055	-.080	-.890	.375
	economicgrowthrate	.331	.130	.244	2.537	.012
	Monetarypolicy	-.072	.072	-.089	-1.011	.314
	Unemploymentrate	-.147	.102	-.149	-1.449	.150
	Exchangerate	.006	.080	.006	.074	.941
	GDPgowthrate	-.058	.148	-.036	-.391	.697

a. Dependent Variable: returnonassets

The regression was conducted to know the influences of the selected macroeconomic factors on the asset (ROA) turnover of firms in the India visual and performing art market. The model summary showed that the independent variables have a medium correlation with ROA; the value of R observed was 0.368. The explanatory power of the selected macroeconomic variables can also be judged by the value of R square that has an estimated value of 13.5 percent in the variability of ROA and the actual value of Adjusted R2 that is 0.083 which reveals weak explanatory power because of the actual number of predictors. Durbin Watson (1.738) value indicates that the autocorrelation is not very high and the values of the regression can be relied on. The findings of the ANOVA indicate that the general regression model is statistically noteworthy ($F = 2.612$, $p = 0.015$) which designates that the total effect of macroeconomic variables on ROA is significant.

By the analysis of the coefficients, it indicates that the economic growth rate (Beta = 0.244, $t = 2.537$, $p = 0.012$) is the positive and statistically significant macroeconomic variable which affects ROA, therefore, the best performance of the visual and performing arts industry is the income of the economy. Other factors such as inflation, credit rate, monetary policy, employment rate, conversion rate and the growth rate of GDP have no statistically significant effect on ROA although the coefficients reveal both directional effects. Overall, the findings support the alternative hypothesis that

the correlation between the macroeconomic factors plays an important role in calculating ROA and the regression rate appears to be the most influential variable that is used to influence the financial performance in the industry.

2) Hypothesis

Designated macroeconomic variables have a significant influence on the return on equity of firms in India's visual and performing arts sector.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.354[a]	.125	.073	2.33092

a. Predictors: (Constant), GDPgowthrate, monetarypolicy, unemploymentrate, Inflation, exchangerate, economicgrowthrate, costofdebt

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	91.227	7	13.032	2.399	.025[b]
	Residual	635.685	117	5.433		
	Total	726.912	124			

a. Dependent Variable: Returnonequity

b. Predictors: (Constant), GDPgowthrate, monetarypolicy, unemploymentrate, Inflation, exchangerate, economicgrowthrate, costofdebt

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	10.657	2.917		3.654	.000
	costofdebt	.035	.069	.050	.500	.618
	Inflation	.073	.042	.156	1.729	.086
	economicgrowthrate	.034	.101	.032	.334	.739
	monetarypolicy	-.095	.056	-.151	-1.711	.090
	unemploymentrate	-.189	.079	-.249	-2.395	.018
	exchangerate	.056	.062	.080	.905	.367
	GDPgowthrate	.106	.115	.084	.920	.360

a. Dependent Variable: Returnonequity

It was done as multiple regression to scrutinize the impacts of the specified macroeconomic variables with the level of returns to equity (ROE) of the companies in India painting and performing arts industry. In the model summary, it can be seen that the independent variables are moderately related to ROE as the R value stands at 0.354. The values of R2 that are 0.125 means that 12.5 percent of the variation in ROE can be elucidated by the selected macroeconomic variables and Adjusted R2 that equals 0.073 means that the predictors have a low explanatory power. The outcome of ANOVA reveals that the aggregate regression equation should be considered as statistically significant ($F = 2.399$, $p = 0.025$) which shows that the influence of macroeconomic variables in the regression equation in one group may have a considerable effect on ROE which in turn proved the given hypothesis.

The results of coefficient estimates designate a statistically noteworthy negative effect of the unemployment rate on the ROE (beta= -0.249, $t = -2.395$, $p = 0.018$) and indicate that the greater the result produced by a given consumer, the lower shareholders receive, and that consumer demand of less and economy overall has a negative effect on the arts industry. The inflation and monetary policy variables are slightly influential that the costs and financing conditions pressure can be faced and it can affect the equity returns. The rest of the variables include the cost of debt, the rate of economic growth, the exchange, and the growth in GDP and none of them are significant with the individually identified effect on ROE. Overall, it can be found that an aggregate of macroeconomic variables has a considerable influence on the rate of return on equity; though, under the current economic climate, unemployment is overpowering in the visual and performing arts sector in India, to ascertain equity profitability.

3) Hypothesis

Designated macroeconomic variables have a significant influence on the earnings per share of firms in India's visual and performing arts sector.

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.501[a]	.251	.207	2.61898	.251	5.614	7	117	.000	1.463

a. Predictors: (Constant), GDPgowthrate, monetarypolicy, unemploymentrate, Inflation, exchangerate, economicgrowthrate, costofdebt

b. Dependent Variable: earningpershare

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	269.537	7	38.505	5.614	.000[b]
	Residual	802.511	117	6.859		
	Total	1072.048	124			

a. Dependent Variable: earningpershare

b. Predictors: (Constant), GDPgowthrate, monetarypolicy, unemploymentrate, Inflation, exchangerate, economicgrowthrate, costofdebt

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6.064	3.277		1.850	.067
	costofdebt	.030	.078	.035	.380	.705
	Inflation	.069	.048	.121	1.451	.149
	economicgrowthrate	.439	.114	.345	3.861	.000
	monetarypolicy	-.197	.063	-.258	-3.153	.002
	unemploymentrate	.250	.089	.271	2.821	.006
	exchangerate	-.162	.069	-.192	-2.340	.021
	GDPgowthrate	-.046	.129	-.030	-.355	.723

a. Dependent Variable: earningpershare

The regression model adopted was multiple regression, which intended at beginning the association amongst the amount of each of the selected macroeconomic variables and the earnings per share (EPS) of the companies contained within the Indian visual and performing arts industry. The independent and dependent variables (as depicted in the model summary) are closely related to EPS and the R value is 0.501. The R2 value is presented as 0.251 and implies that the percentage of the change in the EPS explained by the chosen macroeconomic variables is equal to 25.1 and the Adjusted R2 equals 0.207 and means that one can speak about the reasonable good explanatory power, given the number of predictors. The Durbin-Watson has the value 1.463, which suggests that there is no autocorrelation in the residues that is acute. According to the results of ANOVA, total regression model significance ($F = 5.614$, $p = 0.000$) is associated with the assumption that macroeconomic variables affect the EPS significantly.

According to the coefficient analysis, the economic growth rate has a constructive and statistically noteworthy effect on the EPS (Beta = 0.345, $t = 3.861$, $p = 0.000$) that means that, the greater the level of economic conditions the advanced the profitability per share in the visual and performing arts industry. Monetary policy and exchange rate have some tore effects on the EPS that suggest the tightening of monetary policy and adverse exchange rate changes are correlated with low earnings. There is a high positive association amongst the rate of unemployment and EPS which is an industry specific factor which involves adjustments of costs or restructuring of sectors under reasons of tension in the labour markets. Other factors such as the cost of debt, inflation and the rate of growth of the GDP are not statistically significant. Inclusive, the discoveries sustenance the discussion of the relevance of a decision of macroeconomic variables to the

earnings per share because the rate of economic growth, monetary policy, unemployment rate, and exchange rate proved to be the determinants.

4) Hypothesis

There is a significant influence between macro-economic variables and operating cost of firm

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.240[a]	.058	.001	3.50806	1.174

a. Predictors: (Constant), GDPgowthrate, monetarypolicy, unemploymentrate, Inflation, exchangerate, economicgrowthrate, costofdebt

b. Dependent Variable: operatingcost

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	87.873	7	12.553	1.020	.421[b]
	Residual	1439.855	117	12.306		
	Total	1527.728	124			

a. Dependent Variable: operatingcost

b. Predictors: (Constant), GDPgowthrate, monetarypolicy, unemploymentrate, Inflation, exchangerate, economicgrowthrate, costofdebt

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.451	4.390	.048	.558	.578
	costofdebt	.049	.104		.467	.641
	Inflation	.024	.064	.036	.379	.705
	economicgrowthrate	.328	.152	.216	2.156	.033
	monetarypolicy	.056	.084	.061	.670	.504
	unemploymentrate	.190	.119	.173	1.602	.112
	exchangerate	.038	.093	.038	.410	.682
	GDPgowthrate	-.202	.173	-.111	-1.165	.246

a. Dependent Variable: operatingcost

The multiple regression analysis of the given paper can be used as a quantitative measure in the attempt to find the result of the chosen macroeconomic variables on the operating costs of companies. In the summary of. The adjusted R-squared of 0.001 also confirms the fact that the model is weakly predictive in the sense that there is no significant change in the value as more predictors are added to the model. There was optimistic autocorrelation amongst the residuals represented by the Durbin Watson value of 1.174 which also might have caused an error on standard errors and the significance test. It can also be argued with the outcomes of the ANOVA since the F-statistic of 1.020 and the implication level value of 0.421 would imply that the general regression formula is non-significant in the determination of operating costs. This corresponds to the fact that the impact of the collection of the macroeconomic variables as a bloc does not have significant influence on the variance of the operations costs in this particular data set and this nullifies preliminary suppositions of the hypotheses on the concomitant predictive power of the said variables. Further research on the individual coefficients reveals that, most of the macroeconomic variables, which involve, cost of debt, inflation, monetary policy, rate of unemployment, exchange rate and significant relationship with the operating cost as they all have a p-value exceeding the standard value of 0.05.

5) Hypothesis

There is a significant influence between macro-economic variables and earning yield of firm

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson

1	.382[a]	.146	.095	2.73621	1.699

a. Predictors: (Constant), GDPgowthrate, monetarypolicy, unemploymentrate, Inflation, exchangerate, economicgrowthrate, costofdebt

b. Dependent Variable: earningyield

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	149.430	7	21.347	2.851	.009[b]
	Residual	875.962	117	7.487		
	Total	1025.392	124			

a. Dependent Variable: earningyield

b. Predictors: (Constant), GDPgowthrate, monetarypolicy, unemploymentrate, Inflation, exchangerate, economicgrowthrate, costofdebt

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	10.449	3.424		3.052	.003
	costofdebt	.071	.081	.086	.871	.385
	Inflation	-.006	.050	-.010	-.111	.911
	economicgrowthrate	.184	.119	.148	1.546	.125
	monetarypolicy	-.039	.065	-.053	-.604	.547
	unemploymentrate	-.207	.093	-.229	-2.236	.027
	exchangerate	.060	.073	.072	.825	.411
	GDPgowthrate	-.058	.135	-.039	-.431	.667

a. Dependent Variable: earningyield

In this segment, the empirical consequences of the regression examination including the level of statistical significance are described as well as the magnitude of the effect of each of the macroeconomic variable on the earning yield. Going by the summary of the Model, the earning yield variance, which is reported as 9.5 percent, can be attributed to which include unemployment rate, inflation, exchange rate, economic growth rate and cost of debt, with the Adjusted R2 value of 0.095. This is quite a low explanatory power indicating that other variables that this model does not discuss are likely to have a significant contribution in earning yield and this requires further research on the supplementary macroeconomic or firm specific determinants. The value of Durbin-Watson is 1.699; that is similar to 2, with which it is possible to consider that there is no significant correlation of negative or positive autocorrelation in the residual, which is a great assumption of the correctness of the regression model. The table of ANOVA also is a testification of the null statistical significance of the model since the F-statistic is 2.851 with the p-value of 0.009 which means that any of the independent variables is claiming noteworthy predictability of earning yield. It does however take a closer examination of individual coefficients in which one of the coefficients, unemployment rate, only has a statistically noteworthy negative effect on earning yield (p=0.027) but other macroeconomic variables in this model does not have a linear relationship with the outcome variable at the standard levels of significance.

5. DISCUSSION

The implications of the current paper are meaningful and indicative of the distribution of the macroeconomic variables in tandem to the overall performance of the visual and performing arts industry firms located in India in reference to strategic management. The empirical evidence directs to the fact that the macroeconomics conditions have an imperative influence over the financial results of firms, but the influence of the situation varies among the different indicators of performance, such as ROA, ROE, and EPS. This is in sharp contrast to the causally economically particular features of the visual and performing arts industry as very vulnerable to the overall movement of the economy and at the same time as one also under the influence of the industry-specific force such as discretionary consumption, state subsidies and the policies that favor the cultural policies.

The economic growth rate results of the regression indicate that economic growth rate proves to be applicable as a positive factor of asset efficiency and profitability. This observation holds with the understanding that during periods of economic boom, disposable income, consumer confidence and consumer participation in cultural activities raises and, as such, the revenues and asset exploitation in arts organisations. With a good economic climate, businesses will be better placed to put investments in productions and displays, infrastructures and online systems, which will result in more marvelous means of producing through which assets are invested. It is possible to infer that the idea of asset-based profitability in the arts industry is more associated with the overall economic trend and not temporary variation in money and/or price because other macroeconomic factors have no significant role in the explanation of ROA. This is where emphasis on the growth-oriented plans that are sensitive to the strength of increasing markets during the economic boom is placed strategically.

Quite the contrary, the ROE analysis shows the more complex correlation of the macroeconomic variables and shareholders returns. The level of the detrimental impact of the unemployment rate on ROE is found to be overwhelming and also exhibits the adverse impacts of the strains in the labor market on consumer demand, sponsorships and the overall economic sentiment. Rise in unemployment will reduce the amount of household spending that goes towards consuming non- essential commodities and services like culture and artistic services which affects directly on revenue and profitability. These results suggest that the visual and performing arts business is particularly vulnerable to equity returns during the economic conflict and additional prudence is to be exercised with respect to financial management, cost cutting and diversification of revenue. The infringe effect of inflation and the monetary policy on the ROE is another indication that the financing conditions and the cost pressure may indirectly impact the value of the shareholder, but the effect may be mediated by the managerial choices that have been taken and not have a direct statistical effect.

The EPS model is the most explanatory among the three performance measures and this is why it is the case that EPS are highly sensitive to the macroeconomic conditions. The correlation of EPS with the economic growth rate is optimistic and noteworthy again which justifies the central role of macroeconomic expansion in increasing the profits in firms. Interestingly, the negative consequence of monetary policy and exchange rate is high on EPS and this should be understood as the fact that, tight monetary policy, high cost of borrowing and the currency negative moves limits profitability in the sector. With such arts organisations being influenced by macroeconomic pressures which depend on external funding sources, mutual connections or international relations, as well as imported inputs (such as technology and production factors), the organisations financial benefits may be seriously threatened. These findings highlight financial planning, hedging plans, and flexible cost systems as strategic to minimise the adverse implications of macroeconomic volatility.

It is worth interpreting the positive correlation of EPS and the rate of unemployment which led to the model. On the one hand, this finding is counterintuitive in itself, but, on the other hand, this outcome is also possible concerning the sector-specific changes, such as the moderation of wages, the contractual employment, even the restructuring of the operations at the period when the unemployment rates are greater, which will improve the per-share earnings on the short run. Such short term gains might not continue to pick up in long term where long term unemployment kills demand and cultural participation. This is strategic in explaining the need that requires a balance to be struck between cost-efficiency, and sustained expansion of the audience and business sustainability in the industry.

Overall, it can be said that despite the fact that the overall influence of the macroeconomic variables on financial performance is substantial, the influence of a certain variable is uneven across the performance measure that the research has measured. This underpins the argument that strategic management of the visual and performing arts industry is a multi-dimensional way of combining the macroeconomic analysis with the special ability and position of the firm in the market. Because the economic variables are always changing, the managers will have no choice but to seek continuous monitoring with the economic indicators and adjust strategies in the sphere of pricing, investment, funding, and digitalization. Besides this, the policymakers should be conscious of the sensitivity of the sector to macroeconomic changes and devise some friendly fiscal and cultural policies to enhance resiliency especially during economic shocks.

In summary, as pointed out in the discussion, the performance of the industry of visual and performing arts in India cannot be evaluated independent of the macroeconomic environment. The strategic management practices on which the macroeconomic awareness is based, could contribute to a higher degree of financial sustainability and sustainability. Once the organizational strategies fail to keep the economic realities, then the firms in the sector will be positioned better

to tackle the uncertainty, air the growth opportunities and make the more significant contribution to the creative economy of India.

6. CONCLUSION

The paper has presented good evidence that the financial performance of the Indian firms on the visual and performing arts industry is greatly influenced by the macroeconomic factors, but the effects of the macroeconomic factors are likely to vary across the different performance measure such as the ROA, ROE, and EPS. The positive factor is the rate of economic growth, which has consistently increased the rate of the profitability, the assets and returns of the shareholders which reflect that the industry depends on the good economic climate. Conversely, there are other variables that are considerably mixed but exert significant impacts on the sector implying the sensitivity of the sector to the labor market regulation, funding rate and external economical changes. The individual impact of the variables, including inflation, cost of debt, and GDP growth rate is lower; however, the combined effect of the variables as the result of the practices of the strategic management, does not go down the drain as empty hollows.

The findings present strategic management as among the critical needs in management of macroeconomic uncertainties. The financial planning, reduction of costs, the development of audiences and diversification of revenues streams adapted to fit the arts institutions will belong to the strategies that guarantee the financial performance of a particular arts organization in the shifting economic conditions. The paper also finds out the usefulness of supportive policy responses by government and cultural organisations in enhancing the sector, through making it more resilient.

Mostly, the study comes to a conclusion that in order to give the financial viability, growth and sustainability of the visual and performing arts industry in India, the macroeconomic awareness must be incorporated in the strategic management that would enable firms to exhaust the opportunities without any major threat to the economy which would minimize the economic threat of the firms.

CONFLICT OF INTERESTS

None.

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