Factors Affecting Lending Patterns in Scheduled Commercial Banks under the CGTSME Scheme: An Empirical Study Integrating the Theory of Planned Behaviour

Saumya Trivedi[1]*, Alpana Srivastava[1], Satyendra Pratap Singh[2]

[1]Amity Business School, Amity University, Lucknow, Uttar Pradesh, India, [2]Alliance School of Business, Alliance University, Anekal, Bengaluru, India. *Email: saumya.trivedi1@student.amity.edu

ABSTRACT

This study presented a dataset analysis focused on understanding the factors that had influenced lending patterns in scheduled commercial banks under the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTSME) Scheme. The empirical study integrated the Theory of Planned Behaviour to provide insights into the behavioural determinants that had shaped lending decisions within this specific context. The objective of this research had been to collect and analyze data to identify key factors that had influenced lending patterns and to assess the knowledge and perceived financial risk associated with the CGTSME Scheme. The survey period spanned a specific timeframe, during which data had been collected from a selected sample of banks in these cities. The collected dataset had been employed techniques such as descriptive analysis, correlation analysis, and regression analysis. These analyses had provided valuable insights into the relationships between variables and had shed light on the key factors that had shaped lending patterns in scheduled commercial banks operating under the CGTSME Scheme in the cities of Lucknow, Sitapur, Barabanki, Hardoi, and Kanpur.

Keywords: Lending Patterns, Scheduled Commercial Banks, CGTSME Scheme, Theory of Planned Behaviour
JEL Classifications: G0, G4, O1

1. INTRODUCTION

Over the past few decades, the Micro, Small, and Medium Enterprises (MSME) sector has emerged as a vibrant and dynamic segment of the Indian economy. This sector plays a crucial role in promoting social and economic development by generating substantial employment opportunities.(Ismanto et al., 2023) The MSME sector is broadly categorized into manufacturing and service industries, and further classified into micro, small, and medium enterprises based on investments in plant and machinery. (Pendame and Akotey, 2023)

MSMEs are significant contributors to India's economic growth and development, accounting for nearly 45% of the industrial output and 40% of exports. This sector provides employment to over 100 million people and significantly boosts the nation's GDP. Additionally, MSMEs are a major source of innovation and entrepreneurship, encouraging the development of new products and services. They are particularly important for regional development, creating jobs and stimulating economic growth in rural areas. The sector also contributes substantially to India's foreign exchange earnings, strengthening the country's balance of payments (Das Gupta et al., 2021).

Despite their crucial role, MSMEs often face significant challenges, particularly in accessing timely and affordable credit. Banks perceive lending to MSMEs as high-risk, often requiring collateral that many MSMEs cannot provide (Cowling et al., 2022). This issue is especially acute for first-generation entrepreneurs. In response, the Government of India launched the Credit Guarantee

Fund Scheme for Micro and Small Enterprises (CGMSE) to provide collateral-free credit to the micro and small enterprise sector. The scheme aims to ensure the timely and adequate flow of credit to MSMEs, which remains a top public policy priority (Nurwulandari et al., 2022).

The CGMSE scheme, operational since 2000, includes Scheduled Commercial Banks and select Regional Rural Banks classified under the "Sustainable Viable" category by NABARD. It provides guarantees to banks and financial institutions for loans extended to small businesses without requiring collateral. This initiative helps MSMEs access finance at lower interest rates and with longer repayment periods, fostering business growth and job creation (Kwashie et al., 2022).

The lending decisions under the CGMSE scheme are made by bankers, whose perceptions significantly influence these decisions. Understanding the factors that affect bankers' perceptions and how these perceptions impact lending decisions is critical. This study addresses the gap in existing literature by exploring these factors and their influence on lending patterns (Le et al., 2020).

The aim of this research is to analyze lending patterns in scheduled commercial banks under the CGTSME Scheme. The study will use the Theory of Planned Behaviour to understand the behavioural determinants that shape lending decisions. Relevant data will be collected and analyzed. The study will assess bank personnel's knowledge of the CGTSME Scheme and its guidelines and examine the perceived financial risk associated with lending under the scheme (Hsu et al., 2006). The study's findings can aid policymakers in the development of strategies to promote lending practices and financial inclusion. The dataset generated from this study can serve as a benchmark for future research endeavours. Overall, this research study aims to provide empirical evidence and insights on lending patterns in scheduled commercial banks under the CGTSME Scheme (Mailoor et al., 2014).

2. REVIEW OF LITERATURE

The Credit Guarantee Trust for Micro and Small Enterprises (CGTSME) scheme was launched by the Indian government to facilitate and incentivize lending from banks to the MSME sector. Given the economic importance of this sector, understanding the factors influencing lending decisions under this scheme is crucial. The Theory of Planned Behavior (TPB) offers a relevant framework to examine the cognitive and social determinants of such lending behaviors. This review discusses the TPB constructs of knowledge, attitude, subjective norms, perceived behavioral control, and financial risk perception as they relate to MSME lending (Athirah, 2019).

2.1. Knowledge
Knowledge encompasses the information and comprehension that bank managers possess regarding the CGTSME scheme, as well as MSME business operations, risk assessment, and lending procedures. Adequate knowledge reduces uncertainties and enhances decision-making confidence. A study by Kar (2017) found that greater knowledge of credit guarantee schemes positively impacted loan approval rates for MSMEs. Additionally, (Mantovani and Gadzinski, 2022) reported that banks with specialized MSME knowledge and training programs had higher MSME lending volumes (Mukhibad et al., 2023).

Hypothesis 1: Higher knowledge levels positively influence lending decisions of bank managers under the CGTSME scheme.

2.2. Attitude
Attitude refers to the favorability of a bank manager's evaluation of lending to MSMEs via the CGTSME scheme. Positive attitudes stem from beliefs about profitability, economic impact, and alignment with institutional goals. (Alnabulsi et al., 2022) found that bank managers with favorable attitudes towards MSME lending had larger MSME loan portfolios. Furthermore, (Doss et al., 2023) noted that concerns over MSME loan riskiness contributed to negative attitudes.

Hypothesis 2: More positive attitudes enhance the lending decisions of bank managers under the CGTSME scheme.

2.3. Subjective Norms
Subjective norms are the perceived social pressures from important referent groups regarding MSME lending behaviors. Key referents likely include bank leadership, regulatory bodies, industry associations, and peer managers. (Katoch and Rani, 2023) showed that institutional encouragement from top management improved MSME lending. Furthermore, (de Roure and McLaren, 2021) found that banks aligned their MSME lending policies with central bank directives.

Hypothesis 3: Positive subjective norms from salient referent groups enhance MSME lending decisions.

2.4. Perceived Behavioral Control
This construct captures the perceived ease or difficulty of executing MSME lending via the CGTSME scheme. It is shaped by past experiences, anticipated obstacles like procedural complexities and information asymmetries, and organizational facilitators like resources and managerial support. (Naiborhu and Ulfa, 2023) reported that banks with dedicated MSME lending teams and procedures had higher perceived control, leading to increased lending. Conversely, Dalal (2018) noted that lack of reliable MSME credit information hindered lending decisions.

Hypothesis 4: Higher perceived behavioral control positively influences lending decisions under the scheme.

2.5. Financial Risk Perception
Lending to MSMEs is often perceived as riskier compared to lending to larger firms, due to factors like inadequate collateral, information asymmetries, and vulnerability to market fluctuations. A bank manager's perception of the financial risks involved can significantly influence their MSME lending decisions under schemes like CGTSME.

Prior research has highlighted the importance of risk perception. (Gunawan et al., 2023) found that banks viewed MSME lending as riskier, leading to tighter credit terms. (Mahmoud et al., 2023) showed that underestimating risk exposure was a key factor behind

excessive risk-taking by banks during crises. Carefully evaluating financial risks is crucial for prudent lending.

Hypothesis 5: Lower perceived financial risk associated with MSME lending positively influences lending decisions under the CGTSME scheme.

2.6. Scale Development

To empirically examine the proposed hypotheses, valid and reliable scales are needed to measure the TPB constructs in the context of MSME lending behaviors. A pool of 20 measurement items was developed to study the five latent constructs - knowledge, attitude, subjective norms, perceived behavioral control, and perception of financial risk associated with MSME lending.

The questionnaire items were derived from earlier literature sources. In order to construct the questionnaire, we conducted a systematic search using the Scopus and Web of Science databases, utilizing the keywords "Lending Patterns in Scheduled Commercial Banks," "Theory of Planned Behavior," "CGTSME Scheme" to locate pertinent literature. Our search was limited to articles, review papers, and research reports published in English in the fields of Finance, Economics, Banking, and Management from the inception of these databases until 2022. To comply with the PRISMA statement, selection criteria were employed to map the existing literature relevant to lending patterns in scheduled commercial banks. Table 1 provided a comprehensive summary of the constructs examined in the study.

The TPB posits that attitudes, subjective norms, and perceived behavioral control jointly shape behavioral intentions, which in turn guide actual behaviors (Athirah, 2019). However, the relative influence of each factor may vary. For instance, subjective norms could moderate the effect of attitudes when institutional pressures are strong. The TPB model provides a comprehensive lens to understand the interplay of factors driving MSME lending decisions in the Indian banking context.

3. RESEARCH METHODOLOGY

3.1. Research Design

This study adopts an empirical approach, integrating the Theory of Planned Behaviour (TPB) to examine the factors affecting lending patterns in scheduled commercial banks under the CGTSME Scheme. The research employs a quantitative methodology, utilizing face-to-face, self-administered questionnaires for data collection. This design ensures that data is gathered systematically and allows for robust statistical analysis.

3.2. Data Collection Method

The data was collected using a paper-based questionnaire, ensuring reliable and consistent responses from participants. The survey was conducted over a six-month period, from October 2022 to March 2023, in selected cities within Uttar Pradesh, including Lucknow, Sitapur, Barabanki, Hardoi, and Kanpur.

3.3. Sampling Technique

A combination of random and purposive sampling techniques was employed (Setia, 2016). Participants were randomly selected from the scheduled commercial banks in the target cities. To ensure the inclusion of individuals with relevant knowledge or business account holders in the banking sector, purposive sampling was also used. This dual approach facilitated the collection of comprehensive and relevant data.

3.4. Participants

The target population consisted of business account holders from scheduled commercial banks operating under the CGTSME Scheme. A total of 384 participants completed the survey, providing a robust sample size for statistical analysis (Cochran, 2017).

3.5. Questionnaire Design

The questionnaire was divided into two sections:
- Section A: Collected demographic information such as age, gender, educational background, occupation, current location, business category, and awareness of the CGTSME Scheme.
- Section B: Contained instruments designed to measure factors affecting lending patterns under the CGTSME Scheme, integrating TPB constructs. Participants responded using a 5-point Likert scale (1 = strongly disagree, 5 = strongly agree).

4. RESULTS AND DISCUSSION

This study conducted a thorough dataset analysis to examine the factors that impact lending patterns in scheduled commercial banks operating under the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTSME) Scheme. By integrating the Theory of Planned Behaviour as a theoretical framework, the research aimed to gain insights into the behavioural determinants that shape lending decisions within this specific contexts (Muafi et al., 2023). The main objectives of the analysis were to identify the key factors influencing lending patterns and evaluate the knowledge and perceived financial risk associated with the CGTSME Scheme (Rahayu et al., 2023).

Table 2 presented the demographic characteristics of the sample, focusing on gender, age, education level, occupation, current location, Business category, awareness of the CGTSME Scheme.

The gender, with 48.7% identified as male and 51.3% as female. Regarding age distribution, the majority of respondents are aged 38 years and above, comprising 71.1% of the sample, while younger age groups are less represented, with only 18.2% falling between 18 and 24 years. In terms of educational attainment, the sample exhibits diversity, with the largest proportion holding post-graduate degrees (50.8%), followed by professionals (21.9%), graduates (16.9%), and undergraduates (10.4%).

In relation to sectors or industries, the services sector dominates, representing 83.1% of respondents, followed by trading (6.5%), manufacturing (4.7%), agribusiness (4.4%), and handicrafts (1.3%). Geographically, the majority of respondents are based in Barabanki (83.1%), with smaller representations from Hardoi (6.5%), Lucknow (4.7%), Sitapur (4.4%), and Kanpur (1.3%).

This demographic composition provides a comprehensive overview of the study's participant characteristics, highlighting

Table 1: Scale development

Construct	Code	Measurement Items	Source
Knowledge	K1	I received adequate information about the CGTSME Scheme from banks.	(Westerhof et al., 2023)
	K2	I have a clear understanding of the benefits and costs associated with participating in the CGTSME Scheme.	(Leelakanok et al., 2023)
	K3	I have comprehensive knowledge about the specific guidelines and requirements of the CGTSME Scheme.	(Sunyoto et al., 2023)
	K4	I understand the process and documentation requirements for applying for a loan under the CGTSME Scheme.	(Mishra et al., 2024)
Attitude	ATT1	The bank's fees for loans under the CGTSME Scheme are reasonably priced.	(Mishra et al., 2023)
	ATT2	The fees charged by the bank for loans under the CGTSME Scheme are reasonable.	(Alhashim et al., 2022)
	ATT3	The bank follows fair lending practices when evaluating loan applications under the CGTSME Scheme.	(Brown, 1984)
	ATT4	The bank offers superior service to borrowers under the CGTSME Scheme compared to other lending options.	(Farzaei et al., 2023)
Subjective Norms	SN1	People important to me (e.g., family, close friends) encourage me to consider taking out a CGTSME Scheme.	(Eriyanti et al., 2023)
	SN2	I feel comfortable discussing the CGTSME scheme. With the people important to me (e.g., family, close friends).	(Gunawan et al., 2023)
	SN3	I perceive that financial advisors are knowledgeable about the CGTSME Scheme.	(Mutiara et al., 2022)
	SN4	I believe that the CGTSME Scheme is beneficial and effective.	(Mutiara et al., 2022)
Perceived behaviour control	PBC1	I feel that banks and credit unions do not welcome or encourage CGTSME Scheme loan applications.	(Rizkita et al., 2023)
	PBC2	I feel comfortable discussing CGTSME Scheme with the people important to me (e.g., family, close friends).	(Hadi et al., 2023)
	PBC3	I perceive that there are no other viable options available to me apart from CGTSME Scheme.	(Pendame and Akotey, 2023)
	PBC4	I think my credit rating is not good enough to qualify for loans from banks or credit unions.	(Katoch and Rani, 2023)
Financial risk	FR1	Participating in the CGTSME Scheme will require a significant financial investment from me.	(Aulia et al., 2023)
	FR2	I anticipate limited usage of the benefits offered by the CGTSME Scheme once I participate.	(Rizi et al., 2023)
	FR3	I believe that joining the CGTSME Scheme would result in a wastage of money.	(Fajriana et al., 2023)

key demographic factors that may influence the study outcomes and interpretations.

Table 3 provides descriptive statistics for various variables measured in the study. Each variable is characterized by its mean, standard deviation, excess kurtosis, and skewness, offering insights into their distribution and central tendencies. The variables K1 to K4, representing factors related to knowledge, exhibit means ranging from 1.839 to 1.974, with corresponding standard deviations between 1.112 and 1.138. These variables show slightly positively skewed distributions, as indicated by skewness values ranging from 0.905 to 1.186, and generally exhibit near-normal kurtosis levels. Variables related to attitudes (ATT1 to ATT4) demonstrate means ranging from 2.174 to 2.336, with standard deviations between 1.055 and 1.189. They display negatively skewed distributions, with skewness values ranging from 0.47 to 0.638, suggesting a tendency towards higher scores on attitude-related measures. Perceived social norms (SN1 to SN4) show means ranging from 2.062 to 2.263, with standard deviations between 1.088 and 1.179. These variables exhibit skewness values ranging from 0.606 to 0.872, indicating slightly positively skewed distributions. Variables assessing perceived behavioral

control (PBC1 to PBC4) display means from 2.128 to 2.646, with standard deviations between 1.1 and 1.216. They demonstrate skewness values ranging from 0.43 to 0.791, suggesting generally symmetric distributions.

Variables related to facilitating conditions (FR1 to FR4) exhibit means from 2.518 to 2.945, with standard deviations between 1.125 and 1.22. These variables show skewness values ranging from 0.323 to 0.511, indicating moderately symmetric distributions.

Table 4 displays the factor loadings obtained from a factor analysis conducted on the measured variables grouped into constructs: Attitudes (ATT), Facilitating Conditions (FR), Knowledge (K), Perceived Behavioral Control (PBC), and Social Norms (SN). For the Attitudes construct, ATT1 (0.905), ATT2 (0.914), ATT3 (0.847), and ATT4 (0.777) exhibit high factor loadings, indicating that these variables strongly contribute to defining the underlying Attitudes construct. Similarly, within the Facilitating Conditions construct, FR1 (0.709), FR2 (0.861), FR3 (0.737), and FR4 (0.824) demonstrate substantial factor loadings, suggesting their significant association with Facilitating Conditions. Variables related to Knowledge (K) show high factor loadings across

K1 (0.902), K2 (0.939), K3 (0.960), and K4 (0.956), highlighting their strong contribution to the Knowledge construct.

In the Perceived Behavioral Control (PBC) construct, PBC1 (0.792), PBC3 (0.789), and PBC4 (0.761) display notable factor loadings, indicating their importance in defining Perceived Behavioral Control.

Lastly, variables representing Social Norms (SN), including SN1 (0.764), SN2 (0.873), SN3 (0.856), and SN4 (0.800), exhibit substantial factor loadings, suggesting their significant role in the Social Norms construct.

These factor loadings provide insights into the relationships between observed variables and latent constructs, thereby aiding in the interpretation and understanding of how these constructs are operationalized within the study.

Table 5 displays the Variance Inflation Factor (VIF) values for indicator variables representing constructs in the study: Attitudes (ATT), Facilitating Conditions (FR), Knowledge (K), Perceived Behavioral Control (PBC), and Social Norms (SN). VIF assesses the extent of multicollinearity, where values exceeding 10 typically indicate problematic multicollinearity.

Across the Attitudes construct, ATT3 (VIF = 2.472) and ATT4 (VIF = 2.081) exhibit moderate VIF values, suggesting some degree of multicollinearity among these variables. Similarly, within the Knowledge construct, K4 (VIF = 2.746) shows a

Table 2: Demographic profile of respondent

Demographic variables category	Frequency	Percentage
Gender		
Male	187	48.7
Female	197	51.3
Age		
18-24 years	70	18.2
25-31 years	7	1.8
32-38 years	34	8.9
38 years above	273	71.1
Education level		
Undergraduate	40	10.4
Graduate	65	16.9
Post-graduate	195	50.8
Professional	84	21.9
What is your sector or Industry from which you belong?		
Manufacturing	18	4.7
Agribusiness	17	4.4
Services	319	83.1
Trading	25	6.5
Handicrafts	5	1.3
What is your current location (City)		
Lucknow	18	4.7
Sitapur	17	4.4
Barabanki	319	83.1
Hardoi	25	6.5
Kanpur	5	1.3

Table 4: Factor loading

Item	ATT	FR	K	PBC	SN
ATT1	0.905				
ATT2	0.914				
ATT3	0.847				
ATT4	0.777				
FR1		0.709			
FR2		0.861			
FR3		0.737			
FR4		0.824			
K1			0.902		
K2			0.939		
K3			0.96		
K4			0.956		
PBC1				0.792	
PBC2				0.445	
PBC3				0.789	
PBC4				0.761	
SN1					0.764
SN2					0.873
SN3					0.856
SN4					0.8

Table 3: Descriptive statistics

Name	Mean	Standard deviation	Excess kurtosis	Skewness
K1	1.974	1.118	0.02	0.905
K2	1.924	1.112	−0.093	0.914
K3	1.87	1.138	0.532	1.172
K4	1.839	1.127	0.527	1.186
ATT1	2.174	1.189	−0.508	0.638
ATT2	2.253	1.173	−0.44	0.587
ATT3	2.224	1.151	−0.72	0.47
ATT4	2.336	1.055	−0.368	0.43
SN1	2.263	1.139	0.046	0.786
SN2	2.076	1.088	0.09	0.872
SN3	2.208	1.179	−0.662	0.606
SN4	2.062	1.132	−0.314	0.73
PBC1	2.492	1.177	−0.356	0.548
PBC2	2.128	1.11	−0.026	0.791
PBC3	2.44	1.1	−0.242	0.43
PBC4	2.646	1.216	−0.562	0.477
FR1	2.667	1.145	−0.411	0.323
FR2	2.518	1.125	−0.226	0.511
FR3	2.945	1.22	−0.778	0.347
FR4	2.672	1.178	−0.455	0.429

Table 5: Indicator multicollinearity

Item	VIF
ATT1	2.502
ATT2	1.586
ATT3	2.472
ATT4	2.081
FR1	1.469
FR2	1.851
FR3	1.513
FR4	1.813
K1	1.659
K2	1.625
K3	1.495
K4	2.746
PBC1	1.423
PBC2	1.257
PBC3	1.591
PBC4	1.388
SN1	1.403
SN2	2.857
SN3	2.452
SN4	2.096

higher VIF value, indicating potential multicollinearity among the indicators of Knowledge.

Variables related to Social Norms (SN), including SN2 (VIF = 2.857), SN3 (VIF = 2.452), and SN4 (VIF = 2.096), also demonstrate elevated VIF values, indicating possible multicollinearity among these variables.

In contrast, most variables within the Facilitating Conditions (FR) and Perceived Behavioral Control (PBC) constructs exhibit relatively lower VIF values (ranging from 1.469 to 1.851), suggesting minimal multicollinearity among these indicators.

Table 6 presents the results of reliability analysis using Cronbach's alpha and composite reliability coefficients for constructs assessed in the study: Attitudes (ATT), Facilitating Conditions (FR), Knowledge (K), Perceived Behavioral Control (PBC), and Social Norms (SN).

Cronbach's alpha coefficients, which indicate internal consistency reliability, reveal that the constructs vary in their reliability. Knowledge (K) exhibits the highest Cronbach's alpha at 0.957, suggesting strong internal consistency among its measured variables. Attitudes (ATT) also demonstrate high reliability with a Cronbach's alpha of 0.885, indicating that the items within this construct reliably measure related aspects of attitudes. Social Norms (SN) show moderate reliability with a Cronbach's alpha of 0.845, indicating acceptable internal consistency. Facilitating Conditions (FR) display a Cronbach's alpha of 0.794, suggesting moderate reliability. However, Perceived Behavioral Control (PBC) exhibits the lowest Cronbach's alpha at 0.675, indicating potential issues with internal consistency reliability for this construct.

Composite reliability coefficients, which provide an alternative measure of reliability, corroborate these findings. Knowledge (K) and Attitudes (ATT) show high composite reliability with coefficients of 0.915 and 0.905, respectively. Social Norms (SN) and Facilitating Conditions (FR) demonstrate moderate to high composite reliability with coefficients of 0.867 and 0.832, respectively. Perceived Behavioral Control (PBC) exhibits lower composite reliability at 0.727, reinforcing concerns about its internal consistency.

Table 7 provides insight into construct convergent validity using Average Variance Extracted (AVE) for the constructs examined: Attitudes (ATT), Facilitating Conditions (FR), Knowledge (K), Perceived Behavioral Control (PBC), and Social Norms (SN). AVE values reflect the proportion of variance captured by a construct's items relative to measurement error, with values above 0.5 generally indicating acceptable convergent validity. Among the constructs, Knowledge (K) demonstrates the highest AVE at 0.883, suggesting strong convergent validity as 88.3% of the variance in its measured variables is attributable to the construct itself. Attitudes (ATT) also show substantial convergent validity with an AVE of 0.744, indicating that 74.4% of the variance in its items is explained by the construct. Social Norms (SN) exhibit a moderate AVE of 0.679, indicating acceptable convergent validity. Facilitating Conditions (FR) display a moderate AVE of 0.616,

indicating moderate convergent validity. However, Perceived Behavioral Control (PBC) has the lowest AVE at 0.507, marginally meeting the acceptable threshold, suggesting potential concerns about its convergent validity.

Tables 8 illustrates the application of the Fornell and Larcker criterion to assess discriminant validity among constructs in the study: Attitudes (ATT), Facilitating Conditions (FR), Knowledge (K), Perceived Behavioral Control (PBC), and Social Norms (SN). The diagonal entries represent the square roots of the Average Variance Extracted (AVE) for each construct, with values of 0.862 for ATT, 0.785 for FR, 0.940 for K, 0.712 for PBC, and 0.824 for SN. These values exceed the correlations between constructs shown in the off-diagonal entries (e.g., 0.223 between ATT and FR, 0.662 between ATT and K), affirming discriminant validity. The criterion confirms that each construct captures more variance from its own items than from items of other constructs, indicating that the measurement instruments effectively distinguish between different theoretical constructs in the study.

Table 9 presents the Heterotrait-Monotrait (HTMT) ratios, which assess discriminant validity by comparing the correlations between

Table 6: Reliability analysis-Cronbach's alpha evaluation results and composite reliability

Item	Cronbach's alpha	Composite reliability
ATT	0.885	0.905
FR	0.794	0.832
K	0.957	0.915
PBC	0.675	0.727
SN	0.845	0.867

Table 7: Convergent validity- construct convergent validity (AVE)

Item	Average variance extracted (AVE)
ATT	0.744
FR	0.616
K	0.883
PBC	0.507
SN	0.679

Table 8: Discriminant validity—Fornell and Larcker criterion

Item	ATT	FR	K	PBC	SN
ATT	0.862				
FR	0.223	0.785			
K	0.662	0.273	0.94		
PBC	0.403	0.655	0.355	0.712	
SN	0.562	0.312	0.657	0.448	0.824

Table 9: Discriminant validity Heterotrait-Monorait ratio (HTMT)

Item	ATT	FR	K	PBC	SN
ATT					
FR	0.264				
K	0.718	0.28			
PBC	0.6	0.824	0.542		
SN	0.677	0.38	0.762	0.73	

Figure 1: Structure model
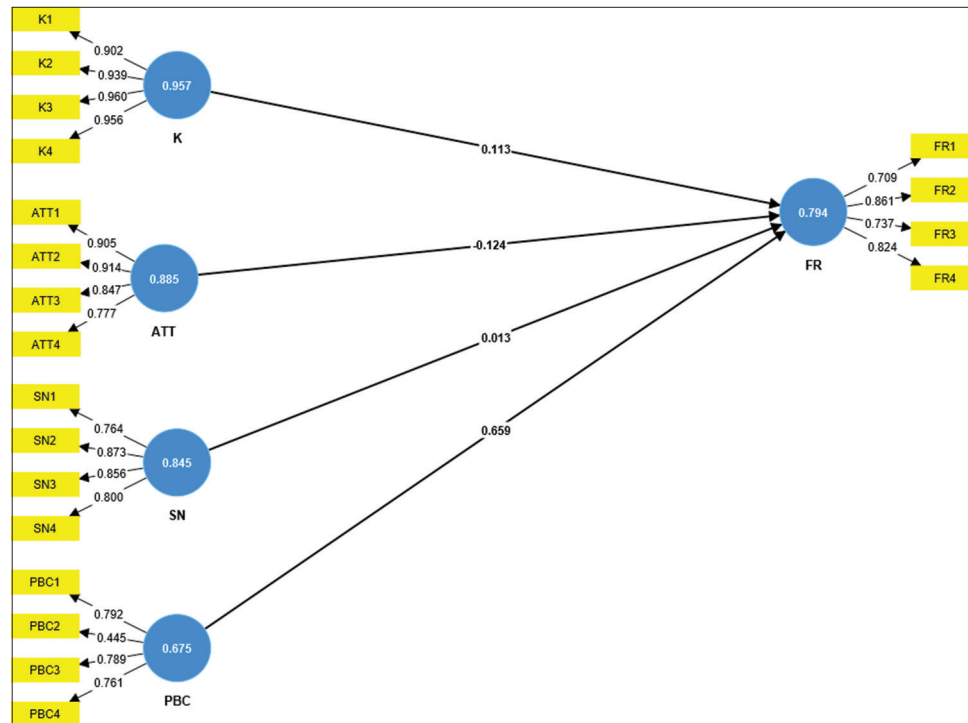
Table 10: The goodness of fit (Model's predictive)

Parameters	Saturated model	Estimated model
SRMR	0.136	0.136
d_ULS	3.884	3.884
d_G	1.007	1.007
Chi-square	2070.941	2070.941
NFI	0.683	0.683

constructs with correlations within constructs. The HTMT ratios indicate the degree to which constructs are distinct from each other, with values below 1 generally considered acceptable. Across the constructs measured—Attitudes (ATT), Facilitating Conditions (FR), Knowledge (K), Perceived Behavioral Control (PBC), and Social Norms (SN)—all pairs exhibit HTMT ratios below 1. Notably, ATT and FR display the lowest ratio at 0.264, suggesting strong discriminant validity as correlations between these constructs are significantly lower than correlations within each construct. Similarly, other pairs such as FR and K (0.280) and K and SN (0.762) also demonstrate robust discriminant validity.

Table 10 presents the goodness-of-fit statistics for both the saturated model and the estimated model utilized in the study. These statistics are critical for assessing how well the estimated model predicts the observed data and comparing it against a baseline of perfect fit, represented by the saturated model.

The Standardized Root Mean Square Residual (SRMR) for both the saturated model and the estimated model is reported as 0.136, indicating a reasonable fit where lower values suggest better fit. Additionally, the discrepancy indices d_ULS and d_G are identical at 3.884 for both models, reinforcing consistency in model evaluation. The Chi-square statistic, which assesses the

difference between observed and reproduced covariance matrices, is also identical for both models at 2070.941.

Furthermore, the Normed Fit Index (NFI) stands at 0.683 for both models, which measures the relative improvement of the estimated model compared to a null model. While this suggests room for enhancement in model fit, the consistent values across these metrics indicate that the estimated model performs comparably to the saturated model in explaining the relationships among the variables under study.

Figure 1 illustrates the structural model that underpins the empirical study on the factors influencing lending patterns in Scheduled Commercial Banks under the CGTSME Scheme, integrating the Theory of Planned Behaviour.

5. CONCLUSION

This empirical study integrated the Theory of Planned Behavior (TPB) to investigate factors influencing lending patterns in scheduled commercial banks under the CGTSME scheme. The findings highlight the positive influence of knowledge about the scheme, favorable attitudes towards MSME lending, supportive subjective norms from stakeholders, high perceived behavioral control, and lower perceived financial risk on lending decisions.

Theoretically, the research reinforces the TPB's applicability in understanding cognitive and social determinants of lending behaviors. Practically, the insights can inform strategies for banks to refine lending processes and service delivery to MSMEs, fostering financial inclusion. Policymakers can utilize the findings for targeted interventions promoting MSME lending via the scheme.

5.1. Theoretical and Implication of the Study

This study explores the factors influencing lending patterns in scheduled commercial banks under the CGTSME Scheme, employing the Theory of Planned Behaviour (TPB) as its theoretical framework. By examining variables such as knowledge, attitudes, subjective norms, and perceived risks, the study enhances our understanding of the behavioural drivers behind lending decisions (Deveshwar and Yadav, 2022).

Practically, the findings equip bank managers with insights to refine lending criteria and processes, potentially improving service delivery to small and medium enterprises (SMEs). Policymakers can use these insights to formulate effective strategies aimed at promoting financial inclusion and economic growth within the scheme (Subawa et al., 2022).

5.2. Limitations and Future Studies

The present studies have some limitations that impact its scope and findings. Primarily, the study's focus on specific cities within Uttar Pradesh limits the generalizability of its conclusions to a broader national context. Moreover, reliance on self-reported data introduces potential biases and may not fully capture the complexities of lending behaviors. Additionally, the study's timeframe and sample size may restrict the comprehensiveness and representativeness of the dataset, potentially overlooking diverse factors influencing lending patterns under the CGTSME Scheme (Sairani, n.d.).

Future research should address these limitations by adopting broader sampling strategies across diverse regions, employing mixed methods approaches to complement quantitative insights with qualitative data, and conducting longitudinal studies to capture temporal dynamics (Atmojo et al., 2023). Enhancing data collection methods and considering additional variables could provide a more nuanced understanding of lending patterns, thereby informing more effective policy and practice in the banking sector.

5.3. Ethics Statement

The research extensively utilized nonexperimental voluntary surveys as the primary method of data collection. It is noteworthy that the research was carried out in an environment where formal ethical approval was not mandatory for survey-based studies. This decision was made after careful consideration of the nature of the research and the prevailing guidelines within the research environment. In accordance with ethical principles, the privacy of participants was a paramount concern throughout the study. Notably, no personally identifiable information was solicited from the participants during the survey administration. This deliberate measure was taken to ensure the confidentiality and anonymity of the participants. The research team took proactive steps to secure the voluntary participation of individuals, and participants were fully informed about the purpose and objectives of the study. Their participation was entirely voluntary, and they were made aware of their right to withdraw from the study at any point without facing any consequences.

REFERENCES

Alhashim, L.A., Alshahrani, N.Z., Alshahrani, A.M., Khalil, S.N., Alrubayii, M.A., Alateeq, S.K., Zakaria, O.M. (2022), Food safety knowledge and attitudes: A cross-sectional study among Saudi consumers from food trucks owned by productive families. International Journal of Environmental Research and Public Health, 19(7), 74322.

Alnabulsi, K., Kozarević, E., Hakimi, A. (2022), Assessing the determinants of non-performing loans under financial crisis and health crisis: Evidence from the MENA banks. Cogent Economics and Finance, 10(1), 2124665.

Athirah, M.T. (2019), Evaluating Corporate Social Responsibility Engagement Among Small and Medium Enterprises Using the Theory of Planned Behaviour. Doctoral Thesis, Universiti Putra Malaysia.

Atmojo, M.E., Mahendra, G.K., Perdana, V.A. (2023), Development of MSME potential through branding and digital marketing. Abdimas: Jurnal Pengabdian Masyarakat Universitas Merdeka Malang, 8(3), 10468.

Aulia, M.R., Lubis, Z., Effendi, I., Junaidi. (2023), Leveraging quality management and partnership programs for technopreneurial success: Exploring their impact on MSME performance. APTISI Transactions on Technopreneurship, 5(2), 303.

Brown, I.S. (1984), Development of a scale to measure attitude toward the condom as a method of birth control. The Journal of Sex Research, 20(3), 255-263.

Cochran, W.G. (2017), Sampling Techniques third edition. In: Therapeutic Drug Monitoring and Toxicology by Liquid Chromatography. United States: CRC Press.

Cowling, M., Liu, W., Calabrese, R. (2022), Has previous loan rejection scarred firms from applying for loans during Covid-19? Small Business Economics, 59(4), 1327-1350.

Das Gupta, A., Sarker, N., Rifat Rahman, M. (2021), Relationship among cost of financial intermediation, risk, and efficiency: Empirical evidence from Bangladeshi commercial banks. Cogent Economics and Finance, 9(1), 1967575.

De Roure, C., McLaren, N. (2021), Liquidity transformation, collateral assets and counterparties. Central Bank Review, 21(4), 119-129.

Deveshwar, A., Yadav, D. (2022), Financing of MSMEs and role of credit guarantee fund for MSMEs sector. Journal of Positive School Psychology, 6(4), 4713-4717.

Doss, L.R.A., Jayapal, G., Ganesan, S., Michael, J.N. (2023), Impact of service quality dimensions on customer satisfaction in priority sector lending. International Journal of Applied Economics, Finance and Accounting, 17(1), 30-38.

Dalal, S., Seth, B., Radulescu, M., Secara, C., Tolea, C. (2022), Predicting Fraud in Financial Payment Services through Optimized Hyper-Parameter-Tuned XGBoost Model. Mathematics, 10(24), 4679.

Eriyanti, L.D., Ernada, S.E.Z., Moelasy, H.D., Prabhawati, A. (2023), 8BFemale MSME practitioners and digitalization from a feminist perspective. Journal Women's Entrepreneurship and Education, 23, 188-211.

Fajriana, N., Irianto, G., Andayani, W. (2023), The role of tax fairness and taxpayer trust in building voluntary compliance in msme taxpayers. International Journal of Business and Society, 24(1), 478-487.

Farzaei, M., Shahbazi, S., Gilani, N., Ostadrahimi, A., Gholizadeh, L. (2023), Nurses' knowledge, attitudes, and practice with regards to nutritional management of diabetes mellitus. BMC Medical Education, 23(1), 192.

Gunawan, A., Jufrizen, N., Pulungan, D. R. (2023), Improving MSME performance through financial literacy, financial technology, and

financial inclusion. International Journal of Applied Economics Finance and Accounting, 15(1), 39-52.

Hadi, D.P., Yunus, M., Sutono, A., Wuryandini, E., Suneki, S., Nugraha, A.E.P., Adhi, A.H.P. (2023), MSME sustainability strategy during the Covid-19 pandemic by analyzing the role of crowdfunding and the digital market by improving msme performance using the canvas model business strategy as an intervening variable. International Journal of Professional Business Review, 8(4), e0865.

Hsu, T.H., Wang, Y.S., Wen, S.C. (2006), Using the decomposed theory of planned behaviour to analyse consumer behavioural intention towards mobile text message coupons. Journal of Targeting, Measurement and Analysis for Marketing, 14(4), 309-324.

Ismanto, H., Wibowo, P.A., Shofwatin, T.D. (2023), Bank stability and fintech impact on MSMEs' credit performance and credit accessibility. Banks and Bank Systems, 18(4), 105-115.

Katoch, R., Rani, P. (2023), A frequency assessment of prevalent prevention strategies in order to Manage Banks' NPAs in MSME Loans. International Journal on Recent and Innovation Trends in Computing and Communication, 11(4), 65-80.

Kwashie, A.A., Baidoo, S.T., Ayesu, E.K. (2022), Investigating the impact of credit risk on financial performance of commercial banks in Ghana. Cogent Economics and Finance, 10(1), 2109281.

Le, T.D.Q., Nguyen, V.T.H., Tran, S.H. (2020), Geographic loan diversification and bank risk: A cross-country analysis. Cogent Economics and Finance, 8(1), 1809120.

Leelakanok, N., Kangwanrattanakul, K., Petchsomrit, A., Sapapsap, B., Siritientong, T., Methaneethorn, J. (2023), After morning, phew! A knowledge, attitudes, and practices survey related to emergency oral contraception in Thai pharmacists. Journal of Pharmaceutical Policy and Practice, 16(1), 97.

Mahmoud, M.A., Umar, U.H., Baita, A.J., Ado, M.B. (2023), Relative financial deprivation, financial anxiety and financial satisfaction: The role of access to Islamic financing among MSME owners amidst COVID-19. Journal of Islamic Accounting and Business Research, 14(4), 595-609.

Mailoor, D.J., Pangemanan, S., Pandowo, M. (2014), Entrepreneurhip proclivity: An explanatory study on students entrepreneurial intentions by using theory of planned behaviour. EMBA, 2(1), 325-334.

Mantovani, G.M., Gadzinski, G. (2022), How to rate the financial performance of private companies? A tailored integrated rating methodology applied to North-Eastern Italian Districts. Journal of Risk and Financial Management, 15(11), 493.

Mishra, M., Kushwaha, R., Gupta, N. (2024), Impact of sales promotion on consumer buying behavior in the apparel industry. Cogent Business and Management, 11(1), 2310552.

Mishra, M., Kushwaha, R., Gupta, N., Sinha, A., Dwivedi, H. (2023), Survey data to evaluate consumer behaviour and consumption pattern of sustainable apparel: A study on consumer awareness level. Data in Brief, 49, 109350.

Mariani, M. M., Styven, M. E., Teulon, F. (2021), Explaining the intention

to use digital personal data stores: An empirical study. Technological Forecasting and Social Change, 166, 120657.

Mukhibad, H., Yudo Jayanto, P., Alirastra Budiantoro, R., Bagas Hapsoro, B., Nurasyiah, A., Michael Musyaffi, A. (2023), Equity-based financing and risk in Islamic banks: A cross-country analysis. Cogent Economics and Finance, 11(2), 2235117.

Mutiara, M.E., Wiratno, A., Herwiyanti, E. (2022), The Effect of Payment Gateway, Digitization, and Financial Literacy on MSME Performance. In: International Conference on Sustainable Competitiveness Advantage.

Naiborhu, E.D., Ulfa, D. (2023), The lending implication of a funding for lending scheme policy during COVID-19 pandemic: The case of Indonesia Banks. Economic Analysis and Policy, 78, 1059-1069.

Nurwulandari, A., Hasanudin, H., Subiyanto, B., Pratiwi, Y.C. (2022), Risk Based bank rating and financial performance of Indonesian commercial banks with GCG as intervening variable. Cogent Economics and Finance, 10(1), 2127486.

Pendame, S., Akotey, J.O. (2023), The effect of a moveable collateral registry on MSME access to finance: Evidence from Malawi. Cogent Economics and Finance, 11(1), 2163873.

Rahayu, S.K., Budiarti, I., Firdaus, D.W., Onegina, V. (2023), Digitalization and informal MSME: Digital financial inclusion for MSME development in the formal economy. Journal of Eastern European and Central Asian Research, 10(1), 1056.

Rizi, Y.A., Dharma, F., Amelia, Y., Prasetyo, T.J. (2023), Factors affecting trust and interest in transactions by Indonesian MSME sellers in e-Commerce. Journal of Indonesian Economy and Business, 38(1), 4394.

Sitorus, P. M., Rizkita, M. Z., Khairunnisa, K., Alamsyah, A., Abdurohman, M. (2023), Feasibility study and the development of MSME Business Incubator Mockup in Toba District. Journal of Law and Sustainable Development, 11(6), e775.

Sairani, P. (n.d.), Performance of Indian MSMES. Anveshana's International Journal of Research in Regional Studies, Law, Social Sciences, Journalism and Management Practices, 4(4), 13-20.

Setia, M. (2016), Methodology series module 5: Sampling strategies. Indian Journal of Dermatology, 61(5), 505-509.

Subawa, N.S., Widhiasthini, N.W., Permatasari, N.P.I., Sri Wisudawati, N.N. (2022), MSMEs envisaged as the economy spearhead for Bali in the covid-19 pandemic situation. Cogent Economics and Finance, 10(1), 2096200.

Sunyoto, N., Pratikto, H., Sudarmiatin, N., Sopiah, N. (2023), Innovation ability in mediates on the relationship of entrepreneurship orientation, organizational culture and knowledge management on MSME performance. International Journal of Applied Economics Finance and Accounting, 16(2), 355-366.

Westerhof, M., Reyes García, J.R., Haveman, S., Bonnema, G.M. (2023), Transnational survey data on European consumers' attitude and perceived knowledge about electric vehicles. Data in Brief, 49, 109378.