

ISSN 1911-2017 (Print)
ISSN 1911-2025 (Online)

ASIAN SOCIAL SCIENCE

Vol. 11, No. 3 February 2015



CANADIAN CENTER OF SCIENCE AND EDUCATION

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Young Lecturers' Catalyst Technique towards Excellent Research Culture in Malaysia Scenario

Mohammad Syuhaimi Ab-Rahman^{1,2}, Mohd Jailani Mohd Nor³, Ahmad Kamal Ariffin Mohd Ihsan³, Azamin Zaharim⁴ & Afiq Hipni²

¹ Department of Electrical & Electronical Engineering, National University of Malaysia, UKM Bangi, Malaysia

² Research Advancement Strategy & Planning (RASP), National University of Malaysia, UKM Bangi, Malaysia

³ Department of Mechanical and Material Engineering, National University of Malaysia, UKM Bangi, Malaysia

⁴ Center of Engineering Education, National University of Malaysia, UKM Bangi, Malaysia

Correspondence: Mohammad Syuhaimi Ab-Rahman, Department of Electrical and Electronical Engineering, National University of Malaysia, 43600, UKM Bangi, Malaysia. E-mail: syuhaimi1977@gmail.com

Received: March 10, 2013 Accepted: April 16, 2013 Online Published: December 30, 2014

doi:10.5539/ass.v11n3p1

URL: <http://dx.doi.org/10.5539/ass.v11n3p1>

Abstract

A university's strength is very much depending on the leadership of the professors as well as the passion of young researchers. Their experience, expertise and spirit lead to the excellence of the university and as well as the reputation. There is however a certain mature period for young lecturers to make them capable of doing a quality research. The maturity denotes the readiness to conduct a proper research and to carry other responsibilities in providing a platform of contribution towards the university, society and Nation. Hence, they have to be independent to utilise all resources in achieving their goals and target. This paperwork acts as a guide to expedite their maturity by providing information to ensure the continuance of the research field. The proposal of the study is based on the case study and brainstorming session through several workshop organised by research group.

Keywords: excellent culture, young researcher, research university, mentor, Excellence Catalyst Model (ECM)

1. Introduction

A research is defined as a process of solution finding based on the analysis and study of related factors (Sakaran, 2000). It is the prime task of an academician nowadays to conduct a research to discover new findings or knowledge meanwhile the current knowledge is developed to another level. Research and innovation must be of something meaningful and have an impact towards the society and the Nation. The findings must be resourceful and valuable which bring wealth to the Nation as well as changes in the society's quality of life. Thus, research planning has to be in accordance of the client's needs. A good research which brings an impact has to be conducted in between the economic business and social business to reduce disparities. With reference of the future technology, local scientists are believed to be able to gain the trust of the community on Malaysia's R&D by using their abilities to acquire such technology and the competitiveness in them. Thus, it is hoped that this could bring more profit than loss in our economy.

Today, a research is no longer done as to acquire a degree scroll, but it has become a compulsory task. Thus, it is mandatory for academicians to possess good skills in conducting research. A quality and systematic research will lead to historic findings that give a huge impact on the nation's development. Education and research are two vital fields which need to be addressed to trigger the finding of new knowledge and innovative inventions parallel with good management skills. Since the task and role of a lecturer are becoming more complex along with huge responsibilities, hence, smart research methods and techniques to reduce pressure need to be exposed to them. In conjunction with that, Ministry of Higher Education Malaysia needs to provide a complete research management module to assist and guide the researchers of higher learning institutions to conduct a more effective research and most importantly to avoid stress and pressure to lecturers. The complete module should include identification of strength and available resources, as well as smart research technique such as fellow researcher, Multi-Dimensional Assessment (MDA) (Ab-Rahman, 2011), research collaboration, upgrading conference-to-journal article (C2J) & upgrading Progress report-to-manuscript (PR2M), monitoring structures,

monitoring pattern, periodic target, out of campus activities (Ab-Rahman & Zalmi, 2012b). The technique to inspire young researchers consists of three main elements which are:

Element 1: Catalyst and Evident Target

1. Mentor
2. Exhibition & Intellectual Property
3. Management
4. Community Service
5. Journal (Quality & Quantity)
6. Reference & H-Index

Element 2: Facilities and Alternatives

1. Research grant
2. Students Scholarship
3. Partial Laboratory & Full Laboratory
4. Monitoring & Nurturing

Element 3: Culture of Excellence

- Research Method
- Supervision Strategy
- Management System & Research Strategy Planning

2. Lecturers' Responsibilities

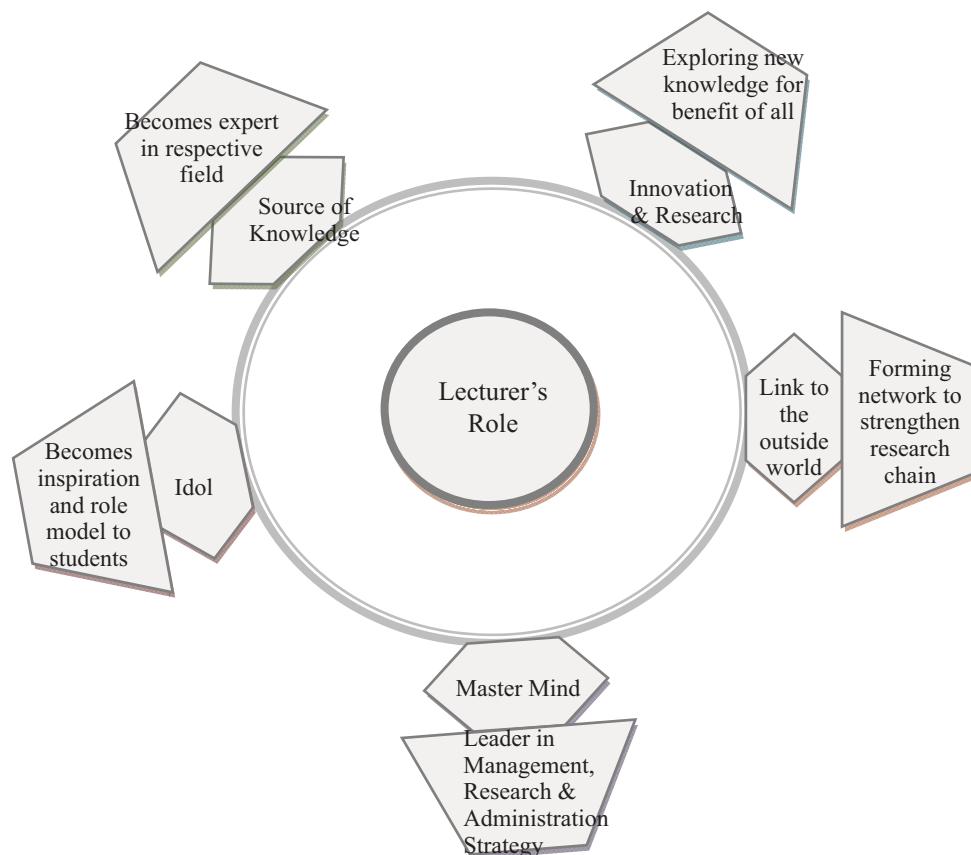


Figure 1. The roles of lecturers, making the career prestigious and respected by the society

As a professional, the responsibilities of a lecturer are not only confined to those of teaching and administration, but also contribution to the society should be made priority. As scholars, they serve as the masterminds and planners of social and economic activities thus enhancing the quality of life. National Development will not be attained if there is no group to plan and draw efficient strategies to achieve the set goals. Lecturers are now the bridge to the outside world through researches and teachings. This is the best and fastest platform in creating collaboration between nations. To achieve the goals of PSPTN in developing first class mentality human capital, there are many programmes, upgrading the quality of teaching and learning and innovation are instilled in the teaching curriculum which need to be revised and adjusted (Ab-Rahman et al., 2011c). Meanwhile, lecturers play the leading role in instilling this culture and come up with such reports for the purpose of accreditation and audit such as Engineering Accreditation Council (EAC), Malaysia Qualification Framework (MQF), International Organisation for Standard (ISO) and many more. The task of a lecturer is becoming more complex with higher responsibilities. Figure 1 below shows the roles of a lecturer which consist of teaching, research and community service which are divided into 5 parts of teaching, research, advisory, network, administration and research and innovation.

3. Fourteen Factors of Young Lecturers' Excellence

3.1 Mentor

A mentor is just like a tattoo. It stays in the skin forever. A good mentor who gives good guidance towards excellence will always be remembered. Thus, the first thing that young lecturers/researchers need to do is to find mentors. The mentor must be of an experienced senior lecturer in the research field and he must be able and ready to guide. The mentor does not necessarily be in the same research field of the mentee. Utmost important is that he is charismatic and ready to guide. We could form a new research field and combine both ideas in research management, innovation in teaching and learning and etc. Most mentors are of a big position in administration and this would get us involved with their work routine. Indirectly, we get the opportunity to explore new knowledge and experience. The question is, are we ready yet to take challenges, criticism, new tasks and new responsibilities? The choice is in your hand. Are we complacent enough with our position for a long term period or do we want to be a young respected lecturer with higher ranking?

3.2 Research Grant

Financial support is the source of energy for a research. The bigger the grant, the more research can be conducted. This could produce a good quality research with better quantity. But it is not necessarily true. It could be otherwise and does not mean with a small grant, a research cannot produce a good quality research with better quantity. The utmost important thing is, to diversify the effective techniques on maximising the outcome from a grant. One of the techniques is by identifying the type of grant whether it is an operating or research grant. Each grant has different traits and in other words, the budget depends on the type of grant. Operating grant helps to improve the KPI of a research team by consenting to use the budget for journal publishing, attending workshops/conferences, organising catalyst and monitoring workshop. The outgrowth of every activity must be contributed to the university's KPI. On the other hand, research grant has a wider scope of expenses including the purchase of raw materials and assets needed for the research. Figure 2 shows the example of grants available in one of university in Malaysia and the scope of consumption.

3.3 Research Method

Qualitative and quantitative research consists of similar basic elements but however using different approaches. Quantitative is usually related to experimental research involving numeric data and statistics. This method is usually used for pure science research which is numerical and prototype oriented. On the other hand, qualitative is more descriptive in nature with naturalistic monitoring and a process of understanding based on general assumption. It is often used for social science research. Figure 3 shows depicted the method of research may be used in the research activities which according the focus area (discipline). In the history of science development, both aspects are interrelated and not separated, as the purpose of knowledge is to seek the truth. The separation occurs only during the development of Western science in the mid 19th century AD where sciences are divided into categories. Mat Rofa Ismail (2004 & 2006) who discussed the both aspects in the development philosophy of science had concluded that natural science is not science emerged as an objective in its own knowledge, but is a branch of philosophy that makes the qualitative aspects of metaphysics as a primary goal. Science should be seen as being loaded with qualitative aspect, not as mere technology products. Meanwhile, Zainal (2006) was in the opinion that the Western defined science as purely quantitative monitoring. Even though both qualitative and quantitative research plays a vital role in the development of sciences, it is ironic that scientists currently are not keen to opt for qualitative research. This syndrome simply occurs because quantitative research is said to be

objective while qualitative is descriptive. Maximizing Revenue and creating varieties with Qualitative and Quantitative Integration.

3.4 Students Scholarship

Every university offers a graduate scheme in proportion and within the prescribed period. There are two types of graduate scheme, one that includes tuition fees and the other without tuition fees. Each supervisor must know the conditions and procedures to apply this scholarship as the scheme can save the research grant's allocation to be used to add the number of students or for other purposes. Various schemes are offered such as Fellowship (Prime, RU and University), Centralised Human Capital, National Science Fellowship as depicted in Figure 4.

3.5 Partial Laboratory & Full Laboratory

Many researchers are dreaming of having their own research laboratory with complete facilities in order to conduct a research. Nevertheless, most researchers with their own laboratory are not able to conduct a proper research due to lack of equipment and financial support. There are even some researchers who have an equipped laboratory with advanced facilities but there is no development on the research. A laboratory, facilities and financial support are the key to success in conducting a research but that does not mean that those who lack in these factors cannot conduct a research. Sincerity and honesty are the most important elements to conduct a research.

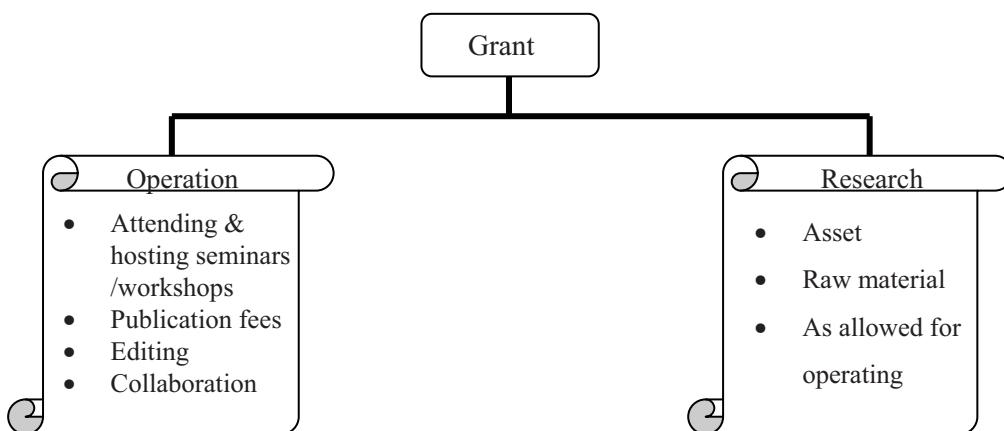


Figure 2. The roles of lecturers, making the career prestigious and respected by the society through the Two (2) research methods used which are qualitative and quantitative

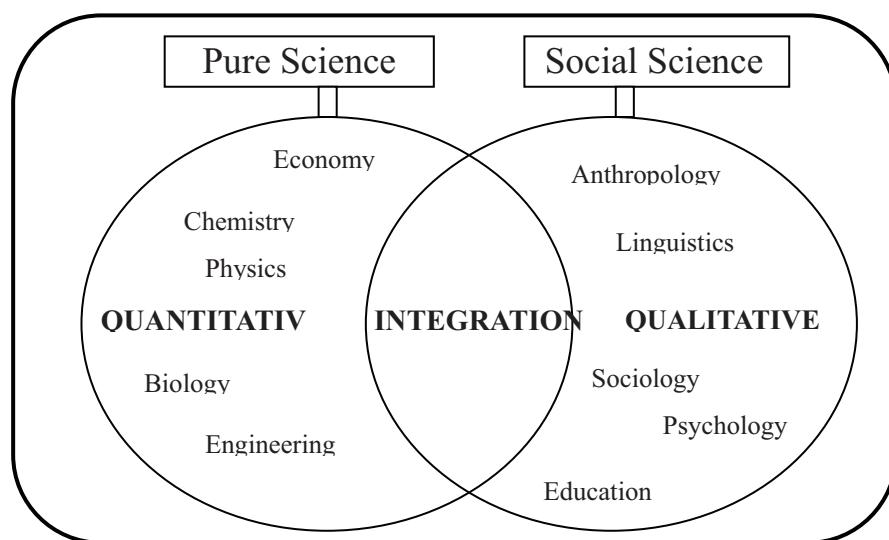


Figure 3. The integration method involves the implementation of the combination of the two approaches in a study

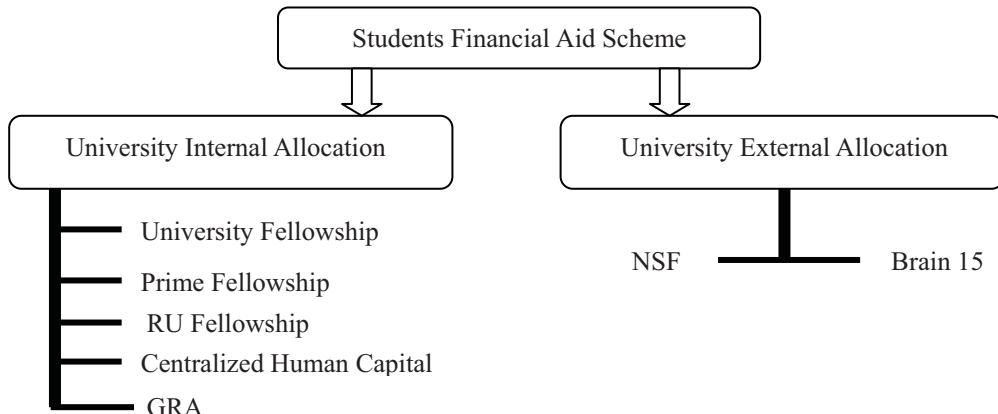


Figure 4. Two types of financial aids for students

There are even some lecturers who are willing to share rooms with research assistant to ensure good quality ideas can be generated for the research (PARTIAL LABORATORY). Some even travel miles away to facilitate other university's equipment. This is what we call as perseverance. Those with strong determination will always be able to come up with great impact results. Various research methods can be done with limited resources. As a start, they can use the simulation technique by using commercialised software to achieve the research objective. Other than that, they can also study the open source software by using analytical model. With that, when a large grant is obtained, they can start their own research empire (FULL LABORATORY). What important is that researchers must be creative and be patient in conducting a research. They should have an eagle view towards their research to gain variety of perspectives so they can creatively achieve their research objectives by using the limited resources. It would be suffice to provide a space for students to develop a partial laboratory. Perhaps a small research team consisting of few lecturers can be formed to utilise the existing meeting room, teaching laboratory or other facilities. It actually depends on our sincerity and determination regardless what type of laboratory we have.

3.6 Supervision Strategy and Monitoring

Monitoring is the best method to ensure the sustainability of a research. Methods that are commonly used to monitor are log book, hard copy or soft copy report as well as students' presentation. With the belief of 'all research reports can be published', monitoring method is no exception from publications. Reports submitted by the students can be revised for the purpose of producing a journal or proceeding paper if it is up to the standard and quality of a journal like what is discussed below. This part will explain the upgrading process from progress report to a journal.

Graduate students often experience problems which delay their studies or prevent them from finishing. According to Helm (1989) these problems are threefold, namely problems in the research design, the collecting and processing of information and the writing of the report. The problems could be due to inexperience of the student, to poor supervision or an inefficient system (Mouton, 2001). Rademeyer (1994), Hockey (1994) and Smith and West-Burnham (1993) found that the successful completion of a dissertation was just as much a function of the abilities of the student as of the supervisor. Numerous research findings have pointed out that there are high proportions of graduate students who fail to complete their studies within the time given. Many factors contribute to this and the major problem is related to the research and supervision process.

Monitoring structure plays a vital role in ensuring the success of a research team. It represents on how we manage the students according to their level (undergraduate and post graduate level thesis and Philosophy Doctor) and their research topics. One of the best structures is the mentor mentee system where undergraduates will be monitored by post graduates meanwhile post graduates will be monitored by philosophy doctor candidates as shown in Figure 5. As referred to Figure 5, part of the undergraduates' project will contribute to the post graduates' project and likewise, the post graduates' project will be part of the philosophy doctor candidates' thesis project. This system will save the supervisor's time which can be spared for other activities. Example of the monitoring structure is shown in the organisational monitoring structure below. A Philosophy Doctor candidate is capable of monitoring two post graduates to support his research. Each post graduate is entitled to have one undergraduate to assist and a course work post graduate. An orderly structuring will lead to a systematic and excellent research (Ab-Rahman et al., 2011b).

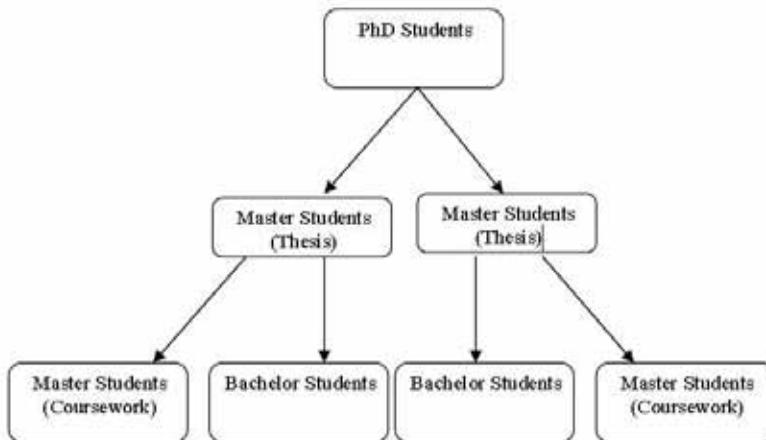


Figure 5. Effective monitoring hierarchy

3.7 Students Monitoring

Monitoring can be done at the level of research findings. It starts from the writing of progress reports. Each student is required to prepare a research report within a particular period and supervisors will monitor the research progress reports prepared. The progress reports can also be planned and developed into research results in the form of proceedings and journal articles, such as; Introduction, related Literature Review, Comparative analysis, Methodology, results, critical analysis, discussion and references. Once the manuscript is upgraded, it may be sent for evaluation by any of your areas of focus and thrust. Do not be upset if it was still rejected. Restart with evaluating and analysing the comments and criticism. Figure 6 shows the plan of manuscript writing towards producing proceeding and journal article. The process is interrelated and distinguishable based on the scope, breadth, depth of the analysis made.

a. Monitoring the Research Results

This is also essential to ensure that the students are on the right path in their research. Weekly brief meeting, monthly progress presentation or discussion can be done to achieve this objective. It is advisable to have a standardised log book or report form for students to fill in to show what they have done so far. If the progress is as stated in the schedule, perhaps students can be motivated to pursue more in their findings. If it is lacking, supervisors not need to be worried because this is normal in the world of research. Different point of views are needed, perhaps from other experts to figure out what should be done next.

b. Monitoring by the students and Research Results

There are various ways used to monitor the students' development and the research results to get a well planned research results. While students manage to complete their studies within the stipulated period and at the same time being active in producing researches, it is a good example in producing journal articles. Students are exposed with planning chapters for thesis writing and the probabilities of research results (examples of articles) to be published. For instance, Chapter 1 and Chapter 2 are the leading studies where statement of issue is introduced apart from literature studies and comparative analysis. Thus, a 'Review Article' can be prepared align with Chapter 1 and Chapter 2. Table 1 represents a planning table as a reference for the students to produce journal articles based on their chapters in thesis writing. The journal article then will be presented together with the chapters in their thesis. If this strategy is being used, it is expected that at least 3 articles can be produced in every research. Table 2 shows the example of a journal publishing planning table for students as a guideline to motivate them to publish.

Table 1. Identification of appropriate journal articles written is also important in ensuring production targets are achieved

Types of Article	Suggested Journal
Proposal (New Ideas, Research Method)	Journal A
Review	Journal B
Research (Proof of Concept)	Journal C
Research (Novelty)	Journal D
	The quality of publishing improving when the research progress towards the end/completing.



Figure 6. Progress report improvements and journal fund conversion plan

Table 2. Example of a potential journal publishing planning table

Chapter	Article Type	Potential Submitted Journal	Impact Factor (2013)
Chapter 1 & Chapter 2: Introduction	Review Article	Optical Review	0.542
		Optical Fiber Technology	1.188
		Optics Communication	1.542
Chapter 3: Methodology	Art of Design/ Methodology	Optica Applicata	0.542
		Opto-Electronics Review	1.279
Chapter 4: Analytical	Analytical	European Physical Journal – Applied Physic	0.71
		Optical and Quantum Electronics	1.078
		Journal of Modern Optics	1.169
		Journal of Quantum Electronics	2.113
Chapter 5: Simulation	Simulation	Optica Applicata	0.542
		OPTIK	0.769
Chapter 6: Experimental	Experimental	IET Communication	0.72
		Optical Engineering	0.958
Chapter 7: Result & Discussion	One Completed Research Article	ETRI Journal	0.41
		Journal of Network and System Management	0.438
		Journal of Optical Communications and Networking	1.547
		Journal of Optical Society of America B	1.806
		Photonic Technology Letters	2.176
		Journal of Lightwave Technology	2.259

3.8 Journal (Quality & Quantity)

The impact assessment factor is very much affecting the H-Index value. This is because approximately 100% Journals listed in Q1 and Q2 are from a particular field and all journals in this group have high assessment factor. Therefore, if the H-Index value is to be increased, it is encouraged to publish a focussed journal. The higher the assessment impact, the higher the probability of our journal to be mentioned and reviewed. Other than that is to increase the H-Index value. Now, bonuses like reward system or promotion of group and individual assessment are based on the H-Index and it has become compulsory for a researcher to always monitor their H-Index value (Ab-Rahman & Zalmi, 2012a).

There are 2 steps to increase the value of h-Index. Firstly, by publishing high quantity of journals. Thus, the likelihood for our journal to be mentioned in any journals is high. To increase the quantity of annual research, it is best to refer to this for good techniques. High quantity publishing is essential as researches will have to refer and mention their published articles at the same time. Self references are also counted in increasing the value of

index-H. Secondly, is to conduct a research to date than the previous research. This is because those articles have high possibilities to be referred by the future researchers. The research results are usually published in the journals under the Q1 group. Few tips can be used to publish journals under Q1 and Q2. Figure 7 shows the components or efforts can be made to increase the H-Index value.

In a nutshell, this Index is used as self-assessment and to assess the goals while the impact factor indicates the target to be achieved.

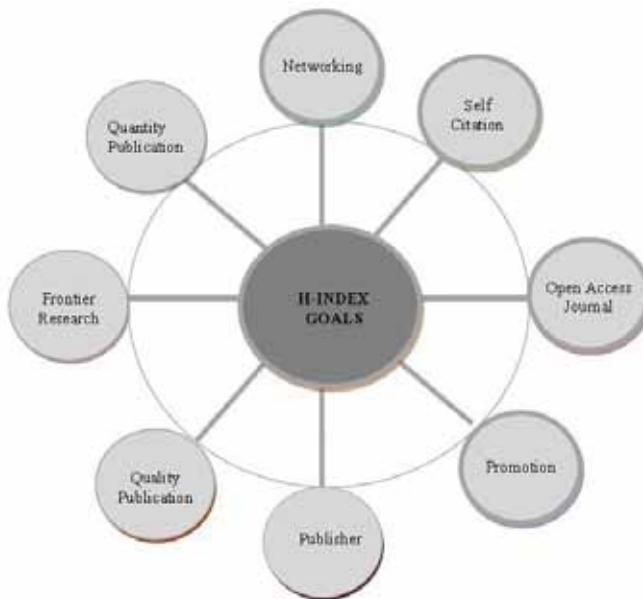


Figure 7. Components that contribute to the increase of H-Index value

3.9 Exhibition & Intellectual Property

Participating exhibitions is one of the initiatives to encourage the students to be more focussed towards research works. Efforts will be doubled up by participating exhibition and competition. As a result, the research work will be expedited within a short period. Thus, the filing process of patent application will be easier with the existence of prototypes along with research reports. Then the products can be commercialised. Apart from that, this will also helps researchers to seek for research grant to assist them in upgrading and finishing the research end result. Figure 8 explains the benefit gain from the exhibition and intellectual property.

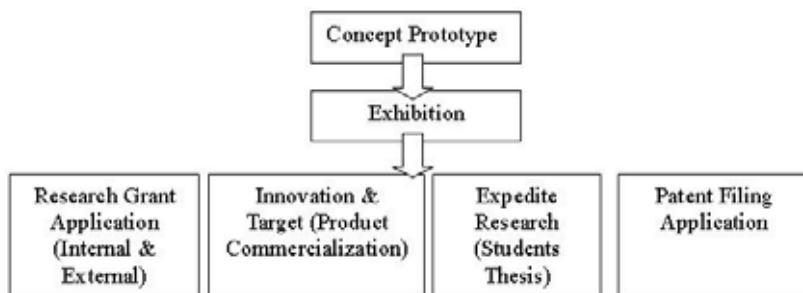


Figure 8. Benefits from hosting exhibition

3.10 Administration

A research has shown, those who involve in the administration of a university are those who contribute most of the university's KPI. Logically speaking, it is true that those who appreciate even a single minute will make full use of the time to get their work done. These people who are wise in managing their time will always have a strategy to fully utilise their free time with something beneficial. Congratulations to them! This is distinguished with those who have more free time but always opt to procrastinate believing that they still have plenty of times.

As a result, they failed to get the work done within time frame thus contribute nothing to the university. Try and have a look, these types of people are always around us.

3.11 Monitoring & Nurturing

During promotion interview, maturity is the utmost essential element demanded. The general presumption is that, maturity will come through time. The more experience, the more mature a researcher gets. The question is, how to erase the stigma that young researchers are mostly not matured enough? We will get the answer by monitoring the students as well as the young lecturers in terms of their teamwork in ensuring the success of a research. Hence maturity can be evaluated along the way. Meanwhile, 'Nurturing' is essential in measuring maturity of a person in a particular field.

3.12 Community Service

With the existence of a research team, all the planned activities can be held successfully. Other than that, the research laboratory can also be used as an activity planning centre which involves the society. Figure 9 shows on how a motivational workshop is held for school children on Science and Engineering.





Figure 9. A series of pictures for a community service (school trip to one of the laboratories in a high-ranking local university)

3.13 Reference and H-Index

The actual parameter in determining a quality of a research is the reference. It comes in three main forms namely; Total Reference (TR), H-Index and Impact Factor (IF). The purpose of evaluating articles to published papers is to assess the publications and the research produced. The best article will bring influence to other universities' research. Total Reference gives the total frequency of the articles of the researchers, the department, the university or the State mentioned on a cumulative basis. Impact factor refers to the measurement of the frequency of an article in a journal been mentioned in a particular period/a given year. The ratio is calculated by reference to the number of articles published. Publishing Quantity (KNP) and Publishing Quality (KLP) was the instrument used to increase the reference value while there is some other way, through their own publications as well as a good collaboration.

3.14 Management System & Research Planning Strategy

Publications generation system consists of four (4) groups; Information and Data Generation Division, Review and Correction Division, Development Division and the Division of Management and Monitoring. Flow chart for the development and expansion of a journal manuscript is shown in Figure 10.

1. Information and Data Generation Division: The most important part in research which leads to the production of required data and information. The bigger the division, the more journal manuscripts will be developed. Composed of students and research assistants who conduct the research.

2. Review and Correction Division: Completed journal manuscript requires reading by second party, third party and so on to ensure the effectiveness of information delivered. This includes the use of sentences and grammar in particular manuscript which is written in English. There are many options that can be used to review and edit manuscripts, which some are payable (e.g. Americanjournalexpert.com, Supaproofread.com). On the internet, many agencies, companies or institutes are offering the editing and revising services of manuscripts-whether journals or books. Usually the cost for a manuscript is up to RM1,000. For researchers who do not have a large grant may use the services of young tutors or lecturers to carry out the process. It depends on whether the researcher would like to include their name as co-editor of the service or pay the service using the reward earned later. Do not be too proud not to include their names in your research as this is the most effective

way to attract young researchers to work together for future research. This is what we called 'Nurturing the youngers' which is also categorized as your contribution in educating and developing young researchers to do research. It gives a big impact on your research for the department/faculty branding.

c. **Development Division:** Previous division requires the services of young researchers (young lecturers and tutors as the editor(s) of the completed manuscript was. Meanwhile Development Division requires the expertise of senior lecturers (e.g. Professor) to expand the research result. The results will be reviewed different in dimension / perspectives allowing more analysis to be done so that the current research will keep on going with added value. Multi Dimensional Assessment (MDA), which will be discussed in the Mohammad Syuhami ab-Rahman 2011, can be done to maximize the results from previous research.

d. **Division of Management and Monitoring:** This division refers to the main task of the researchers as supervisors to manage the developed journal manuscripts. It can also be assisted by research assistants who involve in the project management. Apart from being involved in the process of submitting manuscripts for further development, this section also serves to ensure that all parts of the above run successfully Ab-Rahman et al., 2011a).

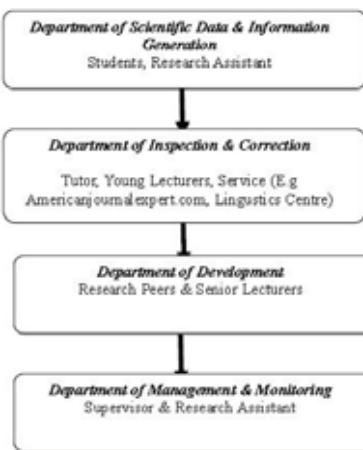


Figure 10. Division of department for improved journal publication strategy

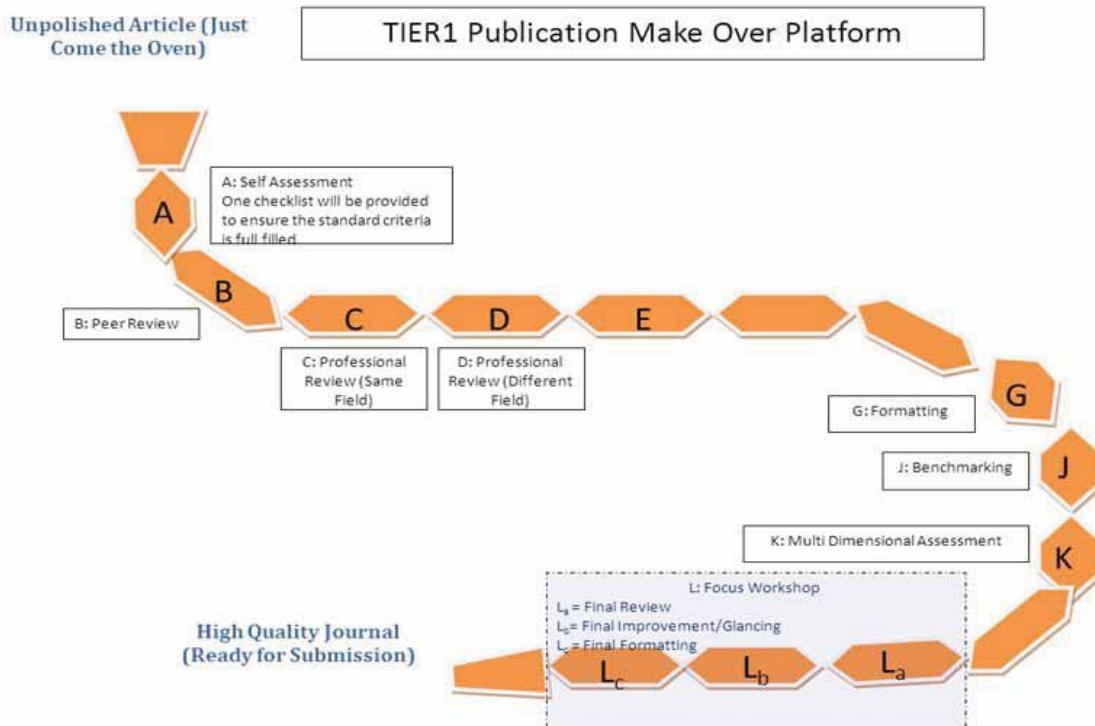


Figure 11. Platforms and steps in creating tier 1 articles



Figure 12. Step-by-step technique to upgrade article

The examples of manuscript revision are shown in Figure 11 and Figure 12. Figure 11 explain the serial process of manuscript improvement where in Figure 12 the two type of manuscript version have been produced in one time (parallel). The structure of the process flow can be made through discussion amongst the fellow researcher and the availability of the components and support from the research institute. However the complexity and number of section is proportional to the quality of the manuscript produced from the process.

4. Summary

This paper lists some of the catalyst to the excellence of researchers which consist of the universities' academic staff. Management strategy in doing research is an important element to offset the growing burden of lecturers. Apart from an efficient strategy, other supporting factors are also important in ensuring that the research foundation and direction is in the right path. This paper describes the components that need to be taken by young lecturers to excel in their career as a lecturer cum researcher. A clear direction is needed so that efficient strategies can be developed to reach the destination. The formation of Research Empire is a good initiative to identify strength so that the lecturers will not be outdated in doing research work. Supports from the system developed by each university are also important in moulding the spirit towards the interpretation of research. Figure 12 shows the Excellence Catalyst Model (ECM) that emphasizes on innovation and creativity that can be applied in grooming young lecturers. The three main cores that initiate the excellence in four area (teaching, research, management and community) are through the practising of excellence research culture, catalyst activities and efficient techniques.

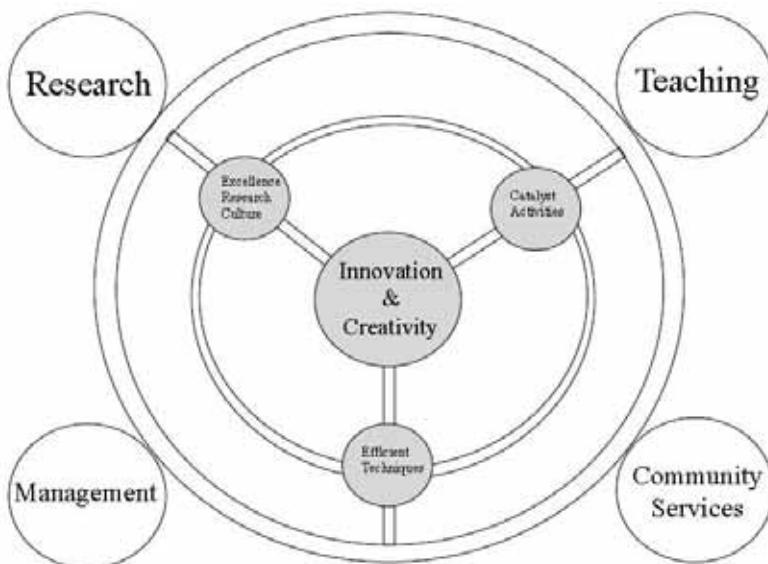


Figure 13. Excellence Catalyst Model that emphasizes on innovation and creativity

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Achieving Quality in Research through Stimulated Publication Technique

Mohammad Syuhaimi Ab-Rahman^{1,2}, Shahrom Md Zain², Mohd Jailani Mohd Nor³, Ahmad Kamal Ariffin
Mohd Ihsan³, Azamin Zaharim⁵, Muhamad Fadhil Sukarna² & Afiq Hipni²

¹ Department of Electrical & Electronical Engineering, National University of Malaysia, UKM Bangi, Malaysia

² Research Advancement Strategy & Planning (RASP), National University of Malaysia, UKM Bangi, Malaysia

³ Department of Mechanical and Material Engineering, National University of Malaysia, UKM Bangi, Malaysia

⁴ Center of Engineering Education, National University of Malaysia, UKM Bangi, Malaysia

Correspondence: Mohammad Syuhaimi Ab-Rahman, Department of Electrical and Electronical Engineering, National University of Malaysia, 43600, UKM Bangi, Malaysia. E-mail: syuhaimi1977@gmail.com

Received: March 10, 2013 Accepted: April 10, 2013 Online Published: December 30, 2014

doi:10.5539/ass.v11n3p14

URL: <http://dx.doi.org/10.5539/ass.v11n3p14>

Abstract

Quality and Quantity (Q&Q) of researches is one of the relevant criteria in the assessment of research university (RU) and this can be seen through the status of publication in a certain universities (number of the publication in indexed journal and citation). The main purpose of writing and publishing is to publicize research findings and share knowledge gained with other researchers in their respective fields of research. Research quality can be indicated by index database ISI WOS and SCOPUS and also impact factor which refers to terms and quotes (citation). Principles and standards for quality research design are can be determined in texts, reports, essays and guides to research design and methodology. Quantity of research is evaluated by the amount of indexed journals with impact factor. This suggests that achieving only one or two stands is typically insufficient to assert quality. Researcher work has value when it is judged by peers to have merit sufficient for acknowledgement in a new text article. By the way, a specific standard that will ensure quality research, the more research studies are aligned with or respond to these principles, the higher the quality of research. This paper discusses the strategy that can be applied to maximize journal publication by means of stimulation technique. In the end of the study, we analyze the student feedback on the quality in supervision towards achieving high quality in research for pure and social science students.

Keywords: Research University, publication, effective supervision, social science, pure science

1. Introduction

Research University (RU) is a public university which had been recognized by the Cabinet on 11 October 2006 to become a hub of excellence for education and research. In the beginning, Research University consists of the four public universities, namely Universiti Kebangsaan Malaysia (UKM), Universiti Malaya (UM), Universiti Putra Malaysia (UPM), Universiti Sains Malaysia (USM) and finally, Universiti Teknologi Malaysia (UTM) which had been recognized as an RU on 2010. In the move towards gaining an RU status, it is imperative that the performance of the local universities be monitored and audited so that the RUs can be benchmarked against internationally well renowned universities. It is also imperative that the criteria designed would address the philosophy, vision and objective of being an RU and the standards are met. Characteristics of RU are;

- (1) Study fields focusing on research,
- (2) Competitive entrance,
- (3) Excellent faculty (academic researchers) and also
- (4) Ratio of undergraduates and postgraduates is 50:50.

Goals of RU establishment are:

- (1) Increasing research and development and commercialization (R & D & C),
- (2) Increasing intake of postgraduate and post-doctoral students, increasing the number of academic researchers who have acquired PhD,

(3) Establishing and strengthening centers of excellence and Enhancing the recruitment of foreign students and boosting the position of ranking in the international institutions of higher learning.

RU vision is directly focused to actively participate in the exploration of new ideas, experiment innovative ways to take the initiative on intellectual property and to continue to explore and develop advanced knowledge while RU mission is becoming the engine of growth for the country, providing opportunities for students and scholars to exchange ideas as well as research in a conducive atmosphere to spur exploration and creativity to explore science and wealth, and ultimately increase the quality of life.

Scenario research culture has grown rapidly and has increased since the implementation of the agenda research university (RU), which until today the country had five research university (RU) and the recognition of the Higher Education Centre of Excellence (HiCoE), as well as Fundamental Research Grant Scheme Fund (FRGS) available which started in 2006 which was originally received funds from the government under the Ninth Malaysia Plan 9. The strategy to increasing research capacity in the Ministry of Higher Education is continued from the year 2009 when the focus of research by empowering quality management system of research funds FRGS (Fundamental Research Grant Scheme) which have received ISO 9001:2008 certifications began in October 2009. Therefore, the research project application evaluation process, monitoring and reporting progress has been further enhanced and made periodically throughout the year. Research University also transform Malaysia as a leader in research and development (R&D) and innovation and the production of intellectual human capital that can contribute to economic growth. In addition, recognition as a university of research will encourage local universities to compete globally and increase the ranking in the international ranking.

2. Criteria

2.1 Criteria in the Selection of RU

The recognition of a RU is based on eight selection criteria as approved by the Committee of Research University Assessor, in which these criteria are focusing on R & D & C aspects and also adopted the criteria that have been adopted by several leading international rating agencies. Scoring criteria are as follows in Figure 1. Hopefully the recognition of the four universities in Malaysia, UKM, UM, UPM, USM and also the new one UTM as RU can be a stepping stone in efforts to develop strategies to enhance and strengthen the local institutions of higher learning at the international level. Thus, RU must work harder to improve the position or ranking among the world's top universities such as the rating THES (The Times Higher Education Supplement). This requirement is in line with the National Higher Education Strategic Plan (PSTPN) which aims to be at least three institutions of higher learning listed among the 100 best universities of the world and one of the world's top 50 universities by 2020.

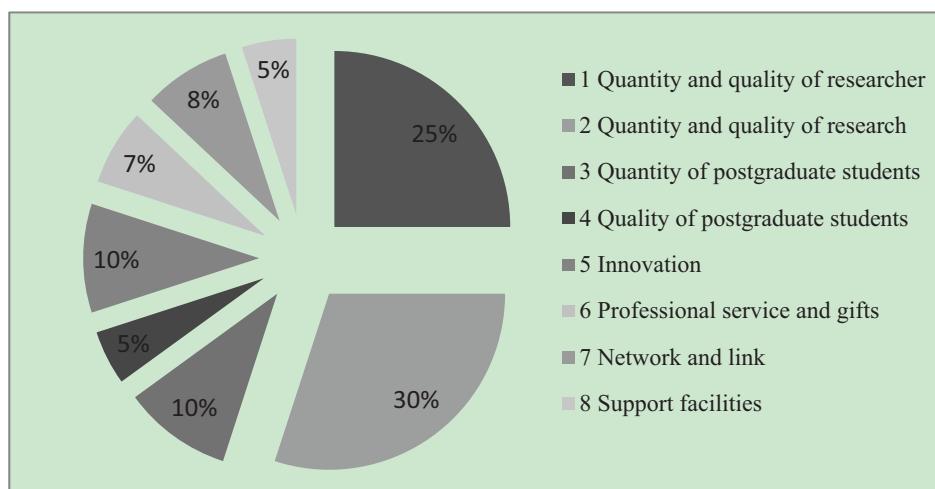


Figure 1. Criteria in the selection of RU

One of the methods to maintain RU status is to ensure all academic members conduct research and publish academic journals. Most of the academic papers are published in journal article and book formats. In journal publication, some researchers feel that journal impact factor should not be used to assess the quality and performance of a research. It is more appropriate to measure the quality of journals in certain fields such as medicine and biomedicine. Under dilemma, all members regardless of their academic research must comply with the KPI which obliges professor must have at least three journals that are indexed and high-impact within one

year, two for associate professors and one for academic researchers (Jusoff, 2008). Basically, two methods are used to evaluate the research quality which are H-Index and Impact Factor. Both parameters used to determine the number of citation of individual (university, country and etc) and Journal. The higher citation is the more influence of one research to the other research. If the H-Index is 10 gives meaning that 10 articles have been cited at least 10 times in other publications.

An impact factor is one measure of the relative importance of a journal, individual article or scientist to pure science and also social science. Each index or database used to create an impact factor uses a different methodology and produces slightly different results, revealing the importance of using several sources to judge the true impact of a journal's or scientist's work (Garfield, 2006). As can be seen, the impact factor can be improved by increasing the number of citations, by reducing the number of source items or both. Perhaps the most important and recent use of impact is in the process of academic evolution. The impact factor can use to be providing a gross approximation of the prestige of journal in which individuals have been published. This is best done conjunction with other considerations such as a peer review, productivity and subject specialty citation rates. As a tool for a management of library journal collections, the impact factor supplies the library administrators with information about journal already in the collection and journals under consideration for acquisition. This data must also be combined with cost and circulation data to make rational decision about purchases of journals (Baker, 2004).

The impact factor of a journal is probably the only quantitative way of assessing its worth and relevance to the academic community it serves. To merit inclusion in the ISI database and therefore to receive an impact factor, a journal must pass a vetting procedure which begins with an in house editor with appropriate subject expertise and concludes with a review and confirmation by the entire editorial team (Jusoff, 2008). ISI staff search the reference lists of all the journals they cover and count all the citations to record a total for each destination journal. The cited journals are the analyses to determine the number of articles they contain that can be considered substantial enough to warrant being counted as source items. The analysis of the cited journal is done using the online version of the journal contents list wherever possible (Kurien et al., 1999).

Impact factor also provide rough and ready guidance. As the pursuit of science has evolved from a pastime of the proper upper classes to a full blown industry, citations have become more importance and also obsession. Now, researchers worry about their places in the web of references, which they should cite and who should cite them. Researchers' council and university departments distribute money according to citation records and editors anxiously anticipate the annual announcement of their journal's impact factors. The central importance of citations to a researchers and a journals success guarantees the popularity of publications. But in the face of publication overload, researchers are forced to improve their strategies to select the reading material that is most relevant to their own work (Baker, 2004).

In counting citations, only papers published in the past two years are considered. In fact, many papers are appreciated after several years of their publication and then referred and many other papers continue influencing others' research for much longer period. Also, items such as new articles and editorials that are the regulars' features of some journals are not counted in the denominator of the impact factor but citations to those new articles maybe included the numerator, inflating the impact factor of journals that publish such articles. Now, publication of research paper or articles in reputed journal has become an important factor in assessment of the academic performance especially to assess the research university rank and also the researcher (Jusoff, 2008). Therefore, a measure such as H-index which quantifies the quality as well as the productivity of an individual author or scholar would be more appropriate than the journal impact factor. The h-index is an index that attempts to measure both the productivity and impact of the published work of an author or scholar. The index is based on the set of the scientist's most cited papers and the number of citations that they have received in other people's publications. The index can also be applied to the productivity and impact of a group of scientists, such as a department or university or country. However to achieve the H-Index increasing the Impact Factor is the main parameter one must be looking for. There are several method can be used to increase the H-Index which are publishing in prestigious journal with high impact factor (quality), Publish as many as possible in indexed journal (quantity), Networking and Promoting, and Publish own journal (be a publisher).

3. Journal Publication as Measurement of Research Quality

Typically, the publishing of journal articles have gone through a rigorous screening process by peer review, where independent experts provide the author with critical commentary and suggestions to improve their final paper, prior to publication. Most print journals are now widely accessible over the internet and are relatively easy for others to access. Articles submitted to journals usually appear in print sooner than books or book chapters, and continue to be accorded greater influence in promotion and tenure decisions within academia than alternative

means of distributing information. Articles published in peer reviewed journals are likely to remain a very important means of distributing research findings for the foreseeable future.

Therefore, the assessment of many scientific journals regularly becomes the issue of academic disciplines. Academic journals serve as a forum for the introduction and presentation of new research and studies or research work of the existing comments. Common content format usually involves original research and review articles. Article rating known as an assessment of the progress of inspection or research studies published in any journal. Academic or professional publications that are not valued are known professional magazines (Ujang, 2007).

There are two visible weaknesses within academic researchers in local higher learning institutions which are peer review and reference and citation of their writings in reputable journals. Peer review is basically the viewpoints of academic community on the ability and academic contribution of the assessed academic researchers. This assessment relies heavily on writings which will be or have been published in reputable journals and active participation in international level academic activities, specifically the membership in editorial session and professional organization (Ujang, 2007).

In academic publications, peer review is very important. In addition to promotional purposes, this view is also considered for the evaluation process for the papers published in journals or books. The assessment is conducted fairly and objectively without recognizing the background writer. This is to ensure that the results are given without prejudice and comply by the academic standards. One of the main reasons for peer reviewed articles is to present a more objective research base. Every author has biases, regardless of how hard they may try to remain objective. Every peer reviewer has biases too. Having a diversity of opinions can help to neutralize the biases that may come up during research and help to keep the findings of the article objective, thus presenting the best possible research for others to build upon.

4. Monitoring the Publication of Academic Journal

Each institution would have a method of monitoring research publications produced, particularly journal articles. In UKM, there is an e-Publishing system that allows every member especially academic staff to record their publications, and even provides certain score for the recorded publications in accordance with the established standards. This system will be used in the next annual assessment and promotion process (Madin, 2008). It also provides translation facilities journal articles from Malay to English to the staff university. In this regard the Malaysian national institute of translation services (ITNM) is used. Translations costs are incurred by UKM with the requirements where the journal article has to be published in journal indexed by Scopus or WOS. Editing can be done by using third-party services such as the American Journal Experts www.journalexperts.com. Articles should be published in the journal are completed (peer-reviewed). Editing costs can be claimed by the authors of these articles as soon as the papers get accepted for publication by the publisher of the journal to be completed (Madin, 2009).

In the international rating system higher learning institutions such as THES, IOC and Shanghai Jiao Tong, the statistics used is the number of papers and citation indices in the database of ISI Web of Science (WOS) and Scopus. The purpose of evaluating quotes (or can be called citation) to the publication of this paper is to examine the impact of a publication or research project. If the citation of an institution is high, it will affect other researches.

Prior to 2007, THES used WOS as a source to obtain the paper journal citation statistics. UKM also monitored statistic of articles and quotes using WOS. The findings showed paper and citation statistics in Malaysia institutions of higher learning was low compared to institutions in Singapore and Thailand. However, when THES used SCOPUS, the number of articles and citations for institutions of higher learning in Malaysia increased. In this case, the transition from WOS to SCOPUS was beneficial for institutions of higher learning in developing countries. This was because the number of journals indexed by SCOPUS was more than WOS, especially in developing countries. Journals indexed by WOS really emphasize on the end result and objective of research. Therefore the research accepted for publication must be advanced and achieve its main goals. Unlike the journals indexed by SCOPUS which are more flexible and less severe in its rating which give opportunities to researches that are classified as advanced to be published in SCOPUS indexed journals.

5. Strategies to Maximize Journal Publication

The main purpose of writing and publication is to disseminate new finding and to share knowledge with other researchers in their own respective research fields. Even though a huge number of grants can be obtained, it does not indicate that all researchers will be able to publish papers in impacted journals and produce writings in books. A higher possibility is the researchers would choose the easier way by publishing their writings in conference

which is lower in quality. Efficiency in English language can also be a factor which determines the level of writing produced by researchers because most reputable journals are in English language. In this article, the author is trying to expose a few initiatives to produce effective writings including the method to solve the aforementioned situation. There are three method groups to maximize journal publication. Starting with the system development where the supervisor is building a strong base in the lab. Enhancement activities will furthermore increase the achievable end results. Effective technique refers to the innovations applied to increase the quality of the conducted research product. Researchers have to be ready spiritually and physically before proceeding with the maximization of journal publication. Spiritually prepared means the researchers are ready to bear additional responsibility to publish any research materials and becoming a motivated person among researchers and students. Meanwhile, physically prepared means the researchers have to be hard working in achieving their goals which is to produce a certain number of journals for certain years. It is crucial for researchers to develop an efficient system which will lead to the correct path to reduce tension and confusion. This can be achieved by developing a platform to help secure the objective of the research. Important characteristics of the platform are as follows:

1. Identifying the strength and source
2. Developing Publication Generator System
3. Forming an Excellent Culture (Tip 1)
4. Practicing Effective Technique (Tip 2)
5. Hosting Enhancement Activity (Tip 3)

5.1 Identifying the Strength and Source

This can be done by listing down the researcher's strengths where the sources will assist in generating information and scientific data. This list is important to measure one's strength, which enables researchers to produce the next strategy in organizing manuscripts later. Figure 2 shows the examples of the strengths that can be used to generate information and scientific data. These resources have existed in a academic researcher, and subject to the review and use. More resources mean more journals can be published. Determination is the starting point because each manuscript to be developed requires the journal data either qualitatively or quantitatively. The resources are not the main problem but the question here is whether they are used effectively or not.

5.2 Form/Develop Publications Generator System

Generation system consists of the of four groups; the Division of Information and Data Generation, the Division of Revision and Correction, the Division of Development and the Division of Management and Monitoring. The flow chart for the development and progress of a journal manuscript is shown in Figure 3.

Division of Information and Data Generation: This is the most important part in conducting research that leads to the data and information needed. The greater this part is, the more journal manuscripts can be developed. This division is mostly composed of students and research assistants who conduct research.

Division of Revision and Correction: Completed journal manuscripts require reading by second, third and so on person to ensure that the information in the manuscripts can be delivered effectively including the use of sentences and grammar particularly manuscripts written in English language. There are many options that can be used to review and edit manuscripts and such are paid (e.g. American journal expert.com, Supaproof.com and etc.). Many agencies, companies, institutions that offer services in editing and reviewing manuscripts either journals or books are also available on the internet. For researchers who do not have a large a grant may use the services of a tutor or young academic researchers to conduct the same process. Depending on the whether the researchers wish to include the name of the editor as a researcher or pay the service with the reward money. It should be noted that the inclusion of their names in the research is important because this is the most effective way to attract young researchers to conduct research. This is called 'Nurturing the Younger Generations'. This has a positive impact on the research and branding it at either the department or faculty level.

Division of Development: The above division requires the services of young researchers (younger tutor and academic researcher as editors / reviewers) of the completed manuscript). This division also requires the expertise of senior academic researchers (e.g. Professor) to develop research products available. By viewing the results in different angles/dimensions, more analyses can be done and this will allow the project to be carried on. Multi-Dimensional Assessment (MDA), which will be discussed in the next topic in this section, can be used to optimize the research products.

Division of Management and Monitoring: The main task of researcher as an administrator is to manage the journal manuscripts that have been developed. It can also be assisted by research assistants involved in project

management. Apart from being involved in the delivering process of the manuscripts for evaluation and monitoring of development, this division is also responsible for ensuring that all parts are smooth and successful

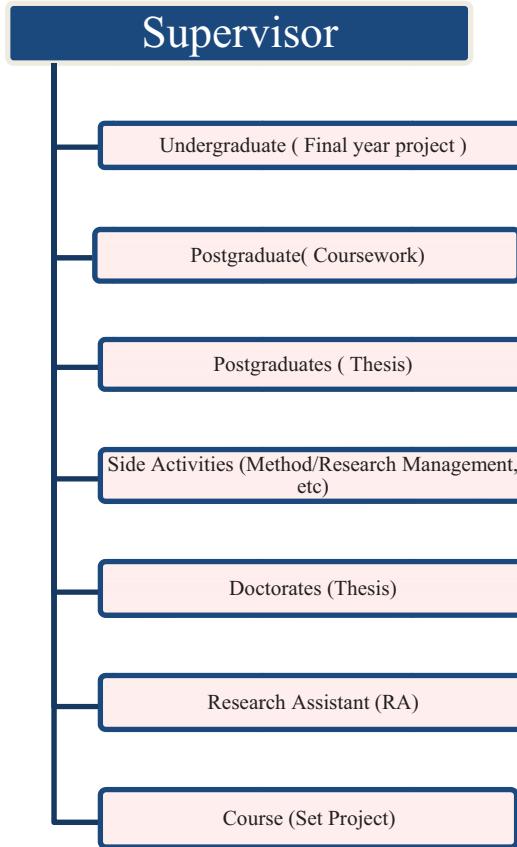


Figure 2. Examples of the strengths to generate information and scientific data

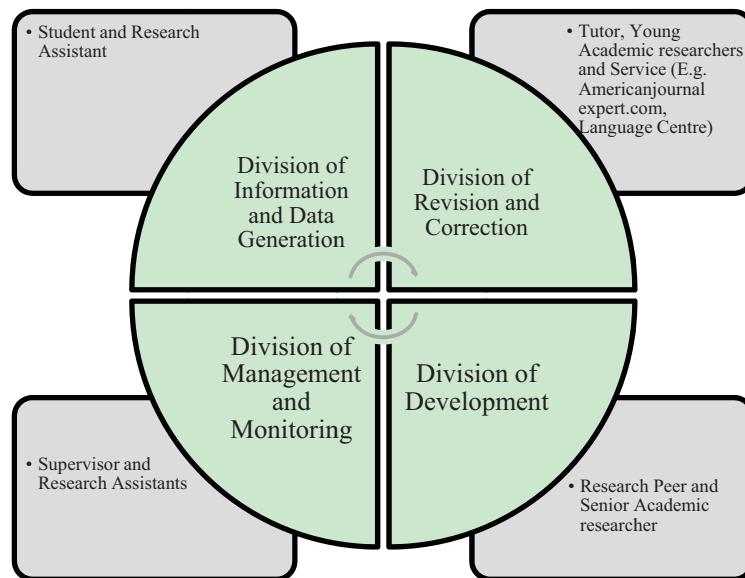


Figure 3. The flow charts for the development and progress of a journal manuscript

5.3 Forming a Culture of Excellence (Tip 1)

This is really important in research groups to produce students with high self-motivation. Motivated students are one of the most important aspects because they are always competing to advance their laboratory research to

produce an output of high quality. Commitment and loyalty usually cannot be separated. Loyal students are usually alert to their supervisors' needs in order to achieve certain goals such as getting promotions and so forth. What is the most effective way to cultivate the sense of competitiveness in students? It includes self-discipline; effective monitoring and provision of facilities in the laboratory (technical and recreational) ensure that students enjoy doing research. Spending research grants wisely and effectively will help the students and they will in turn help promote the name of research groups with maximum output, including journals writing. Basically, the factors that promote culture of excellence are shown in Figure 4.

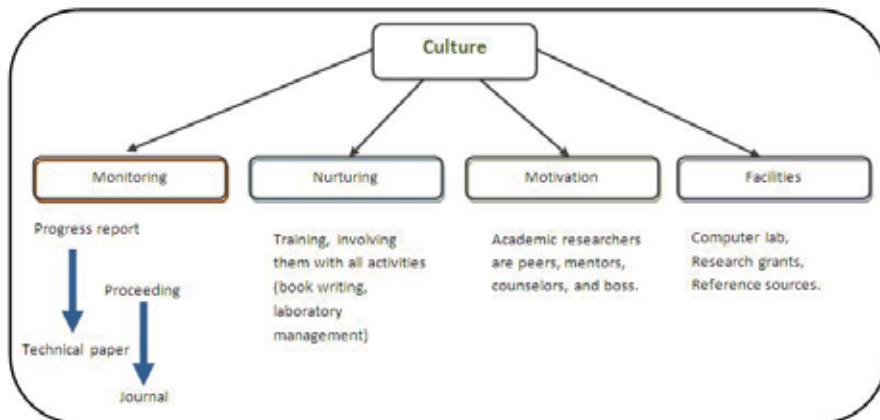


Figure 4. Factors involved in the development of cultural excellence

5.4 Practice Effective Techniques (Tip 2)

The application of effective techniques is crucial in maximizing the number of research although the data obtained is little. Inclusion of creative elements is very important in increasing the number and making it unique. Maximizing technical publications: Practicing effective techniques consists of Multi-Dimensional Assessment (MDA) at Research and Product Level, Inclusion of Creativity component, Express writing, Research Collaboration (double the strength of research), Integration of Multi Research and the development of database. These techniques are vital in producing a huge number of journals in a short period. Several techniques are as illustrated in Figure 5.

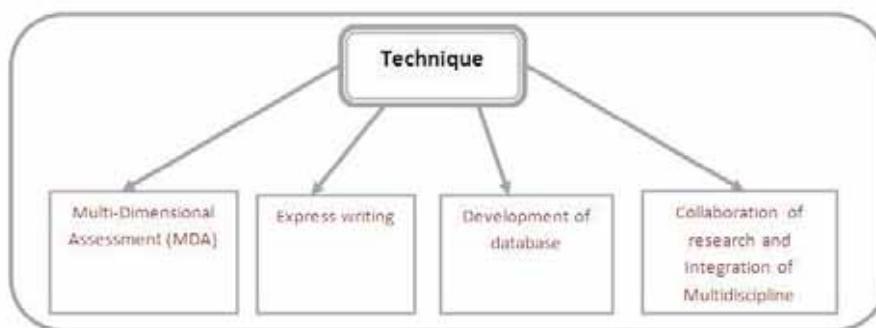


Figure 5. Example of techniques that can increase publication efficiency

5.5 Hosting Enhancement Activity (Tip 3)

Writing in the office or at the faculty can be tedious due to the similar environment faced every single day. The process can also be much unfocused due to distraction from other tasks. This is where publication enhancement activity works in a very effective way to produce and improve manuscripts. Supervisors can organize a 2 to 3 day event outside of the faculty that focuses on producing a number of manuscripts. The objective of this event is to produce publishable manuscripts at the end of the event. Each participant, student or research assistant is required to bring an unfinished manuscript as a 'ticket pass' for this event. Throughout the workshop, students can ask the supervisors directly if there is any confusion or discrepancy. The manuscripts should also be peer-reviewed and presented to increase their chance to be accepted and published in reputable journals. Supervisors should set the target journals early on. Examples of activities that can be organized are shown in Figure 6. Figure 7 illustrates the process for the manuscript to be published.

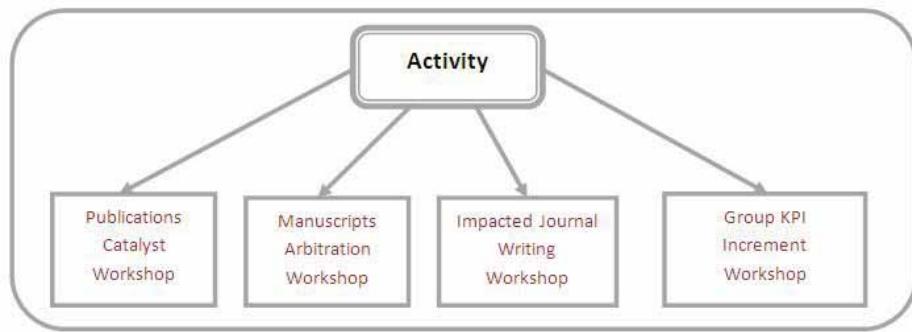


Figure 6. Example of activities to increase the quality of publication standard

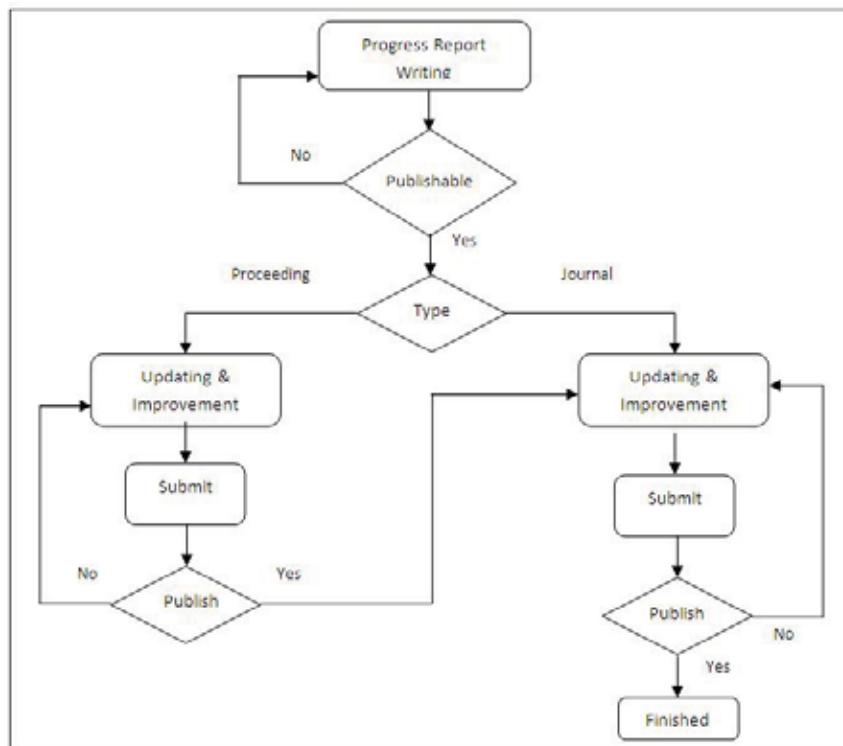


Figure 7. General flow chart of journal manuscript publication

6. Data Analysis for Student Survey

Figure 8 and Figure 9 show factors that affect the quality of research compared to pure science and social science. According to graph, it shows a significant different percentage about the factor affect. Indirectly, factors for affect quality research also automatically connect with the quantity in journal publishing. The graph showed that facilities are the most important things to the pure science student in their research. Facilities also are the higher affect to the pure science percentages than social students. Approximately 25% student in pure science agreed that facilities are an important requirement. Financial also showed the higher percentage with 20%. It's definitely showed that pure science student needs effective monitoring and also provision of facilities in the laboratory to produce an affective publication. Facilities are important core in the formation of the system to maximize journal publishing. The facilities involving technical equipment especially, also includes effective oversight from supervisors, who have conducted research cooperation and motivation such as giving gifts or payments credit card. So, the facilities can be encapsulated in various purpose of providing important benefits to the natural sciences publish the best journal. Maximize the publication of journal also involves financial. In pure science, this is one encouragement towards the effective publications of journals such as cash rewards, honorarium and so on. Besides, remuneration research assistant (RA) and graduate research assistant (GRA) are important in achieving the mission of research universities. Application is open to all Malaysians and international admissions

to pursue a graduate degree program with thesis or Ph.D. Each student who is appointed as Graduate Research Assistance (GRA) is responsible for assisting in teaching, tutorials and practical supervision of final year students for a period time. Therefore, provision is allowed to be used to finance tuition fees and support more postgraduate students involved in research projects.

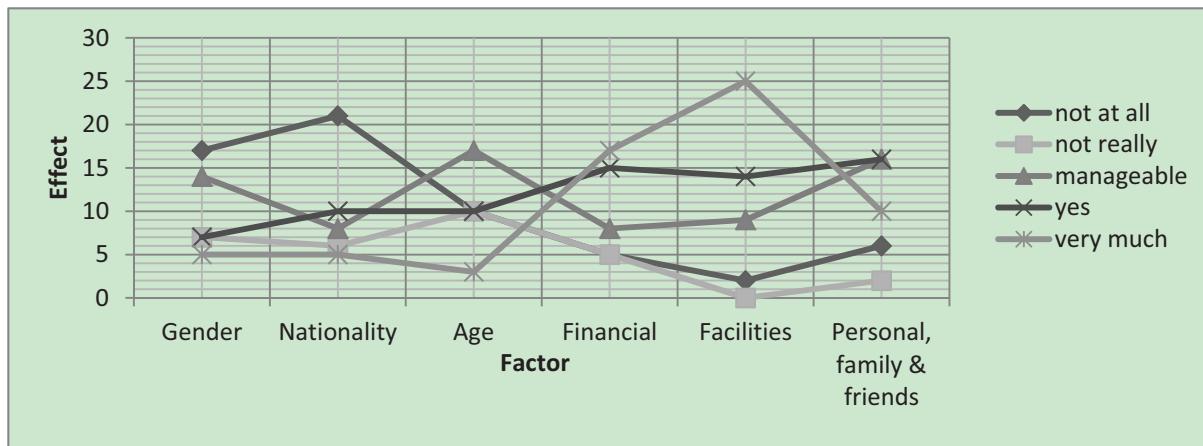


Figure 8. Graph for affect quality research of pure science

Figure 9 indicates that social science students are highly independent and they do not emphasize on the availability of a lab or facilities in order to produce journal publication. They just need guidance from supervisors and make their research from any method like oral and writing. Survey results show that most of the factors listed do not have a huge impact on social science students on their research progress. For social science, the least affected criterion is gender which is 26%. For social science, the highest factor that gets ‘not at all’ rating is gender which is 26% and the lowest is ‘nationality’. There is a huge comparison between pure science and science social. From the whole subject from survey, it shows about method in research and also showed about development of cultural excellence helping students for their research and also the role of supervisor especially in pure science. Each course has different method to produce a good research.

Figure 10 and Figure 11 show the characteristics of supervisors that could affect students’ research from pure and social science. In this study, respondents for pure science category are chosen from the faculty of engineering and science and technology. For social science, the respondents are from the faculty of social science and humanity and economy and business.

Figure 10 shows that pure science students appreciate patient and always available where both characteristics scored 25% for ‘yes’ which indicates that pure science students need a supervisor who is available and provide guidance to any research. In addition, pure science involves a lot of scientific research and laboratory experiments. They also need guidance from supervisor who is accessible and always in the laboratory. The presence of a supervisor is important in maximizing journal publication. Therefore, supervisor’s characteristics that are supportive, negotiable, always available and patient are the result from pure science field. Supervisor is also a mentor who is always with students to achieve a good journal. A good mentor will be with students to achieve excellence which will keep the students momentum going. Student’s motivation also is always changing, so the supervisor will help to constantly motivate students.

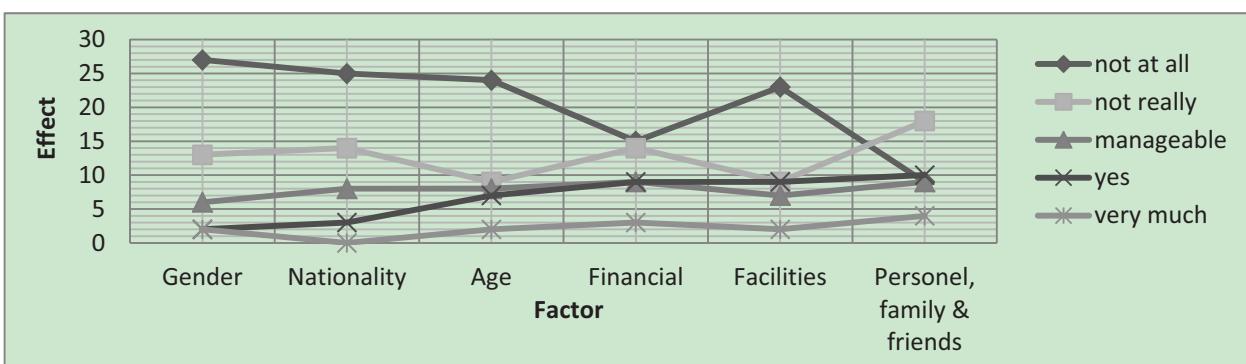


Figure 9. Graph for affect quality research of social science

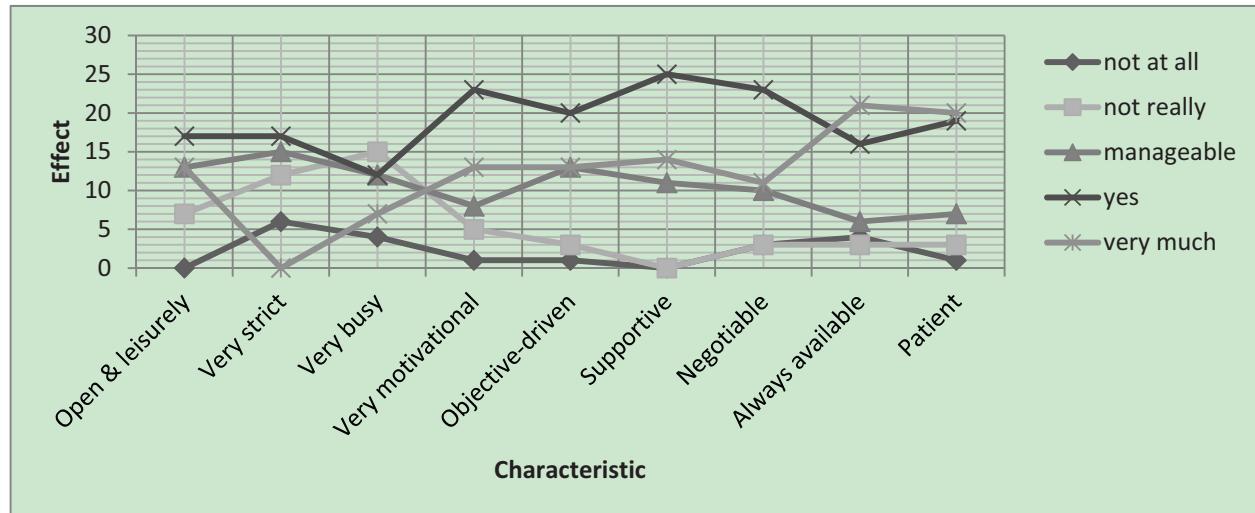


Figure 10. Graph for characteristics in a supervisor of pure science

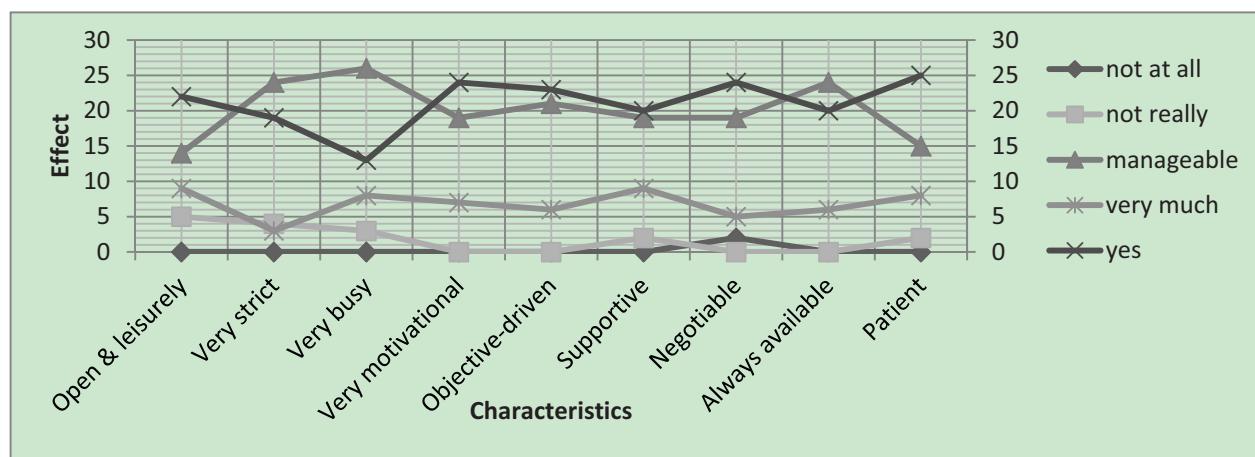


Figure 11. Graph for characteristics in a supervisor of Social Science

Social science shows in Figure 10 has a different result from pure science, and this can be shown in Figure 11. Based on the result, supervisors from social science are very strict and busy but the patient becomes the key features that should have a supervisor. Techniques and methods used in the social sciences are very different from pure science because it does not need a scientific method but mostly depends on the method of oral and writing. Therefore, students not need dependent on the task supervisor but as a monitor for the results research only. So, students in science social show much independent as compare to the student from pure science especially in monitoring and supervision their research activities. Students of social science indicate that the supervisory requirements in their research are different from pure science. Hence, methods to maximize the journal publications are different way. Their research areas example in history, anthropology, psychology and the others more to matters of cultural studies and human relationships do not require them to rely on the methods of a comprehensive supervisory. In conclusion, the characteristics of a good supervisor is depends on the nature and structure of such research, as a pure science is the scientific supervisor and the student need each other to produce an effective investigation for the future, and so too does the social sciences.

7. Data Analysis for Academic Researcher Survey

Monitoring and supervising are the most effective method to realize the research university vision as shown in Figure 12 and Figure 13. Monitoring and supervising allow supervisor or academic researcher to guide their students get good result in their research. Therefore, we created a survey to find the methods implemented and techniques applied in their monitoring and supervising. Monitoring and supervising is a requirement in maximizing journal publication. Figure 9 shows the percentage in this case and also know how the method to apply in their research. Refers to the percentage of monitoring and supervising methods implemented, face to

face process show the higher percentage 29% and automatically shows that method is very effective. The academic researcher or mentor, research assistant and student will automatically discuss their planning and perform the best research from day to day from this method. Indirectly, the process monitoring and supervising will succeed with the right guidance. Supervisor in the laboratory also very important to guide the students make the laboratory became effective places for students to carry out their research.

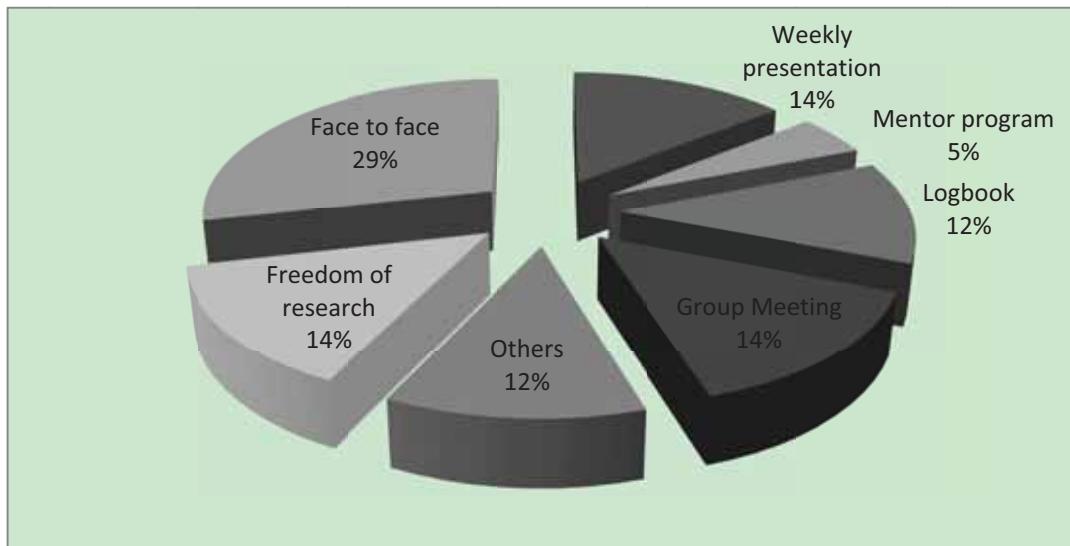


Figure 12. Percentage of monitoring and supervising methods implemented by lectures

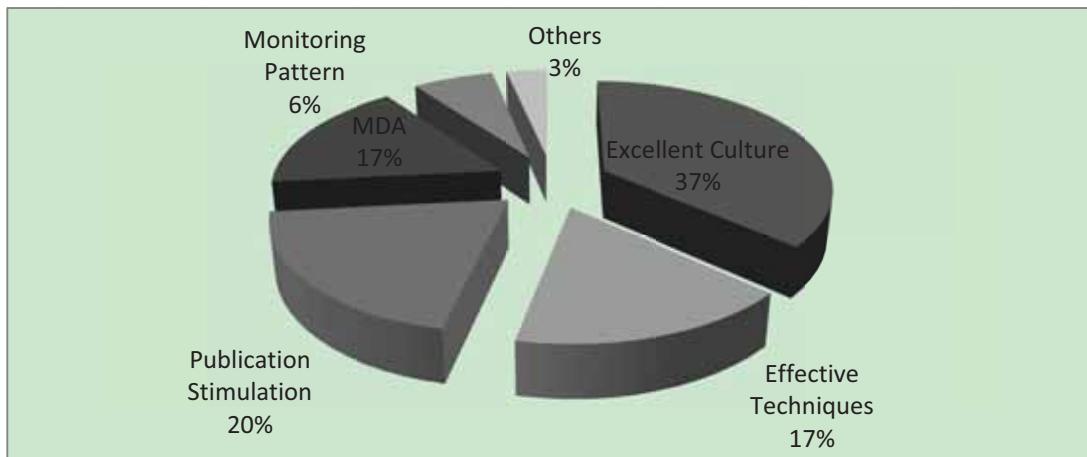


Figure 13. Percentage of techniques applied by academic researchers

Other methods such as weekly presentation (14%), group meeting (14%) and freedom of research (14%) show average percentage and indirectly support this process to guide new researchers. This method implementation showed that supervisor managed their strategy and applied their technique in producing a good researcher or student to maximizing their journal publication. Log book (12%), others (12%) and mentor program (5%) it's the kind of methods implemented in supervising and monitoring.

Based on the survey, percentage of techniques applied by academic researchers showed that excellent culture (36%) is the best technique to produce students with high self-motivation. Excellent culture is the best way to make the student and new researcher to get new ideas in their journal writing. Excellent culture includes self-discipline, effective monitoring and provision of facilities in the laboratory (technical and recreational) to make laboratory works more effective for students. Effective techniques (17%) are also applied by academic researchers in their method. Effective techniques are crucial in maximizing the number of research although the data obtained is little. Inclusion of creative elements is very important in increasing the number and making it unique. The other technique was also applied but its show in the lowers percentage and also supports others. Publication stimulation (20%) also the higher percentage but MDA, monitoring patterns and others are the most important techniques applied by academic researchers to build a maximizing journal publication.

8. Conclusion

Nowadays, Online Eprint Archives make a dramatically of research publishing articles where can be access by worldwide users without making any request to reprint out peers reviewed articles. This impact make a universities and researchers realize that online access can also enhance their research impact with cited online by peer who reviewed their articles.

The strategy discussed on how to maximize journal publication to others researchers to practically use it. The more quality and quantity of publication published, the more cited will get from peer review the article. In the process of maximizing the publication of journals; universities, supervisor and also students is an important role to realize the dream of hundreds of journal publishing high quality research while helping universities achieves the research university status. Therefore, methods to achieve this mission should be implemented by effective role. Supervisors also serve to provide all facilities to check student's research and research direction for achieved the affective quality and quantity research successfully produced.

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Self-extension and Purchase Behavior of Dog Related Products and Services: An In-depth Interview among Selected Malaysian Dog Owners

Andrew Lee Hock Cheong^{1,2} & Kok Hou Yi¹

¹Taylor's Business School, Taylor's University, Kuala Lumpur, Malaysia

²Heriot-Watt University Malaysia, Putrajaya, Malaysia

Correspondence: Andrew Lee Hock Cheong, Heriot-Watt University Malaysia Sdn Bhd, No.1, Jalan Venna P5/2, Precinct 5, 62200 Putrajaya, Malaysia. Tel: 60-38-894-3678. E-mail: Andrew.Lee@hw.ac.uk

Received: January 21, 2014 Accepted: March 4, 2014 Online Published: December 30, 2014

doi:10.5539/ass.v11n3p26

URL: <http://dx.doi.org/10.5539/ass.v11n3p26>

Abstract

This paper discusses the findings of an explorative study among selected Malaysian dog owners who regard their dogs as extended-self and their purchase behavior of dog related products and services. A qualitative research was conducted to gain some deeper insights on purchase behavior of dog related products and services, an under research area. The study aimed to determine whether these dog owners consider their dogs as an extension of their selves and describe their purchase behavior. In-depth interviews were conducted and four major themes on purchase behavior of dog related products and services emerged, namely loving my pet dog means loving myself, sense of possession, attachment and sacrifice and my pet is like me. The findings show that generally these dog owners consider their dogs as an extension of themselves with some participants demonstrating a stronger self-extension on their pets. Dog owners who view their dogs as their extended self, made purchase decisions as though they were purchasing and consuming these products and services for themselves. This understanding offers practical insight to marketers when marketing dog related products and services.

Keywords: self-extension, in-depth interviews, dog products and services

1. Introduction

Pets are becoming an important part of our lives. Dogs, cats, birds, fishes, rabbits and even snakes and other exotic animals have become common pets in many households. They are cared for various reasons from being cute, adorable and also to reflect on one's personality. Some owners of these pets are willing to part with large sums of monies to own and care for their pets.

In this study, pet dogs are chosen as they are becoming increasingly popular among Malaysians. Euromonitor (2013) reported that 9% of the total pet population of 3.8 million in Malaysia in 2012 comprises of dogs. Pet dogs not only keep us company but also provide unconditional love. They act as the eyes and limbs for the disabled and play an effective role to deter intruders in homes. Given their intelligence, strong sense of loyalty or simply their cuteness, owners goes to great length in ensuring the well-being of their furry pets. From the moment a dog comes into an owner's life till its passing, it is well taken care of. Dog owners spend thousands of Ringgit in terms of acquisition of a particular dog breed, their food, clothing, grooming, obedience lessons, boarding services, healthcare, accessories and lately even bereavement services. In 2010, Malaysia was Southeast Asia's second largest pet care market with value sales of US\$105 million and an expected compounded annual growth rate of 3.2% from 2010-2015 (Euromonitor, 2011). To a certain extent these dog owners humanize their pets and treat them as part of themselves. According to Belk (1988), pet dogs are considered as an extension of ourselves.

Hence, it is imperative that marketers understand the purchase behavior of these dog owners, specifically owners who consider their dogs as an extension of themselves. Consequently, marketers would be able to develop strategies to enhance consumption of dog related products and services.

The explorative study discussed in this paper aims to contribute to the growing literature on the purchase behavior of pet products and services and expand the limited studies pertaining to Malaysian dog owners'

purchase behavior. Furthermore, Jyrinki and Leipamaa-Leskinen (2006) also suggested that a qualitative study is required to better understand the consumption behavior of pet owners who regard their pets as extended-self. The review of current literature revealed that existing studies specifically in the Malaysian context have scantily address Malaysian dog owners' purchase behavior.

2. Self-extension Construct

The self-extension construct was studied in great depth by Belk (1988) in his seminal work. Belk (1988) elaborated that "knowingly or unknowingly, intentionally or unintentionally, we regard our possessions as parts of ourselves". The possessions, argued Kiesler and Kiesler (2004), have symbolic meaning associated with a person's self-identity and definition of self. According to Jyrinki and Leipamaa-Leskinen (2006), this construct include consumers' personal and social aspects, symbolic and functional aspects and control and attachment aspects. Belk (2013) explained that areas of consumption that can be impacted by the concept of extended-self include our possession of pets. Belk (1988) cited the works of Secord (1968) who posited that pet owners develop the attitude "love me, love my dog" when pets are part of the owner's self.

The personal and social aspects in the self-extension construct were observed when Belk (1996) discovered that pet owners indicated that their pets fit into their personalities, lifestyles and families. He further added that pets can mirror both positive and negative personalities and traits of its owners.

Belk (1996) explained that symbolically pets are expressions of consumers' identities and functionally they are consumers' appendages. Jyrinki and Leipamaa-Leskinen (2006) added that objects extend consumers by assisting them to become something they desire and giving possibilities to do things they couldn't otherwise do. The type of dog breed for instance indicates dog owners' wishes to be identified with a breed. A Rottweiler for example exudes the symbol of strength and helps support consumers' who want to be identified as being masculine. On the other hand, aggressive and humorous names communicate pet owners individual or class values (Jyrinki & Leipamaa-Leskinen, 2006). From a functional perspective, pets like dogs can be used to protect one's property, guide the handicapped and assist in rescue and security missions. In many Asian countries, pet birds for example help its owners in winning prize money in bird singing competitions.

Belk (1988) suggested that control over and by objects resulted in feeling that relates objects to consumers' identity. He further added that control over pets can be seen when pets are dressed-up and groomed, sent for obedience lessons and neutered. Pet owners' lives are also controlled by pets as pets need daily care and attention. Belk (1989) espoused that in order for an object to be extended self, consumers' should have an emotional attachment towards it. Jyrinki and Leipamaa-Leskinen (2006) explained that being closely attached to one's pet indicates that the pet is seen as part of self.

3. Literature Review

Subsequent to Belk's (1996) study on the self-extension construct and pet owners' relationship with their pets, Jyrinki (2005) conducted a focus group study among five Finnish dog owners from different subcultures. The subcultures included a city dog owner, a working dog owner, two home dog owners and a hunting dog owner. It was found that these owners consider their dogs as definitions of themselves. The research also discovered in different subcultures dogs were seen more as self-extension than in others. The working dog owner most often saw his dog as extended self. For the hunting dog owner, his dog is considered less as extended self. Social and visible aspects of extended self were emphasized more by the city dog owner. Nearly all aspects of the extended-self construct were observed among the two home dog owners.

Jyrinki and Leipamaa-Leskinen's (2006) continued the study on this construct in a quantitative study among 264 Finnish pet owners. They discovered that 74 of the respondents saw strongly their pets as extended self. This extended-self group emphasized more on quality, price, pleasure giving and have better self-esteem and knowledge regarding pet food consumption than the respondents who don't consider their pets as self-extension. The authors added that these pet owners are attached and wants to control their pets by giving the best quality food and take charge of their pets feeding. As these pet owners' are emotionally attached to their pets it does matter whether the pet enjoys its meal. When the pet enjoys its meal it could also refer to personal pleasure when pets are viewed as extended self. Given that the construct of extended-self incorporates personal and social aspects, being praised on their pets feeding improves the owners' self-esteem. It was also discovered in this study that owners who view pets as their extended-self planned their pets feeding more carefully and this could be related to both attachment and personal aspects of the extended-self construct. Their explorative study did not uncover any functional aspect among these respondents which they claim could be partly due to the formulation of items in their questionnaire.

The study on consumption behavior of dog owners were further extended by Hill, Gaines and Wilson (2007) when they investigated the entire lifecycles of pet dogs among three dog owners through a qualitative study which relied on the extended-self and sacred consumption paradigms. By chronicling their lived experiences with their dogs through in-depth essays, this research developed an understanding of the consumptive life history of each dog. A total of five inter-related thematic categories which include initial engagement and selection decision; early adjustment and relationship development; permanent bond and loving intimacy; special events and life transitions and parting as such sweet sorrow were formed. These captured a variety of consumer behavior activities of these dog owners.

Our understanding on the relationship between dog owners and their dogs were further deepened through Boya, Dotson and Hyatt's (2012) cluster analysis study using shopping related variables. Through 75 in-depth interviews and the subsequent survey on 745 American dog owners they discovered three distinct segments of dog owners namely strongly attached owners, moderately attached owners and basic owners. The strongly attached owners had tendency to treat their dogs as children and themselves as their pet parents, like to spoil their dogs and celebrate their dog's birthday. Dogs are viewed as their best friend. These owners also opined that if the dogs were human, it would be like the owners. The researchers concluded that how dog owners shop for their dogs is systematically related to the nature of their relationship with their dogs. Strongly attached owners do not mind spending lots of money on purchasing gifts and healthy food for their dogs and regularly visits veterinarians. Their choice of vehicle and home set-up are also affected by their dogs.

In the Asian context, the quantitative study by Chen, Hung and Peng (2012) on pet related services identified three segments among the 578 Taiwanese pet owners' namely anthropomorphic owners who value superior quality, attached owners who seek a service's epistemic value and owners who look for interaction and a service's functional value. The first segment, though the smallest among the three, has the highest financial ability and view their pets as family members. The next segment consist of average income earners who will choose retail options that are economical, offers variety and convenience. The final and the largest group have the lowest educational and income level. They are less concern for retail shop characteristics and pet related information sources as compared with owners from the other two segments. However, this group has a strong potential for pet related service providers.

4. Research Objective

This exploratory study was conducted among a small selected cross section of Malaysian dog owners. This study investigated how these dog owners, who view their dogs as their extended-self, purchase pet products and services. As literature on consumption behavior of dog related products and services in Malaysia is scarce, this study will assist marketers and brand managers when marketing these product and services in Malaysia.

Hence, the objectives of the study were to (i) determine whether these dog owners consider their dogs as an extension of their selves and (ii) describe the purchase behavior among these Malaysian dog owners.

5. Methodology

The self-extension construct and its influence on dog owners purchasing behavior of dog related products and services provide a conceptual framework for the study. In-depth interviews with six purposively selected individuals living in Kuala Lumpur, Malaysia constitute the primary data for this research. The participants were first interviewed for a total of 1 to 1.5 hours each. Follow up interviews were conducted till saturation was achieved. These individuals were recruited through the author's personal network and a student researcher's personal contacts. The participants were selected from those who own dogs for more than 2 years as the author opines that this will yield more insights on their purchase behavior. They are from a variety of occupations and none have any theoretical background knowledge of the self-extension phenomenon being studied. In order to ensure anonymity, the participants are identified by pseudonyms throughout this paper. A brief background of the participants is shown in Table 1.

The participants were selected based on the following criteria:

- a) They own dogs as pets for over 2 years
- b) They hold access to their own reasons to purchase dog products and services
- c) They were willing to be interviewed and share their lived experiences with their pet dogs.

The sample size can be considered as appropriate to an explorative study using qualitative data collection techniques (Fournier, 1998; Thompson and Haytko, 1997). In addition, this sample size ensured in-depth data concerning life worlds necessary for thick description as espoused by Erlandson et al. (1993) and Mick and Buhl

(1992) in Fournier (1998). The participants were females with only one male respondent. Previous research by Sherrod (1989) as cited by Fournier (1998) showed that females exhibited more and stronger interpersonal relationships.

Table 1. Participants' background

Participant Pseudonym	Profession	Pet name(s)	Pet's gender	Breed type(s) & Age	Products and services used
May	Undergraduate	DeeDee	Female	Poodle, 5	Clothes, Dog food, Grooming, Leash, Treats, Veterinary Supplement, Sleeping basket
Anne	Tax intern	Casper Dusty	Male Male	Schnauzer, 9 Schnauzer,4	Obedience lessons, Dog food, Collar, Grooming, Leash, Treats, Veterinary, Shampoo, Clothes, Pet hotel, Body mist
Pam	University lecturer	Ruby	Female	Labrador,7	Dog food, Collar, Grooming, Leash, Cage, Veterinary, Shampoo,
Ken	Student	Leo	Male	Golden Retriever,2	Dog food, Collar, Grooming, Leash, Treats, Veterinary, Cage, Pet hotel, Pillow, Obedience lessons
Hanna	Teacher	Happy Sam Soon Snaeha Kimchi	Male Female	Shih Tzu,6 Chihuahua,2	Collar, Dog Food, Grooming, Leash, Treats, Veterinary, Toys, Accessories
Jen	Banker	Pico	Male	Promeranian,2	Dog Food, Shampoo, Accessories, Harness, Medication

The interviews consisted of unstructured and open-ended questions to gain first-person description of the participant's specific experience with the purchase of dog products and services. The interview protocol questions were adopted and modified based on current literature on pet products and service consumption. In order to determine whether the participants view their pets as extended self, they were asked about their relationship with their pet dogs. This is similar to Jyrinki and Leipamaa-Leskinen (2006) approach.

All interviews were conducted either at the participants' homes or at the university where the student researcher is studying. The interviews were audio recorded with their prior consent. The interview protocol included questions about participants' backgrounds and the type of dog products and services they purchase. Probing was extensively used to elicit a rich understanding on the participants' self-extension towards their pet dogs. The interviews were conducted solely by the student researcher who had attended training on conducting in-depth interviews. The student researcher was also guided by the author. In line with Fournier (1998), the interview was designed to obtain first person descriptions of the participant's lived experiences with their dogs and contextual details concerning the participant's life world. Stories describing how they obtained and cared the dogs and their relationship with these pets were elicited. The student researcher did not impose any constraints on the elicitation. Dog products and services purchased were identified by the participants and included dog food, collar, toys, leash, supplements, accessories, obedient classes, veterinary services, pet hotel and grooming services. To stimulate and encourage discussion, the participants were with their dogs or had pictures of their dogs during the interview. The dogs involved in this study are from various breeds as shown in Table 1.

Member checks were conducted to ensure credibility of the authors' interpretation and understanding against the participants' views. The interview texts were sent to the participants for their feedback and comments. Thereafter, the author together with the student researcher reviewed the interview transcripts. In addition to the rich description offered below, the purposive sampling of participants each with their unique experiences and understanding of the phenomena allows for transferability judgments of the insights obtained. These are in accordance with Fournier's (1998) recommendations on the issue of trustworthiness and credibility.

The interview produced rich textual data which was transcribed by the student researcher for analysis. The textual data were analysed following guidelines set by Lincoln and Guba (1985). As a result of the iterative process, data were organized into similar categories from which themes were developed.

6. Findings

Analysis of the data suggests that the participants have remarkably consistent views of their purchase of dog related products and services. The main themes uncovered during the analysis include loving my pet dog means loving myself, sense of possession, attachment and sacrifice and my pet is like me. A selected sample of the participants' comments that supports each theme is provided.

Theme 1: Loving my pet dog means loving myself

According to Jyrinki (2005), pets act as vehicles for narcissistic love as owners used them to express love to oneself.

Hanna mentioned the following when explaining her decision to buy expensive supplements for both her dogs:

"Then I spend a lot on vitamins and supplements, because both of these dogs are toy breeds, they need Omega 3. And since they are vegetarian, they do not eat fish and all that. So I supplement with Omega 3 to enrich their coats. My healthcare products, shampoo, I use special shampoo. Happy is a Shih Tzu, so usually Shih Tzu has bacterial infection, cause I take him for walk, with lots of strays in the park. There are other pet owners that are not very careful with their dogs, they don't really groom them well, so they have ticks, mites etc, so I use a special, expensive designer shampoo recommended by vet; to prevent fungus and bacterial infection. Supplements recommended by vet, but I do research, I usually go for dog ranking websites, I see according to their websites, what they rank. I go to forums, dog forums... So I spend on pet food, kibble, fresh food, I spend on healthcare and supplements. So, a big chunk."

Hanna was willing to spend on both her dogs, from pet food to their supplements. She was concern over their well-being and health. Hanna showered her dogs with love and provides the best for them. Her actions could be seen as pampering and loving herself too as she further mentioned these:

"The kibble is so huge. This kind, toy dogs cannot chew. I have to soften the food for them."

"I used to spend a lot on treat. Then I found out that it's very bad because they have colouring. I used to feed them maybe two packets a month, now I only feed two packets for three months. So I give very little, very few, just to motivate them."

"So every day, every night before they sleep we clean their eyes with saline solutions, and we clean their legs with vinegar mix with water, to prevent any infection when they go for walks."

In Anne's case, she changed the veterinarian for both her Schnauzers after the previous veterinarian misdiagnosed her dog.

"I told my brother since he kind of misdiagnose my dog once, I'm kind of afraid already. So I am just going to pay a bit more and go for the hospital, just for the checkups."

Anne feared that her pet will be misdiagnosed if they went back to the previous veterinarian. She was willing to sacrifice and provide her dogs with more expensive health treatment as an alternative. Her care and concern was evidenced from her comments as follows:

"...we have to be responsible for them when you have a pet, have to pay for his expenses and everything. Even if I didn't have enough money to pay his medical; I have to find a way to."

Pets being a vehicle to express love to oneself was visible in the case of May as she expressed the following:

"Because for my poodle, she has skin problem, so last time we used to feed her with those dry dog food, those most common dog food. But she can't take it, so now we actually cooked rice with chicken and carrots, sometimes pumpkin, home-cooked food for her. Last time when buying dry dog food I will make the decision, I will do research online before getting it. I asked around. Anything for her."

Before realizing that her dog had skin problem, May fed her dog with the usual dry dog food. Now she prepares home-cooked food, which takes more effort, as her dog could not accept oily food. Her dog's food had to be cooked separately. May emphasized her love towards her pet by stating that she will do anything for her dog. Her love for her dog showed how she expresses love to herself, as her dog is viewed as her extended self.

Ken provided both dog food and home-cooked food to his dog as he mentioned:

"We begin with the biscuits and the wet food. But we started seeing issues with his droppings, it was rather soft. So, we re-evaluate whether we want to give him dog food only. So we started giving him home-cooked food, which was chicken. Basically anything that is without any seasoning, no salt, no sugar, no pepper, sugar, just something plain, we would steam anything. We consulted the vet and the vet did give us the green light to go forth and we just started him with steamed food. Cause if not he will continue to purge, and we want him to be healthy, so we give him human food."

Ken was concerned about whether his dog should continue taking wet dog food that may not be suitable. He took the effort to re-evaluate his purchase decision in dog food. Before making any decision, he consulted the veterinarian. This shows his concern and love for his pet dog, Leo.

On the other hand, Pam was cautious when she made purchase decision on her dog's food as she explained:

"...her main food is actually dog biscuits, Eukanuba, lamb rice and that one cost me RM172 per purchase....it's very expensive. Only this does not cause skin allergy. She has skin problem, because lamb normally won't cause skin allergy...I tried a few brands in fact. This is recommended by the vet."

Pam does not mind paying for premium dog food as her dog has skin allergy. Her attention towards her dog's well-being is in a way showcasing her love for herself.

Theme 2: Sense of possession

Jyrinki (2005) pointed out that control over and by possessions, in this case, pets is a significant element when an object is viewed as extended self. This theme is derived from the sub-theme, control.

May mentioned:

"Accessories like clothes? When I first bought them, yes, we bought a lot, but now, because my dogs don't really like to wear them. Nice dresses, I chose myself. ... I will force her to wear. Because to go out, I always bring her out. So, she needs a lot of nice dresses. But now she seldom goes out. When she sees the clothes, she will just hide. But I will just make her wear. Last time when we bring her to Genting Highlands, those cold places, so she needs to wear a hoodie."

May is of the view that her dog needs to be dress-up when going out of the house. She felt just like humans, putting on beautiful clothes when leaving the house or meeting friends or family is important. It was necessary in her opinion that her dog wears a hoodie when they travel to a cooler environment. May is actually portraying her own need for extra clothing in cooler places onto her dog. She ignored the fact that her dog has a natural coat of fur that is able to protect it from the elements. May also did not consider that her dog may be uncomfortable putting on those clothes. Her actions show that she has a strong sense of control over her dog.

Pam also showed a sense of possession over her dog, Ruby.

"...I'm very strict, especially the small dog. I caned her before, because she doesn't listen, she wants to run away from the house, wants to play outside...So, I caned her a few times."

As her dog is kept indoors, Pam spayed Ruby as she wants to maintain cleanliness in her house. This indicates she wants to have control over her dog. She explained:

"I spay her when she was seven months old, because she was very messy, running about. Everywhere is messy, so dirty."

Ken mentioned how important it is to have some degree of control over his pet:

"...we did send him for training, but before that, to walk him in the park is very difficult, because he would tugged and pull quite often."

According to Ken, the leash that he chose for his dog is also to exert more control. He said the following:

"...after that we didn't use that (harness that could be stretch longer), that second product, just stick to the normal string leash. Because, we...my dad, I don't know, he didn't like the one that can pull longer, cause if you are walking, walking the dog along the road and the fact that the dog has a feeling to pull more and

he might just run, from the side to the middle of the road and it's very dangerous. So more control was required, so he preferred just the normal leash, that can...easier to control."

Hanna, exercised control over her dogs as she described the following:

"...they love the food I love...I'm vegetarian, so they love potatoes, they love carrots, they love carrots, they love lettuces, they love cauliflower, broccoli...they enjoy whatever I have."

Hanna controlled both her dogs' diet, as she is a vegetarian. She assumed that both her dogs have similar dietary requirements like herself.

Theme 3: Attachment and sacrifice

The type of attachment towards an object could reflect whether certain object is just mnemonic value or it reflects pet owner's extended self (Jyrinki, 2005). To view object as an extended self is where consumers are functionally and emotionally attached to towards it (Jyrinki, 2005).

When talking about her Shih Tzu and Chihuahua, Hanna emphasized these:

"They are not really my pets, they are my fur kids. They are part of family. My babies."

She voiced her strong attachment towards both her dogs as follows:

"I will never, I never... I don't think I can be separated from my Chihuahua. Happy (her other dog) also. I think they will die if they stay anywhere, even for one hour. I send them for grooming; the groomer told me they got separation anxiety. That means they miss me so much, that they miss me and my maid so much."

Hanna explained that her dogs will get upset and traumatized at the groomer. She ensures that her dogs go through minimal stress as follows:

"...I send to the groomer, the groomer is very good, they got this understanding. I will come back in one and a half hour to two hours, so she will do my dog then and there, as is when is. If she says we have to wait for 3, 4 hours, I won't send my dog. So, as soon as she is ready, I'll walk across. She says "okay, okay, you can send your pet now." So my dog doesn't have to be traumatised so long."

As she is strongly attached to her dogs, Hanna emphasized that she will never send them for boarding. She explained how she felt as follows:

"I will never send them for boarding. They cannot leave the house, this is their home. Definitely I feel anxious when away from my dogs. When I'm caught up in work, I forget. It's at night that I miss them the most, because I sleep with them, then I miss my dogs."

Hanna strongly views that her house is home for her dogs. She could not bear the idea of her dogs being kept in cages at pet hotels. She never uses such services even though she needs to be away.

As she treats them like her own children, she would call home when she is away just to hear their 'voices'. She explained:

"I call back, my maid will put the phone against their ear, I will talk to them, they will talk back....So I do miss my pets."

May, who obtained her dog as her birthday present described how attached she is towards her poodle:

"During high school time, when I have more free time, I bring them (she has two pets, but favor more on her Poodle) out more, I bring them to many places, brought them to Cameron, to Ipoh, to my dad's hometown, I bring them around. They will travel with us whenever we go for outstation. We can't leave them alone. Unless we travel to overseas, then we have no choice but to leave them behind. But my grandparents will be at home to take care of them. My pets are never left alone."

May did not use the hotel services for pets as she will bring her pets along whenever she travels. If she can't bring them with her, she leaves them in the care of her grandparents. This is to ensure they are in the hands of people she trusts.

On the other hand, Anne checks-in her dog at a pet hotel when she is away. She makes it a point to keep in contact with the hotel either through their website or by calling the hotel to enquire on her dogs. She mentioned the following:

"Of course I miss my dogs when I'm away, that time I went Penang...earlier years before I get him (Dusty), I'll check, because Puppy Cottage right, they got CCTV. So sometimes I will just log in to look, but I don't know which one is my dog. So many dogs. If not I just call them up. Even overseas I call, call the Cottage"

and ask. Call the people in-charge, the employee. Maybe every day, but depends where am I. If I am overseas, two days once. About two, three days of holiday I will call one, just to check."

Anne is attached to her dogs to the extent that she fears for their safety. She explained this:

"Nah, honestly, I think the uglier they are the better. Because when I shave my dogs right, they look like mouse, they don't look like their breed. So I told...my dad will come back and say ugly, ugly, because I think he a bit "love face", but nobody comes and see the dog. But it's just that he thinks it's ugly because they don't look same breed. But I say I don't care, it's hot, they are not going for show and you want so pretty for what? Later people want to take from me." Yea, I don't want that to happen (stolen dogs)."

She prefers her dogs to be ugly then to be stolen. She also mentioned:

"I, actually right now, even if I go out shopping with friends or go out dinner right, I'm just worried that my dogs gonna get stolen."

It is obvious that Anne is very emotionally attached to both dogs. Regardless whether she on a trip or just going out with friends, she always thinks about her dogs safety. This shows the potential market for dog's insurance or security.

Anne's strong attachment towards her dogs is evidenced as she is willing to sacrifice and find ways to give her pets a better health treatment and higher quality pet food. She mentioned:

"So now he is okay already. His pimple thing all gone, his stones are settled, then after now these few years, he is eating under vet's recommendation for food, imported one. What to do, we have to be responsible for them when you have a pet, have to pay for his expenses and everything. Even I didn't have the money to pay his medical; I have to find a way to."

Pam chose a pet hotel which is in close proximity to her house, even though she is aware of its poor hygiene. She had no other alternative as her dog is afraid to travel long distance in the car. She mentioned:

"...the hotel condition is actually not so good, even though that place, that one nearby my house, the vet and all that, they have all these hotels. The whole place is not very hygienic, they didn't keep, maintain the place well, so actually is not good."

"...my dog, she doesn't want to travel in the car so much...she's not so excited, like so traumatic. So, I do not want to put her into that kind of situation."

Theme 4: My pet is like me

Jyrinki (2005) stated that pets' reflects their owner's personalities and traits, both positive and negative. Pets are owners' definition of self. Pets are the reflection of their owners' personalities and lifestyle, which is evidenced in these pet owners. This theme was derived from the subthemes part of me and part of family.

Hanna, who claimed that her dogs are extension of her personality, mentioned these:

"The recent state of crime, I'm quite insecure." The small one, she is very insecure, but she is very protective."

"They act like human beings, they love the food that I love. Actually they don't like pet kibble so much, but now I'm putting them back on pet kibble because they cannot eat so much of human food. They need meat for protein. I'm a vegetarian. So they love potatoes, they love carrots, they love lettuces, they love cauliflower, broccoli."

She assumes that her dogs enjoy the same food that she consumes. As Hanna is also health conscious, she felt that her dogs must obtain the necessary protein from the dog food.

Pam however did not buy any clothing for her dog. She narrated:

"They are still pets; they are not human being, so I won't buy them clothes, crazy. If you go to Taiwan, especially Christmas, they also wear Christmas, the Santa Claus clothes. No, when these people buy something, they feel happy about it, when they put on the dog, they feel happy about it, but the dog they don't like it, I'm sure all dogs don't like these kind of stuff. They don't need, they still wear, wear socks when they walk on the streets, they wear socks. Oh my goodness, I said this is actually...in fact is a torture to be a pet of these people."

For Pam, she opines that it is not practical to dress up her pets. She feels it is just to satisfy the pet owners need. Pam did not purchase any accessories for her dog. She only purchases dog food, shampoo and uses the services of a veterinarian.

Anne shared the following regarding purchasing fancy and expensive items for her dogs:

"I kind of disagree in buying too fancy stuff for your dogs. Clothes are okay, but like branded, expensive stuff for them. You know some people they actually buy an LV bag to carry their dog. I'm not sure whether overseas they sell it, if I'm not mistaken maybe it is fake, I'm not sure. But I saw those dog carries, you know people goes shopping, they actually have LV designs on it. And you know those celebrities they bought those diamond collars for the dogs, I think is pointless. I rather buy nice food for them to eat. They don't even know that is diamond."

May commented this:

"A lot of people say the dog looks like me a lot. That she is tall and skinny and her voice is very sharp. When people say that Deedee looks a lot like me I would thought of that's how a family should be. Cause we have been looking at each other's face for every day, and she used to sleep on the same bed with me, of course we do look alike."

"I dress her up just to satisfy my own esteem."

7. Discussion

Generally, the participants showed evidence that these pet dogs are part of their extended selves. According to Belk (1989), self-extension should be viewed more of a relative than an absolute construct. Participants like Hanna and Pam showed a stronger self-extension on their pets as compared to the other participants. This could possibly be due to them owning their dogs over a longer period as compared to the rest. Some participants like Hanna regard her pet dogs as her furry kids. The participants mentioned that they talk to their dogs and treat them as part of the family.

The participants love for their pet dogs is evidenced as they went the extra mile to ensure their dogs' well-being and health. They spend a large sum of monies on pet food, healthcare, supplements, grooming services and other products. These participants also sacrificed their time and made the effort to consult their friends, veterinarians and participate on dog forums to provide the best for their pets. Several participants like Pam were willing to pay a premium for the dog products and services as long as it made their pets comfortable. This is in line with Jyrinki and Leipamaa-Leskinen (2006) who mentioned that pet owners want to show their attachment and control over their dogs by making sure they get the best quality. Owners like Hanna indicated her displeasure with the quality of locally produced dog food in comparison with imported brands. Hence, dog food manufacturers must emphasise more on quality as these owners are seeking quality food for their dogs' well-being.

In addition, they also stressed the need for their pets to be in a safe and clean environment when the pets are at the groomers or pet hotels. Ken for instance sent his dog to a boarding house when he goes on holiday. He contacts the boarding house daily via text messages. Pet hotels should reduce the anxiety and concern of pet owners by providing value added services such as closed circuit television that enable pet owners to view their pets via their mobile devices. They could also provide a call-in service whereby owners could also contact and enquire about their dogs.

As the participants also showed a strong sense of control over their dogs, they made purchase decisions which they felt were in the best interest of their pets. A few of the participants like May accessorized her dog with dog clothes although she sensed that her dog dislikes it. She felt that it was necessary for dogs to dress-up whenever they were outside. Pam on the other hand, spayed her dog to maintain cleanliness. In Hanna's case, her strong sense of extended self in her dogs can be seen when she assumed that both her dogs are vegetarians like herself. She fed them with her favorite vegetables. Jyrinki and Leipamaa-Leskinen (2006) emphasised that when pets are considered as extended self, the pleasure in pets enjoying their meal could also refer to pleasure for oneself. Domestic dog food manufacturers should consider producing vegetarian pet kibble to appeal to vegetarian dog owners.

Consequently, these pet dogs are important self-identity to their owners. Hanna who is a very health conscious person extends this lifestyle onto her dogs eating patterns. Owners like Pam and Anne felt strongly against accessorizing pets with clothes and branded items respectively. This is a reflection of their personalities. Marketers should take cognizant that some owners like May, dressed up their dogs to satisfy their own esteem and to feel good. The admiration the pet receives is an admiration of the owner too as espoused by Jyrinki and Leipamaa-Leskinen (2006).

The rich purchase experiences of this group of dog owners provide marketers an insight into the dog products and services market. Understanding how owners view their pet vis-à-vis themselves is crucial when marketing dog products and services. It is clear from this research that owners who view their dogs as their extended self,

made purchase decisions as though they were purchasing and consuming these products and services for themselves. They were willing to fork out large sums of monies, made personal sacrifices and took the extra effort in ensuring their dogs' well-being.

8. Limitation and Future Research

The findings from this research are limited in its ability to be generalized as only qualitative data was collected. Nonetheless, the rich understanding of the lived experiences of the participants with their pet dogs will further extend our knowledge on the purchase behavior of pet related products and services. Furthermore, the themes derived from this study can be further tested in a quantitative research.

This study was conducted specifically among dog owners in the capital city. More purchase insights could perhaps be obtained from pet dog owners in other parts of the country. The views of the disabled who rear dogs to aid them in their daily activities and owners who owned dogs to guard their properties will add more depth in this phenomenon.

In order to reduce memory errors as the participants recalled their experience with their pet dogs, a longitudinal study could be undertaken. This will enable researchers to understand the purchase behavior of the dog owners at various stages of their pets' life and also the owner's. It will be interesting to understand the purchase behavior of young dog owners till they reach adulthood.

Researchers in the future could also study the purchase behavior for products and services on pets like cats, fishes, birds or even exotic pets such as snakes and iguanas. A comparative study could also be conducted to analyse the differences and similarities in the purchase behavior on pet dogs and cats, for example. Future studies could also probe whether the self-extension construct is applicable on the other types of pets.

9. Conclusion

With growing affluence among Malaysians and the humanisation of pet dogs, marketers must pay close attention to this growing dog products and services market. Recent years have seen the growth of pet cafes, pet spas and many other pet related services in Malaysia. The findings of this study have provided rich subjective meanings of consumers' lived experiences with their pet dogs. The contribution of the qualitative findings from this study complements the existing quantitative researches on dog owners' purchase behaviour.

This research has contributed further to the existing literature on purchase behavior of dog products and service from an Asian perspective. It also addressed a group of dog owners who consider their pet dogs as their extended self. Consequently, the understanding of this phenomenon will enable marketers to be more aware of the needs of these dog owners. Dog product manufacturers and service providers together with their marketers need to partner with dog owners to better understand their needs and wants. Dog owners are the voice of their pet dogs. Understanding why dog owners own a dog and how they live with their dogs are crucial in order for producers and marketers to develop a meaningful and profitable relationship with these dog owners.

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The Issue of Non-formal Adult Education in the Czech Republic

Jan Kalenda¹

¹ Tomas Bata University in Zlin, Czech Republic

Correspondence: Jan Kalenda, Tomas Bata University in Zlin, Czech Republic. E-mail: jjakesova@fhs.utb.cz

Received: April 10, 2014 Accepted: August 19, 2014 Online Published: December 30, 2014

doi:10.5539/ass.v11n3p37

URL: <http://dx.doi.org/10.5539/ass.v11n3p37>

Abstract

This study deals with the issue of non-formal education in the Czech Republic. In this regard, it focuses on the participation of adults in non-formal education in and outside of a workplace and on the conditioning factors of their participation. For this purpose, the study uses a quantitative research strategy through which the data for the representative sample of adults were collected ($N = 1,022$). The study found that the participation rate of the adult population in non-formal education in the Czech Republic is 29%, where 33% of adults do participate in non-formal education in the workplace and only 17% of adults participate outside of the workplace. The main factors affecting the participation of local inhabitants in education are age and socioeconomic status. The higher the status is, the higher the participation is. The current situation in the Czech Republic differs from other countries because of the comparatively large number of self-employed people in the Czech Republic. On the other hand, it shares with other countries a similar structure of people excluded from educational activities.

Keywords: lifelong learning, non-formal education, adult education, Czech Republic, adult learner

1. Introduction

The aim of this study is to analyze non-formal adult education in the Czech Republic (herein after CR). Specifically, it focuses on the description of the structure of participants in non-formal education and on the factors which influence their participation. In accordance with the statements of many authors (Coombs, 1968, 1985; Coombs & Ahmed, 1974, p. 8; Desjardins et al., 2006; Tight, 2002, pp. 69-71) and international documents (European Commission, 2000, p. 8) we consider non-formal education to be a type of organized educational activities which take place outside of the formal education system, they are mostly not certificated and are carried out by employers and/or other organizations or participants.

The issue of non-formal adult education falls under the category of lifelong learning, where it assumes a key role (Aspin & Chapman, 2000; Edwards, 1997; Field, 2001; Illeris, 2004a; Jarvis, 2004, 2008; Rabušicová & Rabušic, 2008b; Šimek, 1996). That is because a large portion of continuing education is realized through non-formal education, be it in or outside the workplace. For this reason some authors (Rubenson, 2006, 2011a; Desjardins, 2011) emphasise that the importance of non-formal education has been continually increasing over the last twenty years. This claim is supported by documents of the European Union (European Commission, 2000), as well as by the employers emphasising the development of the workforce by means of education directly in the workplace (Desjardins et al., 2006; Boudard & Rubenson, 2003). In response to this, some authors (Carré, 2000; Coffield, 1999; Tight, 1998a) write about the pressure that is put on individuals by employers to constantly keep educating themselves and about particular legitimate practices that are used for this purpose.

The beginnings of more intensive research into the issue of adult participation in non-formal education can be dated back to the 1980s, when the first extensive research took place in Great Britain. This issue is, at present, still being researched and it occupies the interest of many researchers (Rubenson, 2011a; Slowey, 2011), government institutions and international organizations (Eurostat, 2013; European Commission, 2002; UNESCO, 2005).

According to Richard Desjardin (2011), the research on the issue of adult education deals with three fundamental questions: What is the scope of adult participation? Who are the participants in adult education? And why do certain groups participate in adult education more than others? We will keep these three questions in mind because their answers represent a necessary presumption for the examination of the issue of non-formal adult education in the CR.

Trying to answer these questions, the international research projects from the beginning of the 1990s state that about one third of adults did participate in some form of continuing education (Sargant, 1990, p. 69). Then this ratio should increase during the 1990s, peaking at 40% (Sargant et al., 1997, p. 11) which would represent a marginal difference compared to the 1980s, when research in Great Britain (Charnley et al., 1980, p. 7) stated that the number of adult participants in continuing education was around 16%. At the same time, Beinart and Smith (1998) presented different findings than Sargant and his colleagues. According to them, about three quarters of adults were participating in continuing education. The difference between these two research results is, according to observers (Desjardins et al., 2006, p. 27; Tight, 1998b, p. 113; 2002, p. 23), caused by them having defined the educational activities in a different way. While Sargant and his colleagues were mainly focused on formal and non-formal education, Beinart and Smith also dealt with self-education which greatly increased the overall participation rate of adults.

According to research from the 1980s and the 1990s, the dominant social characteristics of participants were: being an educated male in the middle or upper-middle class and living in a city. On the other hand, not a lot of unqualified and semi-qualified workers, blue-collar workers, unemployed and persons on whom children are dependent (usually a mother on parental leave) participated in that research. The same can be stated about elderly people (people over 50 years of age) and about ethnic minorities (McGivney, 1990, pp. 66-118). All these groups are faced with a wide variety of situational, dispositional and institutional barriers that restrict their participation in continuing education (Cross, 1981, p. 98; cf. Rubenson, 2011b).

If we focus on the main characteristics of the research after 2000, we find that comparative methodology is used more and more and it allows for a comparison of the differences in the rate of adult education between countries and/or areas. More sophisticated research is then focused on defining the relationship between the participation of adults in education and the quality of their life (Desjardins, 2008).

The findings of current research show that the number of participants in formal and non-formal adult education has increased since 2000 (Boudard & Rubenson, 2003; Slowey, 2011; Eurostat, 2013), and they also confirmed that the number of adult participants greatly varies in different countries, even if the countries have a similar economic rating (Desjardins et al., 2006). This is typical mainly for, what is probably the most detailed international comparative research on adults, the International Adult Literacy Survey (IALS, 2000) which distinguishes:

- (1) Countries with a high rate of adults participating in education, reaching over 50% adults participating in education. Particularly Scandinavian countries belong to this group.
- (2) Countries with above-average participation. Mainly Anglo-Saxon and north-western European countries with 35-50% of adults participating in continuing education belong to this group.
- (3) Countries with average participation, i.e. western, middle and south European countries, educating about 20-30% of adults. For example Italy, France, Czech Republic and Germany are among these countries.
- (4) Countries with no more than 20% of population participating in continuing education. These are south-eastern and eastern European countries, e.g. Greece or Poland.

Despite this difference, most of the countries show a similar pattern of participation in continuing education and this pattern has not changed much since the 1980s and 1990s (Desjardins et al., 2006). To this claim, we will add a statement that even though there is a very similar social structure of groups excluded from education, the rate of exclusion does vary in individual countries. The policy of some countries can, for example, positively affect the inclusion of women and ethnic minorities, and therefore can restrict their exclusion. This leads to a conclusion that one of the main factors that determine the rate of adult participation in education is government policy (Rubenson & Desjardins, 2009; Jarvis, 2005).

2. Adult Education in the Czech Republic

The information on non-formal adult education in the CR were collected from three main sources: (1) annual survey on the adult participation in education carried out by the European Union (Eurostat, 2013); (2) international survey of reading literacy, carried out in the CR in 1997 (IALS, 2000); and (3) the Rabušic research, carried out in 2005 (Rabušicová & Rabušic, 2008a).

When examining the Eurostat data, it can be stated that since 2002 (when the first research was carried out) the number of people involved in some type of continuing education, including non-formal education, has been steadily increasing. The number had grown from around 5% to 10-11% in the last decade. For 2013 it can be stated that adult participation had slightly decreased from 11.1% to 9.9% (Eurostat, 2013).

The results of IALS (2000) rank the CR among the countries with an average level of participation. The tangible data state that 26.4% of adults between 20-65 years of age did participate in non-formal education. Where 19.8%

of adults participated in education that was connected with their work and only up to 7% did participate in education that was not connected with their work. The structure of participants can be said to be mainly people with higher education who were employed as ‘white collars’. On the other hand, participation of manual workers was very low.

The Rabušic research (2008a) was different from these two studies because it also focused on the effects of some sociodemographic factors and it pays more attention to the frequency of educational activities. The authors worked with a representative sample of the Czech population ($N = 1,413$) and they found that 34% of adults did participate in non-formal education in 2005. While there were no significant differences found between the number of male and female respondents, the education of respondents was the key factor in their participation. The higher the education of respondents, the more likely they were to participate in education.

The difference in the findings of these three studies was caused by two substantial factors. First, they all differ in terms of the time period about which respondents are asked to report their educational activities. Eurostat sets this time period at one month prior to the survey, the research by Rabušic and IALS sets the time period to one year prior to the survey. This is the reason why Eurostat results show much lower participation than the other two studies. Second, a higher portion of participating adults in the Rabušic research is probably caused by the fact that their research took place 8 years after the IALS research, and the number of Czech adults participating in non-formal education had increased since then.

Although these three studies do take into account the basic characteristics of non-formal adult education in the CR, they also have some drawbacks. Eurostat data offer only general information on the rate of adult participation within a very short time period. IALS data offer more detailed information about non-formal education in the CR, but this data is from 1990s and the research is not concerned with what the conditioning factors are for adult participation in non-formal education. Despite the fact that, in our opinion, the Rabušic research provides the most detailed insight into the issue of non-formal education, there are some methodological procedures that we disagree with. Specifically, it is the usage of seven pre-defined categories of non-formal education, which were offered to respondents as a set of answers and into which the whole of non-formal education was divided. We believe that this limited the range of possible non-formal education activities and therefore distorted the results concerning the participation in educational activities. Last but not least, it is important to note that none of these researches is covering the current state of adult education. It has been 9 years since the latest research.

Also, they do not emphasise the differences between non-formal education in the workplace and outside the workplace which, we believe, plays a more important role than the distinction between the reasons for education (i.e. education for professional growth and/or education for other goals, not connected with professional ones). This is important to note for two reasons: because the annual education of employees is required by law in some professions in the CR and because most of the educational activities do primarily happen in the workplace (Illeris, 2004b; cf. Beinart & Smith, 1998). Non-formal education that does not happen in the workplace or is not connected with professional goals is much less frequent (Desjardins, 2011b). Moreover, as Courtney (1992, p. 50) points out, determining the difference between education for professional and non-professional goals is very difficult. On these bases we conclude that it is more appropriate to distinguish between education in the workplace (during working hours) and education outside the workplace (in free time).

Therefore, the main goal of this study is to determine the rate of adult participation in non-formal education in the CR. We will distinguish between non-formal education in and outside the workplace. Subsequently, we will determine what social groups are or are not participating in both of these forms of education as well as the sociodemographic factors that condition such participation. Establishing such research goals greatly helps to expand our understanding of adult education because they state: (1) what the changes of non-formal education in the CR since 2005 are; (2) the ratio of adults who participate in non-formal education in the workplace and what the dominant groups are; (3) whether or not sociodemographic characteristics such as sex, age or social status are factors for the participation in non-formal education.

3. Methodology

Quantitative research was used for the purpose of this study. This allowed for the collection of data from a representative sample of adults in the CR. Trained interviewers questioned the survey participants, who were older than 18 (i.e. adults) within the quota sampling areas. Basic sociodemographic data were collected in a specific way, so that the final structure of the representative sample would correspond to the population structure of the CR.

Table 1. Description of participants

		Number (N)	Percentage
Gender	Male	499	48.8 %
	Female	523	51.2%
Age	18-24	121	11.8%
	25-34	190	18.6%
Economic activity	35-44	181	17.7%
	45-54	169	16.5%
Socioeconomic status of an employee	55-64	174	17%
	65+	187	18.3%
Socioeconomic status of a Self-employed	Self-employed	56	5.5%
	Employed	537	52%
Size of local population	Unemployed	62	6.1%
	Retired	259	25.3%
Socioeconomic status of an employee	At home	41	4%
	Student	67	6.6%
Socioeconomic status of a Self-employed	Highly qualified employee	19	3.5%
	Senior manager with 6 or more subordinates	6	1.1%
Socioeconomic status of a Self-employed	Senior manager with 5 or less subordinates	8	1.5%
	Manager with 6 or more subordinates	36	6.7%
Socioeconomic status of a Self-employed	Manager with 5 or less subordinates	32	6%
	Employee doing non-manual work at the office	162	30.2%
Socioeconomic status of a Self-employed	Employee doing non-manual work outside the office	47	8.8%
	Qualified manual worker	161	30.0%
Socioeconomic status of a Self-employed	Unqualified manual worker	66	12.3%
	Highly qualified person	9	16.1%
Socioeconomic status of a Self-employed	Entrepreneur with 6 or more employees	5	8.9%
	Entrepreneur with 5 or less employees	38	67.9%
Socioeconomic status of a Self-employed	Farmer/Collective farmer	4	7.1%
	up to 2,000 inhabitants	205	20.1%
Socioeconomic status of a Self-employed	up to 20,000 inhabitants	357	34.9%
	up to 100,000 inhabitants	225	22%
Socioeconomic status of a Self-employed	over 100,000 inhabitants	235	23%

Therefore, a structured interview of 15-20 minutes was used as a research technique. The questions of the interview were focused on non-formal adult education. The representative sample data from 1,022 respondents were collected by the method presented above. The structure can be found in Table 1.

Unlike some of the other research on adult education which usually focuses on adults between 20-65 years old, we also focused on younger (18-19 years) and older (over 65 years) people who are usually excluded from such research (see Eurostat, 2013; IALS, 2000; Rabušicová & Rabušic, 2008a). It is important to note that people between 18 to 24 years (including a large group of students) were advised that this study deals with non-formal education (instead of formal education which includes higher education).

Because the manner of asking questions about education critically affects the results of adult participation in this activity (Desjardins et al., 2006), it was necessary to consider what steps we took in this case. We used a strategy that focused on asking about participation in non-formal education in and outside the workplace during the last 12 months rather than only during the last one month, as was the case of some short-term research (Eurostat, 2013). We pursued the methodology used in the IALS research. But unlike this research, we did not present the rate of participation in hours but in the number of workshops and seminars attended. We believe that determining an exact number of hours can be very problematic when considering the past 12 months and can lead to distortion of answers. We also wanted to use this method because it was used by the Rabušic (2008a) research and therefore the results of both studies can be partially compared.

The data obtained were then subjected to statistical analysis using the SPSS programme. In this regard, we implemented both, first-degree as well as second-degree sorting – an analysis by the use of defined adjusted residual. Based on this we determined the importance of dependence between the individual sociodemographic characters and the rate of participation in non-formal education.

4. Non-formal Adult Education outside the Workplace

Based on the survey findings, it can be concluded that the vast majority of adults (83%) in the CR do not participate in non-formal education in their free time. That means that only about one in six adults participates in this form of education (17%), where 4.5% of respondents stated that they participate regularly (more than three times a year), occasional participation (2-3 times a year) was reported by 4.6% of adults and irregular participation (once a year) was reported by 7% of adults. Therefore it can be concluded that for adults in the CR participation on workshops and seminars outside the workplace is not a particularly popular way of spending their free time.

Apart from discovering the basic rate of participation in non-formal education outside the workplace, we were also interested in how this participation is conditioned by sociodemographic factors and what their statistical importance is. Table no. 2 presents an overview of the key factors and of the distribution of participation in non-formal adult education between various social groups. We will deal with the most important finding presented in Table 2.

From the point of view of participation in non-formal education, the gender of participants is not an important factor. About an equal number of men and women participate in this education which leads to the conclusion that, in the case of continuing education of men and women in the CR, there is no distinct gender discrimination. This conclusion corresponds with the findings of previous research (Rabušicová & Rabušic, 2008b, p. 72).

On the other hand, the age of respondents is, in two regards, one of the key differentiating factors. First, people older than 55 years virtually never participate in non-formal adult education. Less than one in ten people of the age cohort of 55 to 64 years is involved in some sort of non-formal educational activity which makes this group of people approaching retirement very vulnerable to changes on the labour market that, according to some authors (Lutz, Sanderson & Scherbov, 2004), does require a constant development of human capital. This finding is, at the same time, also in contrast to recent gerontagogic literature which emphasises that education is an important factor for the quality of life of elderly people (Cavallini, Pagnin & Vecchi, 2003; Vives, Orte & Macías, 2012). The reasons for the low rate of participation of people over 55 years can be found in the inadequate offering of non-formal education for these people and in the fact that the scope for the application of knowledge and skills acquired through non-formal education is very narrow for these people. According to Krampe and McInnes (2007, p. 255), stereotypes about the ability of the elderly to learn can also have a negative effect on this.

Second, the highest rate of free-time participation in non-formal education can be found among middle-aged (35 to 44 years) adults. Within this group, one in four individuals participates in some form of non-formal education in their free time. Nevertheless, the majority state that they participate in education just occasionally (9.4%) or irregularly (11.6%). Very interesting is the fact that the participation rate of this age group is higher than the participation rate of the age cohort of 25 to 34 years, because it would be expected that its participants would continue their education after the transition from formal education into the employment to further increase their employability. Higher participation of young adults (25 to 34 years) is probably limited by the new roles which individuals have to adopt during this period: individuals often marry, start families and enter into employment. Therefore they do not have much spare time to invest into non-formal education as opposed to the age cohort of 35 to 44 years, whose members have already developed their socio-professional roles and started families. Another interesting fact is the relatively low participation rate of the age group of 18 to 24 years. Only 16% of its members participate in educational activities and further develop their knowledge and skills outside the system of formal education. Therefore, the development of knowledge and skills of a large number of young Czech people lies on the shoulders of universities and higher vocational schools.

If we compare these results with data collected by the Rabušic research (2008b, pp. 68-69) in 2005, we can see that there was a partial change in the age structure of people who participate in non-formal education in the CR. While in 2005 mainly people between 20-29 and 30-39 years participated in non-formal education, in 2013 we can see a decrease of interest in non-formal education among people under 30 years of age and increase of interest among people who are over 30 years old. The reason for this change is probably the fact that after 2000 there was a marginal increase in the number of students of universities up to 50-60% of the current year population (ČSU, 2013; Koucký, 2009; Prudký, Pabián, & Šima, 2010) due to which the formal instead of non-formal education became the main form of education of people between 20-30 years of age.

The respondent's field of economic activity is another important factor. In this respect, individuals with the most time outside the workplace, i.e. the unemployed, do not participate more in non-traditional education. It is completely the opposite. Employed people have a much higher participation rate than the unemployed, the

retired or people at home (e.g. mothers on parental leave). Almost one third of employed adults participate in some form of non-formal education outside their workplace and every one out of ten employees states that they are educating themselves regularly.

Table 2. Non-formal education outside the workplace

Factors	Participation in education	Attendance Regular		Occasional		Irregular		Does not attend	
		%	Adjusted residual	%	Adjusted residual	%	Adjusted residual	%	Adjusted residual
Gender	Male	4.6	0.2	3.4	-1.4	6.8	-0.7	85.2	1.2
	Female	4.4	-0.2	5.2	1.4	8	0.7	82.4	-1.2
Age	18-24	3.3	-0.7	6.6	1.3	6.6	-0.4	83.5	-0.1
	25-34	6.3	1.3	2.6	-1.3	12.1	2.7*	78.9	-2*
	35-44	5.5	0.7	9.4	3.7**	11.6	2.4*	73.5	-4.1***
	45-54	7.1	1.8	3.6	-0.5	7.1	-0.2	82.2	-0.6
	55-64	1.7	-1.9	2.9	-1	4.0	-1.9	91.4	3.0**
	65+	2.7	-1.3	1.6	-2*	2.7	-2.7*	93	3.8**
Economic activity	Employed	10.7	2.3*	12.5	3.1**	7.1	-0.1	69.6	-2.9*
	Unemployed	5.6	1.8	4.8	0.9	9.7	2.9*	79.9	3.5**
	Retired	1.2	-3**	1.5	-2.5*	3.1	-3.1**	94.2	5.3***
	At home	2.4	-0.6	4.9	0.2	12.2	1.2	80.5	-0.6
	Student	6	0.6	6	0.7	4.5	-1	83.6	0
Socioeconomic status of employees	Highly qualified employee	21.1	3**	15.8	2.3*	15.8	0.9	47.4	-3.6**
	Senior manager with 6 or more subordinates	0	-0.6	16.7	1.4	33.3	2*	50	-1.8
	Senior manager with 5 or less subordinates	12.5	0.9	0	-0.6	12.5	0.3	75	-0.3
	Manager with 6 or more subordinates	16.7	3**	8.3	1	13.9	0.9	61.1	-2.9*
	Manager with 5 or less subordinates	15.6	2.5*	9.4	1.2	9.4	-0.1	65.6	-2.1*
	Employee doing non-manual work at the office	6.2	0.4	8	2.3*	13	1.7	72.8	-2.7*
	Employee doing non-manual work outside the office	2.1	-1.1	2.1	-0.9	10.6	0.2	85.1	0.9
	Qualified manual worker	0.6	-3.3**	0.6	-3**	6.8	1.5	91.9	4.6***
	Unqualified manual worker	3	-1	1.5	-1.3	1.5	-2.4*	93.9	3**
Socioeconomic status of a self-employed person	Highly qualified	22.2	1.2	11.1	-0.1	11.1	0.5	55.6	-1
	Entrepreneur with 6 or more employees	40	2.2*	20	0.5	0	-0.6	40	-1.5
	Entrepreneur with 5 or less employees	5.3	-1.9	13.2	0.2	7.9	0.3	73.7	1
	Farmer	0	-0.7	0	-0.8	0	-0.6	100	1.4
Size of local population	up to 2,000 inhabitants	3.4	-0.8	2.9	-1.1	8.3	0.5	85.4	0.7
	up to 20,000 inhabitants	5.3	0.9	5	-0.9	6.4	-0.4	83.2	-0.4
	up to 100,000 inhabitants	5.3	1.6	6.2	-0.8	6.2	-0.7	82.2	-0.7
	over 100,000 inhabitants	3.4	-1.5	2.6	1.3	9.4	0.4	84.7	0.4

Note. Test of significance: * significant result – adjusted residual ≥ 2 or ≤ -2 ; ** very significant result – adjusted residual ≥ 3 or ≤ -3 ; *** extremely significant result – adjusted residual ≥ 4 or ≤ -4 .

A surprising situation can be found among the unemployed, where 80% of people state that they do not participate in any form of non-formal education. If we add the 12.2% of unemployed, who irregularly participate in some form of education, we can state that the vast majority of unemployed people in the CR are not trying very hard to participate in any education. Due to this they are not able to develop their knowledge and skills and thus improve their position on the labour market.

The reasons for this may lie in two causes (or possibly in a combination of these): either there is no optimal offer of education possibilities for this social group, or the unemployed are aware that even improvement of their knowledge and skills is not sufficient for the improvement of their position on the labour market. That is why they only rarely participate in any non-formal education.

The third group of key factors is the socioeconomic status of respondents. To determine this, the international classification of Erikson and Goldthorpe (1992) was used. It distinguishes job positions from highly qualified

and managerial positions, typical for white collar workers, up to non-qualified manual workers, typical for blue collar workers (see Table no.2: The socioeconomic status of employees). As a specific category we distinguish the socioeconomic status of self-employed people which make up about 10% in the CR and who represent so-called intermediate class positions, i.e. positions between white and blue collars (Katrňák & Fučík, 2010).

For the socioeconomic status of employees it is true that the higher the status the higher the chance of the individual participating in further education. The group with the highest participation rate are highly qualified workers (e.g. doctors, consultants, architect, etc.) of which more than one half participate in education in their free time. Moreover every fifth person participates in more than three workshops/seminars every year. A similar participation rate can be seen among the high manager positions with 6 or more subordinates. In contrast to the highly qualified workers most of them (about one third) participate irregularly in non-formal education in their free time. This is due to the fact that this group is heavily engaged in non-formal education in the workplace (see below). Beyond these socioeconomic categories, managers also often participate in such education; 35-39% of them participate in educational activities and 15-16% state that they participate regularly.

The lowest participation rate in non-formal education can be seen among the manual workers, be it qualified or non-qualified 'blue collar workers'. Only every tenth or eleventh manual worker participates in non-formal education in their free time. This is the reason why there is an exclusion of manual workers from non-formal adult education.

The situation of self-employed people is very specific in the CR. Highly qualified people who are self-employed, and medium and large businesses entrepreneurs (i.e. those who have six or more employees) show a very high participation rate (46-60% of them participate in some form of education). This high number of participating self-employed people is probably due to the fact that they are forced to develop their knowledge and skills more than people who are employed. On the other hand, the number of participants among small businesses entrepreneurs (i.e. those who have less than six employees) is significantly lower – only 25% of them states that they participate in workshops and seminars. They are, unlike the medium and large businesses entrepreneurs, probably more busy and do not have as much free time for non-formal education.

The last factor which we tested was the population of the municipality of residence. It does not play any significant role in the participation rate of people in non-formal education in their free time. The presumption that small municipalities do not have a well-developed infrastructure for adult education proved to be unfounded.

5. Non-formal Adult Education in the Workplace

The image of non-formal education in the CR would not be complete without insight into what is happening during working hours. In this regard we focused on workshops and seminars that economically active self-employed people underwent in the preceding year other than the BOZP (Workplace Safety) training, which is mandatory for all working people. For this analysis we used a slightly smaller sample ($N = 593$) than in previous analyses because we excluded students, retired people, unemployed and people at home.

The most significant finding of this part of research is that more adults are participating in non-formal education during their work time rather than in their free time. We identify that 33% of adults are participating in education during their work time, where 9% stated that they participate regularly, 10% participate occasionally and 13% participate irregularly (no more than once in the last 12 months). Even though these data are higher than in the last case, they show that two thirds of working people in the CR are not participating in education during their work time. Therefore, it is appropriate to ask whether we can consider the companies in the CR to be 'learning organizations' (Senge, 1990).

As with the non-formal education outside the workplace, this form of education is also highly differentiated on the bases of sociodemographic characters. The overview of all key factors and of participation of various social groups is presented in Table 3. From the sociodemographic characters that we analysed, two are the most important – socioeconomic status and age.

With regards to age, the least participating group are employees between 55 and 64 years of age. Almost three quarters state that they do not participate in any education in their workplace. Therefore, employers do not invest into incensement of the qualification or into requalification of employees over 55 years of age, which is the reason why this group is one of the most vulnerable groups on the current labour market (Mareš, 2002).

It is surprising that the second group with the least participation in employee education is the age cohort of 25-34 years. Two thirds state that they do not participate in education and those who attend some workshops or seminars can be divided into two groups – participating regularly (9.5%) and participating irregularly (18%). The distinction between young employees, who are already highly qualified and into whose education the companies

are willing to invest, and employees working in non-manual positions at the office or manual workers, for whom there are no preconditions for education in the workplace are being created, does probably play a role in this differentiation.

The exact opposite situation can be found among middle-aged employees (35-44 years) who participate the most in educational activities in the workplace. Almost 40% are participating in some form of education and one out of ten people states that s/he is participating regularly.

A factor which has an even greater impact on adult participation in education in the workplace is the socioeconomic status of employees and self-employed persons. The higher the status the higher the chance that individuals will, during their working hours, educate or develop their skills. This is why the highest participation rate can be found among highly qualified workers and senior managers.

In the case of highly qualified workers, almost a quarter is regularly participating in education and a quarter is not participating at all. All senior managers declare an even higher participation rate. Only 14-16% of them are not participating in any education at all. The difference between senior managers and highly qualified workers is that highly qualified workers do not participate regularly but occasionally. This difference is even more obvious if we look at the differences between senior managers with 6 or more subordinates and those with 5 or less. Those who have a smaller number of workers for whom they are responsible participate more irregularly. This implies that at senior manager positions the overall participation rate and frequency of activities is conditioned by their socioeconomic status.

Table 3. Non-formal education in the workplace (N = 593)

Factors	Participation in education	Regular		Occasional		Irregular		Does not attend	
		%	Adjusted residual	%	Adjusted residual	%	Adjusted residual	%	Adjusted residual
Sex	Male	8.6	-0.7	9.6	-0.5	14.1	0.5	67.4	0.4
	Female	10.2	0.7	10.9	0.5	13	-0.5	65.9	-0.4
Age	18-24	14	1.1	11.6	0.3	9.3	-0.9	65.1	-0.2
	25-34	9.5	0	5.3	-1.3	18.1	1.9	67.2	0.2
	35-44	10.2	0.4	14.6	2.1*	12.7	-0.4	62.4	-1.3
	45-54	7.8	-0.8	10.4	0.1	15.6	0.8	66.2	-0.1
	55-64	5.8	-1.2	7	-1.1	10.5	-0.9	76.7	2.2*
Socioeconomic status of an employee	Highly qualified employee	26.3	2.9*	26.3	2.3*	21.1	0.9	26.3	-3.8**
	Senior manager with 6 or more subordinates	16.7	0.7	33.3	1.8	33.3	1.3	16.7	-2.6*
	Senior manager with 5 or less subordinates	14.3	0.6	14.3	0.3	57.1	3.3	14.3	-3.0**
	Manager with 6 or more subordinates	19.4	2.5*	22.2	2.3*	19.4	0.9	38.9	-3.7**
	Manager with 5 or less subordinates	16.1	1.6	13.2	2.8*	22.6	1.4	45.2	-2.6*
	Employee doing non-manual work at the office	11.2	1.3	16.2	2.8*	11.2	-1.3	61.3	-1.8
	Employee doing non-manual work outside the office	2.2	-1.6	0.0	-2.4*	19.6	1.1	78.3	1.7
	Qualified manual worker	3.1	-2.8*	3.8	-3.3**	11.9	-1	81.1	4.6***
	Unqualified manual worker	1.6	-2.1*	4.7	-1.6	7.8	-1.6	85.9	3.5**
Socioeconomic status	Highly qualified self-employed person	22.2	0.2	11.1	0.8	33.3	2.8*	33.3	-2.1*
	Entrepreneur with 6 or more employees	60	2.4*	0.0	-0.6	0.0	-0.7	40	-1.2
	Entrepreneur with 5 or less employees	15.8	-1.1	7.9	0.3	5.3	-1.4	71.1	1.5
Self-employed	Farmer/Collective farmer	0	-1	0	-0.6	0	-0.6	100	1.5
	up to 2,000 inhabitants	3.7	-2.2*	6.5	-1.4	18.3	1.7	71	1.1
	up to 20,000 inhabitants	12.3	1.7	13.8	2*	9.2	-2.2*	64.6	-0.7
	up to 100,000 inhabitants	8.2	-0.5	11.2	0.4	13.4	-0.1	67.2	0.2
Size of local population	over 100,000 inhabitants	10.8	0.7	7.4	-1.3	16.2	1	65.5	-0.3

Note1: Test of significance: * significant result – adjusted residual ≥ 2 or ≤ -2 ; ** very significant result – adjusted residual ≥ 3 or ≤ -3 ; *** extremely significant result – adjusted residual ≥ 4 or ≤ -4 .

Note 2: only the employees or self-employed were questioned.

Relatively high participation in educational activities can be seen among middle management of companies, among whom 16-19% of respondents' state that they participate regularly. But in the case of middle leading positions the participation rate of managers is diminishing. More than one third does not participate in any educational activities in their workplace.

The situation of manual workers, be it qualified or unqualified, is completely different. Blue collar workers do not participate in any education during their work time; 81-85% of workers state that they do not participate in any type of education in the workplace. The highest adjusted residual from among all observed groups was identified for this group (3.5 and 4.6). This means that the impact of social status is crucial. If there is any participation of manual workers in education, it is always very rare, i.e. no more than once a year. The possible cause for this is the fact that most jobs for qualified and non-qualified workers in the CR do not require a systematic development of knowledge and skills and the fact that most workers do not have a extensive experience with educational activities. According to some authors (Katrňák, 2004; Nedbálková, 2012), education does not represent an important value for them.

The situation with highly qualified self-employed people and of entrepreneurs with more than six employees is also interesting. In both of these social groups we can see high utilization of educational activities in the workplace. Most of the medium and large business entrepreneurs (60%) state that they participate in educational activities during their work time. But the situation of small business entrepreneurs is completely different. In their case, only 16% of individuals participate regularly which is only one quarter the rate of medium and large business entrepreneurs. The number of those, who do not participate in any education, is also significantly higher (71%). The issue of different participation rates in educational activities that we described in non-formal education outside the workplace can be found here as well.

Last of the tested factors – population of the municipality of residence – showed two interesting results. Despite the fact that there is no linear relation between population of the municipality of residence and a higher participation rate in educational activities, the local population does affect the frequency of adult participation. If people live in a small municipality (up to 2,000 inhabitants) it is very unlikely that they participate regularly in educational activities. And, at the same time, if people live in a small town (2,000 to 20,000 inhabitants), the possibility of them participating in educational activities once a year increases.

6. Conclusion

The overall rate of participation in non-formal education in the CR is not very high. Our research shows that 29% of adults participate in such education, where 17% of adults participate in their free time and 33% of adults participate during their work time. We can conclude from the results that the centre of adult education in the CR is the working world. In it, better prerequisites for adult education are created – be it because the employers financially and logically provide the educational courses or because the employees attend the educational activities during their work time instead of during their free time. Because of these measures, some of the fundamental problems of adult education are taken care of, such as the financial demand or lack of free time.

When comparing the results of this research with international statistics (IALS 2000) on adult participation in non-formal education, we can see that the CR is still among the countries with average participation (20-35% of adults are participating in non-formal education in these countries). To understand the position of the CR among other countries, it must be stated that that position will depend on which of the presented frequencies will be taken as a starting point for comparison. Using the data on education in the workplace, then the participation rate in the CR approaches the limit denoting countries with high participation. If, on the other hand, the data on education during one's free time is used, then the participation rate in the CR approaches the limit denoting countries with low participation.

Comparison in terms of the time periods is also interesting. Data from 2013 show a slightly lower participation rate in adult education (29%) than data from 2005 – stating a 34% participation rate (Rabušicová & Rabušic, 2008b, p. 68). According to this data, there has been a slight decrease of in the participation rate connected with organised educational activities during the last 8 years. However we assume that our data are, in this regard, slightly distorted due to the inclusion of the 65+ age group (18% of respondents) which is missing in the Rabušic (2008b) research. Since this age cohort shows one of the lowest rates of the participation in education, it is logical that it also decreases the overall participation rate of our sample. Therefore we conclude that the current overall participation rate is very similar to that in 2005. This means that we can see a medium-term stagnation in the number of participants in continuing education in the CR rather than its decline.

A change can be seen in the frequency of education because the number of adults participating regularly (more than 3 times a year) in education has increased. Data from 2013 showed 12% of people stated that they are

participating regularly on such activities as opposed to data from 2005 when only 6% of individuals stated the same (Rabušicová & Rabušic, 2008b, p. 64). Therefore the number of adults, who are participating in education in the CR, is more or less the same but the number of those who are participating very often is increasing. Such a development is probably caused by the fact that, in the framework of non-formal education, there are not many new participants but the number of educational activities of those, who participated in non-formal education in the past, is increasing. Some authors (Courtney, 1992; Tight, 1995) tackle this issue and emphasise that previous experience with educational activities is important for further participation therein.

The structure of participants is crucial for our results. This structure is very diverse. One of the main factors for participation in educational activities is *socioeconomic status* and partially the *age of respondents*. This is true for both, education in and outside the workplace. Therefore we believe that it is not possible to talk about education of the whole adult population of the CR, but only about education of certain social groups. That is because, on the bases of socioeconomic status and age, groups of elderly people, manual workers and the unemployed are largely excluded from non-formal education. It is, therefore, dominated by highly qualified and leading, middle-aged workers. This also matches the results of an analysis of people participating in continuing education in Great Britain carried out by Veronica McGivney (1990). Our results also match the results of other research, according to which the non-formal education in the CR is dominated by highly qualified and prominent workers (IALS, 2000, Rabušicová & Rabušic 2008b, p. 69).

One of the specifics of the CR is that primarily self-employed people are participating in non-formal education. These are usually highly qualified people like doctors, consultants, developers and medium and large entrepreneurs. For them, non-formal education (be it in or outside the workplace) is usually an activity that they use to develop their business and leadership skills. Such a high rate of participation is, in our opinion, caused by the fact that self-employed people themselves are responsible for their own education which results in their attitude towards education being more proactive.

Despite the fact that this study presents a lot of important findings about the current state of non-formal education in the CR, it must be noted that this study does not, in great detail, deal with the length of participation of individuals in educational activities which can greatly influence the overall scope of participation. It does not consider, for example, the differences between three one-day seminars and one three month training course. This issue appears to be particularly urgent when we realize that the number of people who participate regularly is increasing. In the future, it would be appropriate to find out if the increase in the participation rate of adults is expressed only in the frequency of educational activities or even in their duration or if the increase in the number of educational activities does not take place at the expense of their duration.

For a deeper understanding of the current situation of adult education in the CR, it is essential to consider not only these questions, but many others that emerge from our research findings. First, it is necessary to find a more precise answer to the question of what is the cause of the significant participation/exclusion in adult education of some social groups. In this regard, the main obstacles that individual social groups regard as crucial for their participation must be identified. Then, it is essential to focus on the significance which individual social groups assign to non-formal education, because these enter into the evaluation of education as useful or useless activity (or valuable or worthless experience). We are convinced that if, in future research, there will be an emphasis on these issues, we will be able to better comprehend and describe other aspects of lifelong learning in the CR, which will lead to a better understanding of macro-social and micro-social dimension of non-formal adult education.

Acknowledgments

This paper was created in collaboration with Focus Agency.

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Motivation to Use Self-Regulated Learning Strategies in Learning Management System amongst Science and Social Science Undergraduates

Shayesteh Hashemyolia¹, Azizan Asmuni², Ahmad Fauzi Mohd Ayub¹, Shaffe Mohd Daud¹ & Jasmin Arif Shah²

¹ Department of Foundations of Education, Faculty of Educational Studies, Universiti Putra Malaysia, Malaysia

² Department of Professional Development and Continuing Education, Faculty of Educational Studies, Universiti Putra Malaysia, Malaysia

Correspondence: Shayesteh Hashemyolia, Department of Foundations of Education, Faculty of Educational Studies, Universiti Putra Malaysia, Serdang 43400, Selangor Darul Ehsan, Malaysia. E-mail: shayesteh_hashemi@yahoo.com

Received: June 17, 2014 Accepted: October 9, 2014 Online Published: December 30, 2014

doi:10.5539/ass.v11n3p49

URL: <http://dx.doi.org/10.5539/ass.v11n3p49>

Abstract

The purpose of this study is to determine students' levels of self-regulated learning by adjusting Motivated Strategies for Learning Questionnaire (MSLQ) developed by (Pintrich et al., 1993). This study involved 436 undergraduate students. The validity of instrument used was checked by convergent validity and discriminant validity in Structural Equation Modeling. The reliability of scale was measured by internal consistency analyses whilst students' levels of self-regulated learning detected by descriptive analyses involving percentage, frequency, means, t-tests and standard deviation. As a result it can be concluded that MSLQ is recognized as a valid and reliable scale in order to examine levels of self-regulated learning among university students in Malaysia. Besides, the students' self-regulated learning strategies are found to be generally in the middle range; their highest level of skills being Effort regulation, whereas the lowest skill is Metacognitive strategies. The students' level of self-regulated learning in social sciences faculties was significantly lower than students in science faculties.

Keywords: self-regulated learning, scale development; validity, reliability, LMS environment

1. Introduction

The rate of using learning management system LMS in higher education has been increased (Gomez, Wu, & Passerini, 2010). The interactive learning environment, supported by social cognitive and interaction theory that both point to student-centered learning (Zeng & Takatsuka, 2009). Evidence indicates that utilizing the Internet or any modern technology automatically cannot lead to better learning (Kember, McNaught, Chong, Lam, & Cheng, 2010). The e-learning system requires the students' self-regulated learning strategies (SRL) to engage in multiple episodes (Abrami, Bernard, Bures, Borokhovski, & Tamim, 2011; Greene & Azevedo, 2009). For this reason, SRL skill is a vital factor for learner successful, especially in e-learning system (Bol & Garner, 2011). Self-regulated learning is referred to "an active, practical process in which learners determine goals for process of learning and to monitor, regulate their cognition, motivation, and behavior, guided by their goals and the contextual characteristics of the learning environment" (Pintrich, 2000, p. 453). Thus, students are encouraged to become active participants in learning, via establishing personal goals, selecting and modifying their learning strategies, and reflecting on the effectiveness of their learning strategies (Clear & Zimmeraman, 2012).

However, SRL is identified a process that students employ across various domains or circumstances; several empirical researches have investigated how various constituents of SRL might be different as a result of contextual differences. Different results were obtained when comparing between field of study and SRL level. The present study seeks to address this difference by exploring two components of motivation and SRL strategies among two various academic disciplines. Particularly, this study aims to investigate whether level of students' motivation and use of SRL strategies varies across domains.

2. Literature Review

Based on literature, students' discipline act as moderator variable in students' perceptions of learning environment, motivation to learn, and using learning strategies (Cleary & Chen, 2009; Crede & Philips 2012; Judd, 2009; Ghosh2011; Kauffman, 2004; Artino, 2009). Therefore, the level of students' motivation and learning strategies are possible to be somewhat different for various classes. In this case, Kramarski and Gutman, (2006) found that math students apply more critical thinking and help-seeking behaviors, because of they deal with difficult content. Furthermore, students need more synchronous and asynchronous interaction for help seeking to solve a problem. Whereas, other courses might not need collaboration and help seeking strategies and students prefer to learn in their own and need more intrinsic motivation. In other hand, some courses are based on different instructional purposes such as problem-based learning and research-based project that seems to stimulate more motivation, and using learning strategies among students. Thus, this study looked at science and social science undergraduate students' perception about PutraLMS learning environment and self-regulated learning strategies. Accordingly, the findings of this study may contribute to design an effective learning environment that enhance students' motivation to learn and using learning strategies in different contexts.

The levels of motivational components and use of learning strategies depends on features of the task or domain (Wolter & Pintrich, 1998). Zimmerman (1994) argued that the context of classroom has a key role to facilitate SRL. Classroom instructions cause students choose various learning strategies to perform tasks, and giving them different opportunities for developing and using SRL strategies. Moreover, Wolter and Pintrich, (1998) conducted study to find out the effect of classroom differences on students' motivation and self-regulated learning among different subjects namely; English, social studies, and mathematics. The analysis of the repeated measures ANOVA revealed that self-efficacy was significantly different in various disciplines and self-efficacy had the highest score in English compared to social studies and mathematics. Contrary results obtained from other case study conducted by Virtanen and Nevgi, (2010). The researchers examined students' differences in usage of SRL strategies in various disciplines with 1248 undergraduate students. The results indicated that there were minor mean differences in sub-dimensions of SRL among the diverse disciplines.

In this same area, Niemi, Nevgi, and Virtanen (2003) found statistical significant mean differences between different disciplines on anxiety which measured by a self-assessment instrument based on MSLQ. Precisely, the students studying at the faculty of technology, science, and education were less anxious and employed less self-assessment strategies comparing to students of forestry, humanities, agriculture behavioral and sciences.

In early studies carried out by Maurer, Allen, Gatch, Shankar, Sturges, (2013) examined students' academic motivation and effort across human anatomy and physiology (HAP), physics, and nutrition disciplines. The results of multiple regression analysis revealed that motivation subscales were significantly different among students enrolled in three course disciplines. Specifically, students in nutrition major will report higher levels of intrinsic motivation and lower levels of extrinsic motivation. Moreover, the higher levels of intrinsic and extrinsic motivations associated with higher levels of study habits, efforts, and final grades. In the same area of study, Swinger and Stiensmeier-Pelster, (2012) found that contexts of different disciplines was moderator of motivational strategies. The students perceive the characteristics of mathematics, German, and English differently. Students identified that math course required more effort and challenge compared German or English. Subsequently students are less motivated to pursue a particular task and learning efforts.

3. Aim of Study

Based on the literature, the research questions of this study are:

H₁: Is Motivated Strategies for Learning Questionnaire (MSLQ) valid and reliable to measure SRL strategies.

H₂: To what extent is the students' level of motivation and use of SRL strategies

H₃: Are there any differences in the levels of motivation and using of self-regulated learning strategies between science and social science students.

4. Methodology

The instrument of this study has been tested for reliability and validity in Structural Equation Modeling by using Cronbach alpha (α) values and composite reliability for each factor and CFA measurement model. Moreover, this study used mean comparison t-test independent analysis (Korkmaz & Kaya, 2012) in order to test the moderator variable as students' differences in motivation and use SRL strategies between science and social science disciplines.

4.1 The Sample of Study

The population of this study was 13000 undergraduate students belonging to 15 faculties at university Putra Malaysia (UPM). The respondents of this study consisted of 436 undergraduate students from 6 faculties of science and social science who have registered in LMS courses. The frequency of students regarding to department, years of study and gender is presented in following Table 1.

Table. 1 The Distribution of Study Group with respect to Gender and Department, years of study

group	Department	Frequency	Percentage
Science	Engineering	95	21%
	Agriculture	78	17.9%
	Science	113	25.9%
Total		286	65.6%
Social	Modern language	51	11.7%
	Economic	49	11.2%
	Education	50	11.5%
Total		150	34.4%
Gender	Female	289	66.3%
	Male	147	33.7%
Year of study	1 & 2 years	143	55.8%
	3 & 4 years	192	44.2%

4.2 Instrument of the Study

This study used Motivated Strategies for Learning Questionnaire (MSLQ) developed by (Pintrich et al., 1993) to measure students' SRL. MSLQ instrument captures the general aspects of students' self-regulation of learning in a psychometrically reliable way (Cleary & Zimmerman, 2012; Credé, & Phillips, 2011). MSLQ is based on social cognitive view that represents students' active processor of information. MSLQ instrument has been used both in face to face and e-learning environment among many countries (Credé & Phillips, 2011).

In this study, MSLQ is divided into two parts: motivation concept with 18 items and SRL strategies with 30 items drawn in 7-point liker scales. Pintrich emphasized on the importance of motivational processes of self-regulation. Motivation is a key factor as a separate area of criteria for SRL strategies. Motivational variables interact with cognitive, behavioral, and contextual factors to affect self-regulation (Zimmerman & Schunk, 1989). This study considered motivation concept in three dimensions (intrinsic goal orientation, task value and self-efficacy). Also, this study measured SRL strategies into two dimensions as metacognitive and resource management strategies. The metacognitive learning strategies, measured by one large subscale relates to the use of strategies that help students control and regulate their own cognition. This subscale consists of planning, monitoring, and regulating that result in optimum academic performance (Montalvo & Torres, 2004; Lee, 2003). The resource management comprised of environment and time management, peer learning, effort regulation, and help seeking constructs. The self-regulated learners are capable of managing the available resource and are able to adapt to learning situation (Credé & Phillips, 2011).

5. Findings

The reliability and validity of MSLQ was measured in each observed variable by CFA measurement model, for factor loading, Cronbach's alpha (CA), composite reliability, convergent validity and discriminant validly for every latent variables of study (Ho, 2006). The results of CFA analysis showed a very satisfying overall model fit in this case as all the fit indices satisfy their cutoff value (RMSEA= .076, CMIN/DF= 3.518, RMR= 0.067, CFI= .944, IFI= .944, GFI= .881, NFI= 0.915).

The factor loading of all items of the questionnaire were more than 0.7 threshold value except for metacognitive items 1and 8 (.40; .39) and time managements' items 7 and 8 (.13; 0.24) which were subsequently deleted from the questionnaire. Table 2 lists standardized factor loading, composite reliability (CR), Cronbach's alpha (CA), and Average variance Extracted (AVE) for each dimension of SRL constructs. It shows that all CR and CA values are higher than the threshold value of 0.7, which indicates adequate internal consistency (Hair et al., 2010). The measurement model of learning motivation also shows satisfactory indicator reliability because all the standardized factor loadings are above 0.70. Likewise, Table 3 shows that AVE for all variables was

significantly higher than 0.5, thus, the measurement model provides acceptable convergent validity (Urbach, Smolnik, & Riempp, 2010).

Table 2. Measurement Model of MSLQ Results of First-order CFA

Construct	Parameter standardized loading	Composite reliability (CR)	Cronbach's alpha (CA)	Average variance Extracted (AVE)
Intrinsic goal		.890	.883	.670
INC1	.760			
INC2	.838			
INC3	.878			
INC4	.794			
Task value		.910	.909	.627
TAS1	.763			
TAS2	.800			
TAS3	.791			
TAS4	.806			
TAS5	.803			
TAS6	.789			
Self efficacy		.987	.940	.650
SEL1	.784			
SEL2	.799			
SEL3	.829			
SEL4	.826			
SEL5	.829			
SEL6	.785			
SEL7	.785			
SEL8	.815			
Metacognitive		.940		.611
MTG2	.728			
MTG3	.804			
MTG4	.772			
MTG5	.757			
MTG6	.818			
MTG7	.815			
MTG9	.824			
MTG10	.811			
MTG11	.791			
MTG12	.685			
Time of study management		.911	.910	.632
TIM1	.810			
TIM2	.812			
TIM3	.799			
TIM4	.771			
TIM5	.803			
TIM6	.772			
Effort regulation		.881	.881	.650
EFT1	.801			
EFT2	.838			
EFT3	.774			
EFT4	.811			
Help seeking and peer learning		.900	.900	.601
HP1	.721			
HP2	.788			
HP3	.832			
HP4	.744			
HP5	.812			
HP6	.747			

Finally, Table 3 defined the discriminant validity among inter dimensions of variables by using the diagonal correlation matrix for the measurement model of motivation and learning strategies. The given AVE for all construct was larger than the squared correlation of those three dimensions of motivation and learning strategies. Therefore, the dimension was truly a distinct frame from other dimensions and discriminant validity was satisfied (Fornell & Larcker, 1981).

Table 3. Discriminant validity for the final measurement model

Construct	MOT	MTG	RSM
MOT	(.653)		
MTG	.172	(.611)	
RSM	.242	.378	(.619)

Off-diagonal: squared correlation between constructs; Metacognitive (MTG); Motivation (MOT); resource management (RSM)

This study also measured student level of motivation and SRL strategies among undergraduate students based on a study with the same objectives conducted by Korkmaz & Kaya, (2012). Standard deviation, frequency, means, and t-tests were used to determine the levels of self-regulated learning. The amount of $p < 0.05$ significance level is considered as a differentiation analyses.

As shown in Table 4, students' scores in motivation and use of self-regulated learning strategies change between 1.38 and 6.78, the mean was 4.46. Results show that more than (58.6%) of the students have medium level, 27.1% have high and 14.24% possessed low level self-regulation strategies. Therefore it has been concluded that students' motivation and use of self-regulated learning strategies are at a medium level. The factor with the highest average is "task value" (4.60), the lowest factor is "time and environment management" (4.39). The highest level factor in high group is "task value" (35.6%), the lowest factor being "metacognitive" (23.2%). In the medium group, the highest factor is "metacognitive" (67.4%), the lowest being "task value" (51.4%). The highest ratio factor in low group is "intrinsic goal orientation" (16.7%) and the lowest, "metacognitive" (12.4%). Hence it can be noted that the most frequent SRL strategies used is metacognitive strategies (67.4%) by the medium level group.

Table 4. Students' self-regulated learning levels

Factors	N	Mean	SD	Min	Max	Levels (f) %			
						Low	Medium	High	
INC	436	4.46	.680	1.50	7	73	16.7%	225	51.6%
TAS	436	4.60	.660	1.50	7	57	13.1%	224	51.4%
SEL	436	4.45	.632	1.38	6.88	65	14.9%	256	58.7%
MTG	436	4.41	.565	1.17	6.50	57	12.4%	249	67.4%
TIM	436	4.39	.607	1.33	6.67	63	14.4%	272	62.4%
EFT	436	4.41	.605	1.50	6.75	58	12.8%	270	61.9%
HP	436	4.53	.644	1.33	6.67	67	15.4%	249	57.1%
Total		4.46	.627	1.38	6.78	14.24%			27.1%

Intrinsic goal orientation (INC); task value (TSK); self-efficacy (SEL); metacognitive (MTG); time management (TIM); effort regulation (EFT); help seeking and peer learning (HP)

Table 4 showed that the most frequent response medium, in other word, the students' tendency to choose the mid-point or neutral scale of the questionnaire. According to Moser & Kalton (1972, p 344) mid-point or odd number option lead respondent to persist in middle option to get to the end of the questionnaire and thus it provides uninformative data. Thus, this study deleted number 4 from the scale of the questionnaire which is the mid-point to get a more conclusive data. Next, this study measured students' differences in SRL strategies between science and social science group. Table 5 depicted that students' SRL strategies are significantly different with respect to course discipline.

Based on the data obtained from mean comparison t-test, there was significant difference between students effort regulation ($t = 3.651$; $p < 0.001$), task value ($t = 2.261$; $p < 0.05$), intrinsic goal orientation ($t = 2.057$; $p < 0.05$) and time management ($t = 2.010$; $p < 0.05$). Therefore it can be concluded that discipline have moderate influence on level of students' SRL. Apparently discipline didn't have significant effect on students' level of SRL strategies in other constructs of SRL strategies such as Self-efficacy, Metacognitive, Help seeking and Peer learning strategies.

Table 5. The effect of discipline on students' self-regulated learning strategies

Variables	Group	N	Mean	SD	t	sd	P
INC	Science	286	3.84	.855	-2.057	.088	.040
	Social	150	3.70	.906			
TAS	Science	286	3.92	.915	2.261	.090	.024
	Social	150	4.13	.894			
SEL	Science	286	3.91	.892	-1.749	.091	.081
	Social	150	3.75	.759			
MTG	Science	286	3.90	.795	.310	.083	.757
	Social	150	3.88	.885			
TIM	Science	286	3.683	.877	2.010	.087	.045
	Social	150	3.508	.846			
EFT	Science	286	3.93	.776	3.651	.080	.000
	Social	150	3.63	.828			
HP	Science	286	3.97	.855	-1.028	.087	.306
	Social	150	3.88	.889			

6. Discussion

MSLQ has been widely adapted into Malaysian context to identify students' motivation and use of self-regulated learning levels. The findings obtained from CFA measurement model showed that the obtained model is confirmed via data and actually reflected the theoretical latent construct of those items they are designed to measure (Byrne, 2010). MSLQ is recognized to have high validity and reliability that can be applied in e-learning environment and students' level of SRL at Malaysian university.

Generally, the level of students' motivation and use of SRL strategies stands in middle level. The highest level was 'task value', whereby 35% of participants reported had high task value of motivation. The lowest level was metacognitive strategies (12.4%) with a mean of 4.41 the average mean being 4.46. This study removed number 4 from the 7-point Likert scales from the questionnaire and then compared the mean difference between science and social science students in LMS learning environment.

The findings indicated that students effort regulation, task value, intrinsic goal orientation, and time management showed significant difference between science and social science student. Conversely disciplines showed moderate effect on students SRL strategies (Maurer et al., 2013; Schwinger, & Stiensmeier-Pelster, 2012; Virtanen & Nevgi, 2010; Niemi et al., 2003; Wolter & Pintrich, 1998).

Although Korkmaz and Kaya, (2012) found significant difference between all dimensions of construct of online self-regulated learning in science and social science, the result of this study showed that the mean between science and social science group in Self-efficacy, Metacognitive, Help seeking and Peer learning strategies were quite similar. The findings of this study agrees with the study conducted by Tsai (2009) that found that level of students' online self-regulated learning did not vary much across different faculties. In the same area, Şimşek and Balaban (2010) found that metacognitive strategies and motivation strategies were different among university faculties. Contrarily, Korkmaz and Kaya, (2012) reported that students' online self-regulated learning was different in science, social, and technology group and that students from social departments are significantly lower than those from other departments.

Generally, work on academic tasks, and the nature of the classroom structure play major role on students' (Wolter & Pintrich, 1998). However, according to evidence there were significant differences regarding to level of SRL among teachers, classrooms and academic discipline. It is necessary to examine the external context in student's strategies. According to Wolter and Pintrich, (1998) the various disciplinary areas, (science, English, social studies, mathematics, and foreign languages) relate to different instructional beliefs. Motivation and SRL strategies are critical factors for improved learning achievements and thus an appropriate instructional design is

important. Although students in e-learning environment apply similar SRL strategies as in traditional classroom, they typically encounter distinctive circumstances and manage them somewhat differently (Ku, & Chang, 2011).

7. Conclusion

This study covered public university undergraduate students from faculties of education, modern language and communication, economy and management, engineering, science, and Agriculture College. The result of this study showed limited motivation and use of SRL strategies. Therefore, the mean between the two groups was quite equal. Based on literature review and findings from this study, it is not conclusive that type of disciplines has absolute impact on students' motivation and SRL strategies. Thus further studies in related areas are suggested to analyze students' self-regulated learning in different context.

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Innovation in Realizing Quality of Production in Malaysia

Julian Paul Sidin¹ & Jessie James Sham²

¹ Faculty of Business, Economics and Accountancy, Universiti Malaysia Sabah, Malaysia

² Faculty of Corporate Administration, Kiara College, Malaysia

Correspondence: Julian Paul Sidin, Faculty of Business, Economics and Accountancy, Universiti Malaysia Sabah, Malaysia. E-mail: jpsidin@ums.edu.my

Received: August 18, 2014 Accepted: October 9, 2014 Online Published: December 30, 2014

doi:10.5539/ass.v11n3p57

URL: <http://dx.doi.org/10.5539/ass.v11n3p57>

Abstract

This study is about Malaysia, innovation in its manufacturing industry. The purpose of this paper is to explore the relationship between innovation practices and quality of production in Malaysia's manufacturing companies based on a questionnaire survey sent via mail. The relationships theoretical model among the constructs of innovation practices and quality of production were proposed and tested using multi-regression analysis. Analysis of the data in this study supports a strong positive relationship between innovation practices and quality of production which was consistent as claimed in the previous studies. The findings of the study will further contribute and strengthen to previous literature in several ways.

Keywords: incremental/radical innovation, innovation extensiveness, quality of production, manufacturing

1. Introduction

Malaysia have embarked on industrialization as a major aim in their economic development soon after its independence in 1957 (Kamaruddin & Masron, 2010) which has blossomed remarkably since the early 1980's from the agricultural economy to the industrial-based economy. The outcome of the transformation has increased the important role of manufacturing in leading growth of Malaysia's economy. This immense economic transformation was carried out based on the realization that Malaysia needs to ensure its economic growth through less dependent on imports. As stated in a report published by the Malaysian Industrial Development Authority in 2013, it was reported that the foreign direct investment (FDI) inflows surged to 24 percent to RM38.8 billion compared to RM31.1 billion in 2012 as shown in Figure 1. As of 2013, the country had reduced the net direct investment outflow to RM4.1 billion from RM21.1 billion the year before (MIDA, 2013).

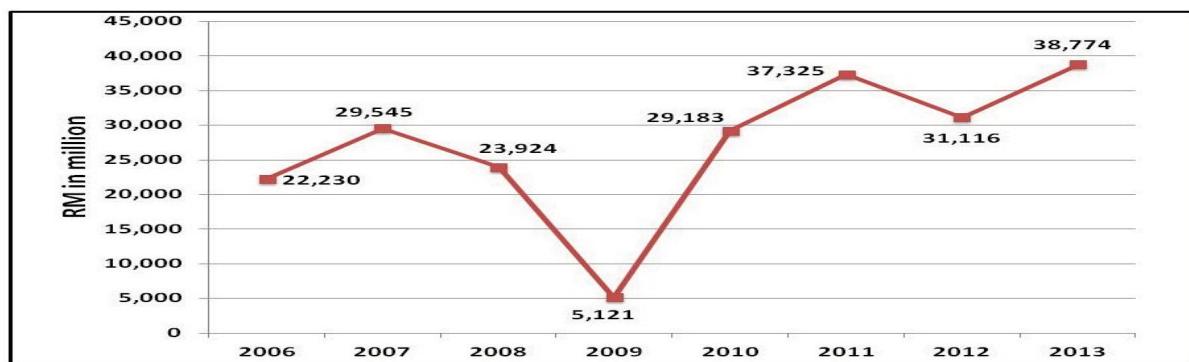


Figure 1. Global FDI inflows into Malaysia (source: Department Of Statistics, Malaysia)

In 2013, the manufacturing sector remained the largest recipient from the total global FDI inflows into Malaysia, followed by services, mining and quarrying sector. The report issued by MIDA also stated that manufacturing sector in Malaysia continued to be an important part of Malaysia's industrialization efforts, enticing RM52.1 billion worth of investments in the same year. With investments of RM52.1 billion, a total of 787 manufacturing projects were approved in 2013 (refer Table 1).

Table 1. Establishment of Manufacturing Projects by Industry in Malaysia, 2000 – 2013.

Year	'00	'01	'02	'03	'04	'05	'06	'07	'08	'09	'10	'11	'12	'13
No. of Projects	805	928	792	965	1,101	1,027	1,077	949	919	766	910	846	804	787

Source: Malaysian Investment Development Authority, Malaysia Investment Performance Report, 2001-2013.

MIDA (2013) revealed that RM21.6 billion (41.5%) of the total investments approved in 2013 was domestic investments and RM30.5 billion (58%) was foreign investments. However, its share appears to be on a decline where it received 37.6 percent of the total FDI inflows in 2013, down from 42.11 percent in 2012. This reflects the declining contribution of the manufacturing sector to Gross Domestic Product that had fallen to around 24 percent in 2013.

Malaysia has marked itself as one of the fastest growing economy in the major economies of Southeast Asia which enjoyed high growth rates in the manufacturing industry over the past decade which contributes approximately 40 percent of gross domestic product to the country (Keng, Binshan, Pei and Yee, 2012). Although there has been progress in the manufacturing sector in Malaysia, however, the progress is still considered to be at a moderate level. Given the economic trends involved in globalization and liberalization, the competition between manufacturing companies cannot be avoided; this includes the manufacturing sector in Malaysia. Manufacturing companies need to change their way of conducting business by giving more emphasis to higher quality, efficiency and cost effectiveness in the production systems and processes. The prime concern should also be given to research and development (R&D) towards innovative and cutting edge technologies in the manufacturing sector.

Generally, the manufacturing sectors face some challenges which come from various issues such as financial, R&D, information and communication technology, knowledge, and technical expertise. As an industrial-based nation, Malaysia is also experiencing the same fate. The manufacturing sector in Malaysia is now encountering a series of gaps between the information system and overall resources, which causes delays on the management of its overall processes. Most of Malaysia's manufacturing companies are still working with the conventional manufacturing processes (The Federation of Malaysian Manufacturers, 2003) and some companies will either outsource their production for the sake of sustaining its competitiveness or retain the conventional works.

Hence, there is a tendency that manufacturing sector in Malaysia is defenseless to competition from within and outside the industry that propose alternatives to the product, raw materials and components, and the manufacturing process. For that reason, the manufacturing sector in Malaysia still has a long way to go before they are able to achieve the standards of global manufacturing environment. Dynamics of the global economy are changing and increasing competition demand more in terms of renewal and transformation. Therefore, there is a need to develop more innovative-driven enterprises in Malaysia in order to enhance national production competitiveness and resilience.

2. Quality Production

Previous studies have shown that quality management, assurance and control ranked as the second most important area of manufacturing process decision making, after plant and equipment (Altendorfer & Jodlbauer, 2011; Battini, Faccio, Persona & Sgarbossa, 2012). On top of this, it was also found that quality is the most crucial competitive concern for producers, followed by product cost (Alwan, 2012). Quality management, assurance and control in production or manufacturing lead to correction of problems, eliminating waste, reducing cost, shorten production lead time, reducing inventory, ensuring safety and comfortable working conditions (Foster, Thomas, & Cynthia 2011; Battini *et al.*, 2012).

As Battini *et al.* (2010) confirmed that for the last 20 to 30 years, quality has been one of the most important problems companies have been focusing on in which that quality has become widely regarded as a key for success particularly in manufacturing industries due to the increasing competitiveness of markets. The improvement of production quality as mentioned by Talha (2014), believes that it is a long-term dedication to constant improvement in every facet of the production process. He added that advanced and highly reliable manufacturing methods results in the achievements of a very high standards of product quality in which that this has become a competitive strategy for most firms.

Battini *et al.* (2012) corroborate that to maintain competitiveness in the global markets, high quality of products is a critical matter for manufacturers to maintain. The accomplishment to participate in highly competitive markets, achieve restructuring, follow low-cost strategies, or produce products and processes that surpass

technological barriers calls for a great amount of competence in the form of innovation (Zamora, Benito and Gallego 2013). It was concluded that innovation is completely consistent to business performance. Correspondingly, Hassan, Shaukat, Nawaz and Naz (2013) which aims to explore the result of the types of innovations on firm's performance reveals that the firm performance includes production, market, innovation and financial performance as its measure. Hassan *et al.* (2013), further stated that the building blocks of production performance are quality improvement, cost efficiency, speed to production and flexibility in production which leads to profitability. It was also concluded by Hassan *et al.* (2013) that with increased innovativeness, a higher firm performance can be achieved. Furthermore, Zamora *et al.* (2013) affirmed that it might give organizations efficiency and effectiveness given that if it maintains innovative advantage. This is also supported by Talha (2004) where in the manufacturing industry, the factor that determines a firm's success or failure in the world-wide marketplace is the quality of the product. Therefore, for a firm to achieve a sustainable competitive advantage, Hassan *et al.* (2013) stated in their article that a firm should improve its methods and activities through innovation. This is also deemed as true for Baregheh, Rowley and Sambrook (2009) that innovation creates value and sustains competitive advantage. As Prajogo (2006) revealed in his article that a major impact of innovation was found in manufacturing industry and has a sturdier effect on performance rather than that in the service sector in which service firms have benefited less.

In conclusion, the practice of innovation in the production process shows that there is a close correlation between innovation and efficiency and effectiveness in production. This conclusion therefore provides the basis for this study which aims to explore the relationship between innovation practices and quality of production in Malaysia's manufacturing companies.

3. Innovation

Previous research into innovation has focused on various aspects, including the definition of innovation and models of innovation (Afuah, 1998), sources of innovation (Tidd, Bessant, & Pavitt, 1997), and the generation of innovation from within firms or outside of firms (Nohria & Ghoshal, 1997). Innovation can be described as the creative process through which new products, services or production processes are developed for business unit (Arias-Aranda, Minguela-Rata & Rodriguez-Duarte, 2001). Szeto (2000) define innovation as any newly established idea, practice or material artefact that is professed to be new by the early units of adoption within the appropriate environment or as adapting new ideas and artefacts that are relevant to product development for a particular market. Another interesting definition of innovation defined by Szeto (2000) mostly includes both enhanced technology and better procedures of doing things.

Innovation, overall, can be summarized as adaptable new ideas for product or service development with enhanced characteristics, quality manufacturing and appreciated aesthetics to meet the needs of existing or possible market in incremental or radical movement and may generate profit with least amount of cost (Szeto, 2000). McAdam and McClelland (2002) argue that several published articles have given different definition on innovation and this can mislead the literature reviewer. They suggest that in each of these definitions creativity is seen as part of innovation, namely the front-end of the innovation process. Gurteen (1998) likewise describes creativity as the generation of ideas while innovation is concerned with putting these into action by shifting, refining and implementing.

Companies put massive attempt in beating the competition and improvement in the market game by establishing innovations. According to McAdam and McClelland (2002), the increasing competitive markets have forced the needs of organizations to improve their competitive advantage in the market and develop the effects of innovation. Zakic, Jovanovic and Stamatovic (2008) claim that the main innovation model and development level facilitate managers to be acquainted with what types of innovations and strategies they should consider in different phases of their development and different competitive environment. Rita, Ming-Hone, Venkataraman and MacMillan (1996) have linked innovation to the RBV of strategic management providing four antecedents, which are the causal understanding, innovation team proficiency, emergence and mobilization of new competences, and creation of competitive advantages. So many research findings are providing support of the fact that competitive advantage and firm innovation are extremely related, and many authors have called for their connection (for example, see; Kuczmarki, 1995; Zien & Buckler 1997; Ahmed, 1998; Drejer, 2002). Some researchers have even linked innovation on organizational profits (e.g. Buckler & Zien, 1996; Kleinnecht & Mohnen, 2002; Rooks, Oerlemans, Buys & Pretorius 2005).

With the presence of a dynamic marketplace nowadays coupled with the ever changing customer demands and lifestyles, there is an urgent need for organizations to innovate in an attempt to exploit the opportunities offered by technology and changing marketplace, structures and dynamics (Baregheh *et al.*, 2009). Correspondingly,

Johne (1999) also mentioned in his article that if a business does not innovate, it is susceptible to the risk of being undertaken by competitors in this fast changing markets and technology.

It is also important to recognize the types of innovation as pointed out by Johne (1999) in which he suggested that there are three types of innovation and they are the market innovation, product innovation and process innovation. These three types of innovation engage in different types of innovation in a business for example, Johne (1999) stated that market innovation aims to improve the mix of target markets and how to serve them in the best way possible. Second, the product innovation aims to improve the types of mix that a business can offer, and lastly the process innovation aims to improve the mix of internal operations.

Moreover, Cooper (1998) claimed that despite the many definitions of innovation used, it was widely agreed by practitioners and students of innovation that innovation comes in many forms in which that radical, incremental, product, process, administrative and technological are the most prominent innovation dimensions. Morris (2013) pointed out that a business should first differentiate between two types of innovation which is the continuous and discontinuous innovation that has different objectives and eventually presented a 32 possible innovation targets that a business can focus on. They are categorized under six components of target areas that comprised of business, administration, organization, service, supply chain, and product.

Based on the effect on behavior and social structure, Saaksjarvi (2003) categorizes innovations into continuous (a slight modifications to current products and/or services), dynamically continuous (the creation of a new product or service or modifications to existing ones), and discontinuous (the creation of previously unknown products that typically require a significant amount of new learning). Avermaete, Viaene, Morgan and Crawford (2003) on the other hand, categorize innovation into various classifications, which include: product innovation (good, service and idea); process innovation (technology and infrastructure); organizational innovation (marketing, purchasing and sales, administration, management and staff policy); and lastly market innovation (exploitation of territorial areas and penetration of market segments).

A major determinant of innovation as pointed out by Ahmed (1998) is organizational climate. Possession of positive cultural characteristics provides the organization with essential ingredient to innovate. Moreover, Ahmed (1998) states that the culture of innovation needs to be coordinated with the appropriate organizational environment. In the same paper, he also provides personality traits for innovative individuals, which consist of high valuation of aesthetic qualities in experience; broad interests; attraction to complexity; high energy; independence of judgment; intuition; self-confidence; ability to accommodate opposites; firm sense of self as creative; persistence; curiosity; energy; intellectual honesty, and internal locus of control (reflective/introspective). Most successful innovations are based either on the collective result of incremental changes of products and production processes or on creative blends of already existing techniques, ideas and methods (Arias-Aranda *et al.*, 2001). Bodewes (2002) affirms that organic systems appear to be a more appropriate organizational context for innovation rather than mechanistic systems. Being innovative according to Ahmed (1998) demanded more than just a debate and resources. It requires an organizational culture that continuously leads organizational members to strive for innovation that is favorable to creativity. According to Pun and Gill (2002), there is a common set of practices that, if executed, will lead to respectable performance. By implementing these efforts will bring changes to the existing operations and practices of organizations. However, these required changes are not only about technology or new management tools, but also about culture, value, management, people and communication (Bennett & Durkin, 2000).

It would also be sensible to anticipate that not all firms should be innovative in the same way. Innovation needs to be directed at products, markets, production competencies as well as administrative competencies (Drejer, 2002), which are needed to stimulate performance. Corbett and Rastrick (2000) make a similar point that having a strong culture is the key to organizational success. Innovation is one of the primary sources of a competitive advantage and they are crucial for a company's growth. As discussed previously in this study, competitive advantages lead to high performance. The importance of innovation to organizational performance has led to a growing interest in the topic by researchers.

Avermaete *et al.* (2004) use levels of R&D intensity and introduction of new products and processes to distinguish four groups of firms in the food industry. Specifically, firms without any product or process innovations are classified as non-innovators; for those firms with product and process innovations, R&D intensities are used to discriminate between traditionalists (no R&D activities), followers (R&D expenditures less than 1% of revenues) and leaders (R&D expenditures more than 1% of revenues).

Bhattacharya and Bloch (2004) use a similar criterion, whether the firm has developed new or improved products and services, to determine the innovativeness of a firm. This is also supported by Davila, Epstein and Shelton

(2006). The degree of innovation according to them categorized innovation into three types: incremental, semi-radical and radical innovations. A radical innovation is a product, service and process with entire unique or significant improvements in existing features which improve the cost and performance (Leifer, O'Connor and Rice, 2001). Radical innovation is highly risky for the business because radical innovated products are more difficult to commercialize. However, on the other hand, radical innovation in product, service or process is crucial for the business because it involves the development and application of new technology. Important aspect of radical innovations is that to what extent new technology is more sophisticated and advance as compared to current technology (Christenson & Overdorf, 2000; Govindarajan & Kopalle, 2004). Radical innovations have the potential in offering vast amount of profits and competitive advantage, but demand substantially higher level of risk, company effort and resource engagement. Incremental innovations have more uncertain returns, but demand lower risk level, level of efforts and resources and are generally more successful. Semi-radical innovations are somewhere between the two of them.

Considering the importance of innovation practices as a crucial process for the wellbeing of an organization especially in the manufacturing sector, it is surprising that there are very few research studies examining its importance in the Malaysia's manufacturing environment. Common sense precept that companies that innovates successfully prospering at the expense of their less able competitors. Hence, innovation is fundamental to the manufacturing industry in Malaysia in order for them to survive and maintain their competitiveness in the market place. In respect of the matter, this study has taken a closer look at the role of innovation in promoting the efficiency and effectiveness of production, which also known as quality of production in Malaysia's manufacturing industry. These include how well the products manufactured conform to specifications and how well those specifications reflect what the customers really value (Scmenner & Vollmann, 1994). For that reason, this study has decided adopting innovation based on Avermaete *et al.* (2003). This is to examine whether there is a statistically significant relationship between innovation and quality of production in Malaysia's manufacturing companies by distinguishing between incremental and radical innovation adoptions.

4. Research Background and Analysis

A total of 600 questionnaires were distributed to a selected manufacturing companies registered with the Federation of Malaysian Manufacturers in Malaysia. This study used a seven-point Likert scale for all the items in the questionnaire. The direction of the seven response categories was ranging from 1 = Strongly Disagree to 7 = Strongly Agree. However, innovation was measured using scale anchored by 1 = incremental to 7 = radical. The scales ranging from 5 to 7 were grouped as "agree", 4 as "neutral", and 1 to 3 were grouped as "disagree". Disproportionate stratified random sampling was applied in the study due to the nature of the unit of analysis which was heterogeneous. 233 completed questionnaires were returned but only 201 questionnaires were usable for analysis.

The participants chosen for this study were the organizations' representatives who were authorized to act or speak on behalf of the organization. This include the presidents, executive directors, general managers, accountants or financial controllers, and managers in multi-disciplined. Table 2 shows the breakdown of participants involved based on the categories predetermined in this study.

Table 2. Participants of the study

	Position	Frequency	Percentage
1	President	5	2.5
2	Managing Director	29	14.4
3	Director / Executive director	6	3.0
4	General Manager	45	22.4
5	Manager (Human Resource, Factory, Sales, Admin, etc.)	107	53.2
6	Accountant / Financial controller	9	4.5
	Total	201	100.0

4.1 Factor Analysis

In order to determine the correlation among variables, exploratory factor analysis was performed separately on each studied variables: innovation (8 items) and quality of production (5 items). The first factor is innovation which is divided into two that consist of "innovation incremental/radical improvement" and "innovation extensiveness". The first innovation construct was done on innovation incremental/radical improvement, followed by innovation extensiveness. The innovation incremental/radical improvement construct was

represented by four items. There are product improvement, process improvement, managerial improvement, and marketing improvement.

Table 3. Factor analysis of innovation incremental/radical improvement

Items		Factor Loading
1 Process innovations: mainly incremental or radical		0.88
2 Managerial innovations: mainly incremental or radical		0.85
3 Marketing innovations: mainly incremental or radical		0.85
4 Product improvements: mainly incremental or radical		0.77
Eigen Value	2.79	
Total Variance Explained	69.76	
Measure of Sampling Adequacy	0.72	
Bartlett's Test of Sphericity	418.18	
Significant	0.00	

The results of factor analysis on “innovation incremental/radical improvement” are presented in Table 3. The initial run of the factor analysis on 4 items produced a single factor with eigenvalues of 2.79. This explained 69.76% of the total variance. The Bartlett test of sphericity was significant at 0.00 which shows that the factor analysis was feasible. This study also used the Kaiser-Meyer-Oklin (KMO), which is a more discriminating index of factor analyzability. For the data set of “innovation incremental/radical improvement”, it was 0.72, which also supported the analysis. The anti-image correlation exceeded 0.5 and the communalities ranged from 0.59 to 0.77. The factor loadings indicated above recommended cut-off point value of 0.40 for practical and statistical significance, which were in the range of 0.77 to 0.88.

The second factor analysis was done on “innovation extensiveness” which can be referred to Table 4. This factor was represented by four factors which included product, process, managerial and marketing. The initial run of the factor analysis on 4 items of factor analysis produced a single factor. It has eigenvalue of 2.65 which accounted of 66.22% of the total variance. The KMO value was 0.63 and the Bartlett test of sphericity was significant at 0.00. Anti-image correlation of the remaining 4 items of innovation extensiveness exceeded 0.5. The communalities of the 4 items ranged from 0.50 to 0.75. The factor loadings for the remaining variables were in the range of 0.71 to 0.87.

Table 4. Factor analysis of innovation extensiveness

Items		Factor Loading
1 Extensiveness of Process Innovations		0.87
2 Extensiveness of Managerial Innovations		0.86
3 Extensiveness of Marketing Innovations		0.81
4 Extensiveness of Product Innovations		0.71
Eigen Value	2.65	
Total Variance Explained	66.22	
Measure of Sampling Adequacy	0.63	
Bartlett's Test of Sphericity	360.65	
Significant	0.00	

The third factor analysis was done on “quality of production”. An approximately 28.95% of the total variance was captured by factor three that has an eigenvalue of 6.36 on the initial run of the 5 items produced. The Bartlett test of sphericity was also significant at 0.00 which had shown a feasible factor analysis. The KMO value was 0.86 and the anti-image correlation for the entire variables were greater than 0.5. Only 3 items were retained on the final run of the factor analysis that was in the range of 0.85 to 0.87.

4.2 Reliability Analysis, Mean, Standard Deviation and Correlation

The Cronbach's alpha for each of the dimensions of innovation and quality of production are presented in Table 5. The Cronbach's alpha values for all of the variable constructs disclosed significantly over 0.80. In most literature, the reliability coefficient of $0.70 \geq$ is considered acceptable in most social science research

circumstances. The Cronbach's alpha values for the two constructs measuring innovation have a reliability coefficient between 0.83 and 0.85. Meanwhile, the three items used to measure organizational performance produced an alpha coefficient of 0.91.

Table 5. Reliability analysis, mean, standard deviation and correlation

Variables	No. of Items	Cronbach's Alpha	Mean	SD	1	2	3
1. Innovation Incremental/Radical Improvement	4	0.85	3.68	1.30	1		
2. Innovation Extensiveness	4	0.83	5.02	1.08	0.60**	1	
3. Quality of Production	3	0.91	5.64	0.91	0.27**	0.43**	1

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

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

Table 5 also shows the scores of all the variables constructs applied in this study, along with means and standard deviations. The mean scores for each of the three variables varied from 3.68 to 5.64, indicating that respondents had a moderate opinion of all the dimensions. The standard deviation ranged from 0.91 to 1.30. "Innovation incremental/radical improvement" with four items had the lowest mean at 3.68. "Innovation extensiveness" with four items had a mean score of 5.02. The standard deviation for both components was in the range of 1.08 to 1.30. The last component that is quality of production with three items recorded mean scores of 5.64, with a standard deviation of 0.91. It was found that both components of innovation have positive correlation with quality of production. Innovation improvement appeared to be positive but moderately correlated with quality of production, i.e. $r = 0.27$, $p < 0.01$. The results also disclosed that the second dimension of innovation which is "innovation extensiveness" also correlates moderately with quality of production, i.e. $r = 0.43$, $p < 0.01$.

4.3 Multiple Regressions

As mentioned earlier, the objective of this study is to investigate whether there are significant relationships between innovation practices and the quality of production in Malaysia, particularly on the manufacturing industry. In order to test the relationship between the dimensions of innovation and quality of production, the multiple regression analysis was employed to test each of the dimensions representing the independent and dependent variables. Both of these dimensions (i.e. "innovation incremental/radical improvement" and "innovation extensiveness") were tested to check if there are any close relationships on quality of production in Malaysia's manufacturing. Results in Table 6 indicates that 7.1% variances in quality of production can be explained by innovation incremental/radical improvement, i.e. $R^2 = 7.1$, $p < 0.01$. The results show that innovation incremental/radical improvement had positive influence on quality of production ($\beta = 0.27$, $p < 0.01$). Therefore, the relationship between incremental/radical improvement and quality production was positively significant. As also indicated in Table 6, innovation extensiveness had positive influence on quality production i.e. $\beta = 0.43$, $p < 0.01$. This showed that the relationship between innovation extensiveness and quality of production was also positively significant.

Table 6. Regression analysis of innovation with quality of production

Dependent Variable	Independent Variable	Std. Coefficient Beta (β)	Sig.
Quality of Production	Innovation Incremental/Radical Improvement	0.27**	0.00
	R ²	0.07	
	Adjust R ²	0.07	
	Sig. F	15.30**	
	Innovation Extensiveness	0.43**	0.00
	R ²	0.19	
	Adjust R ²	0.19	
	Sig. F	45.56**	

Significant levels: ** $p < 0.01$, * $p < 0.05$

5. Discussion

It is unsurprisingly that there is a significant statistical association between innovation and quality of production in this study which means that innovation plays an essential role in improving the effectiveness and efficiency of

the production process in manufacturing companies in Malaysia. This stood alongside with previous studies and was consistent with what was explained in the literature (e.g. Kuczmarki, 1995; Rita *et al.*, 1996; Zien & Buckler 1997; Ahmed, 1998; Drejer, 2002; Zakic *et al.*, 2008).

This study focused on the adoption of innovation in the manufacturing companies in Malaysia from two different perspectives that include in terms of its extensiveness in the deployment of innovation and the level of implementation that is either incremental or radical innovation. From the perspective of the innovation extensiveness, participants of this study agreed with en masse that the practice of innovation is widely implemented in their respective companies. The relationship between innovation extensiveness and quality of production was statistically supported. There are many reasons that can describe the result. With Malaysia's position as a producer in Southeast Asia, the low cost advantage alone cannot sustain the economic growth in the long run, given the rapid economic growth of China and India especially in the expansion of the manufacturing sector. Thus, the manufacturing sector in Malaysia needs to find other alternatives for sustaining its competitiveness, especially among developing countries in the region. This can be done by practicing continuous innovation efforts through adapting efficient and effective production processes and developing new products to create demands.

In terms of the level of innovation taking place in Malaysia's manufacturing companies, most of the participants stated that the implementation of innovation in their company performed incrementally which is the dominant form of innovation to address socioeconomic challenges and development context. This can be shown from the result that suggests a direct link between innovation incremental or radical improvement and quality of production. Puga and Trefler (2010) support this statement through the findings of their study that shows an increase of incremental innovation in low-wage countries. They also claim that incremental innovation increasing exports of high quality and sophisticated manufactured products.

6. Implications

Based on this present study, it shall contribute to the theoretical and managerial perspectives. From the theoretical perspectives, the result of this study verified the appropriate effects of innovation towards firm performance (in this study stated as quality of production) and could not be denied (Rosli & Sidek, 2013). For that reason, this study fulfill as the empirical evidence of the aforementioned literature reviews which proposed that innovations are positively related with firm's quality of production and hence shall fill the research gap in this particular area in Malaysia's manufacturing sector. Innovation cannot be ruled out from corporate strategy for various reasons which include the adoption of innovations in the manufacturing process to improve productivity and sustainable competitive advantage. In addition to this, innovation is also capable of enhancing positive reputation of customers' perception for market furtherance.

The contributions of this study are also significant in terms of managerial perspectives in which it should provide managers with valuable insights in terms of understanding the importance of innovation and its advantages towards quality of production. First, managers should emphasis more on innovation as an important mechanism for enhancing quality of production and achieving sustainable competitive advantage. From previous studies, it was mentioned that in order to create value and sustain competitive advantage, organizations need to innovate (Baregheh *et al.*, 2009) thereby will increase organizations' performance (Hassan *et al.*, 2013). In order to make this mission possible and as a second point from the managerial perspective, the results of this study also provide an insight that business leader of the manufacturing firms must not neglect the different types of innovations so as to understand the results of each innovation types to organizational performance in which that as argued by Damancpour, Walker and Avellaneda (2009), they revealed that innovation types have diverse attributes, determinants and effects. In addition, Zakic *et al.* (2008) stated that different periods of firm's development and competitive surroundings require different types of innovations and strategies, which manufacturing firms should acknowledged.

Hence, managers should not view investments for innovation as a waste of capital; it should be viewed as a useful way to acquire competitive advantage as pointed out by Zamora *et al.* (2013) that innovation increases the profitability of the firm. Apart from that, the findings also describe and support the fact that innovation is a critical factor in today's industrial activities (Rosli & Sidek, 2013). However, in order to achieve organizational innovation, it is crucial for manufacturing firms to consider organizational climate as a key determinant of innovation which provides necessary ingredient to innovate (Ahmed, 1998). Hence, this study suggests that for future research, it shall become the focus of future studies seeing that in order to implement innovativeness in organization, there is a need to identify its determinants for innovations to occur and build an innovation structure and corporate-wide capability for innovation.

This study also recommends that the managers should develop a clear policy on managing innovation in the same breath with continuous improvement. Equally important, organizations should set their structure right to include an executive-level position that will be responsible for managing and driving innovation agenda in the organizations and also establish mechanisms and structures that help in sustaining innovation over time.

7. Limitations of the Study

Although the research has produced some preliminary findings, its design is not without flaws. A number of cautions need to be noted. The first limitation concerns on the mixed types manufacturing sectors chosen to be the participants of this study ranging from rubber, plastic, metal, ceramic, aluminum, etc. Due to the inconsistent data, there is a potential of samples being dominated by certain manufacturing sectors.

Secondly, in this study the researchers limited themselves to literature research and questionnaire survey. It is suggested that quantitative and qualitative approach should be combined together to minimize the likelihood of biased result. Qualitative approach should be undertaken in future to provide wider perspective to the present study and to observe the respondents in their natural state as undisturbed as possible.

Thirdly, the researchers concern about minimizing the error in ratings among respondents. Even though a sample size of this study is adequate for statistical analysis, discretion must be exercised in generalizing the research findings. As foretasted previously, the respondents for this study were selected amongst the higher level executives and management representatives of the organizations. The researchers have to take this into account as there is a tendency of respondents at this level to respond to questions in a socially acceptable direction which generate to the desired results or avoiding socially sensitive content.

8. Conclusion

Drawing on a sample of 201 companies, the information gathered and findings in this study should be useful for Malaysia's manufacturing industries in terms of understanding the beneficial effects of innovation on quality of production as well as a practical platform in gaining sustainable competitive advantage through innovations. Based on the regression analysis, the result demonstrate that innovation significantly affects quality of production which indicates that innovation plays the key role in all levels of manufacturing particularly in increasing the efficiency of the production of existing products. In essence, the findings of this study suggest that managers of manufacturing firms in Malaysia should give extensive focus on innovations. By considering and implementing innovation, this will encourage firm's performance in the market and eventually sustain competitive advantage.

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Earnings Forecasts Errors in Malaysian IPO Prospectuses: Evidence and Explanations

Mohammed Abdullah Ammer¹ & Nurwati A. Ahmad-Zaluki²

¹ Faculty of Commerce and Economics, Amran University, Yemen and Othman Yeop Abdullah Graduate School of Business, University Utara Malaysia, Malaysia

² Othman Yeop Abdullah Graduate School of Business, University Utara Malaysia, Malaysia

Correspondence: Mohammed Abdullah Ammer, Faculty of Commerce and Economics, Amran University, Yemen and Othman Yeop Abdullah Graduate School of Business, University Utara Malaysia, Malaysia. E-mail: mohd7776@yahoo.com.

Received: August 30, 2014 Accepted: October 20, 2014 Online Published: December 30, 2014

doi:10.5539/ass.v11n3p68

URL: <http://dx.doi.org/10.5539/ass.v11n3p68>

Abstract

This paper seeks to answer the questions concerning the current level of bias and accuracy associated with the IPO earnings forecasts and the explanations behind forecasts errors. Using 190 Malaysian IPOs, we found that the Malaysian IPO earnings forecasts during the period of study (2002-2012) were pessimistic (i.e., the earnings forecasts were underestimated), proposing that Malaysian IPO directors are, averagely unbiased and cautious forecasters. Moreover, we found the percentage of accuracy of Malaysian IPO earnings forecasts to be unsatisfactory. However, the percentage shows some improvement for the accuracy of earnings forecasts over time. Further, content analysis was used to explore the explanations provided behind the forecasts errors. This study found that, the number of provided explanations in first published annual report of IPO company was greater when the management of IPO companies were more optimistic in making their earnings forecasts (i.e., the earnings forecasts were over-forecasted) and when the forecasts errors were large. These results have implications for the capital market participants like regulators and investors.

Keywords: earnings, forecasts errors, prospectus, IPOs, Malaysia

1. Introduction

Equity IPOs are considered important in Malaysia. The government, in line with its New Economic Policy (NEP), can use it to redistribute wealth among ethnic groups and to increase Bumiputera ownership in the corporate sector (30% by the end of 1990 from 2.4% in 1971) (Koon, 1997). Under this Policy (NEP, 1971-1990, replaced by the National Development Policy (NDP) in 1991), IPO companies must reserve 30% of the shares of the public for Bumiputera applicants. IPO is also a means of raising funds and for ownership diversification. This importance provides the basis for more research into IPOs in Malaysia. In this regard, for a company to go public, the prospectuses are an important legal document. These prospectuses are used by IPO companies all over the world to publish financial forecasts (i.e., earnings, sales, expenses) according to their trust in the accuracy of these forecasts.

This present study focuses on the earnings forecasts, which is one of the most significant information related to IPOs (Chen & Firth, 1999). Companies that are externally raising capital for the first time in public markets face great information asymmetry between the current shareholders and expected investors (Guo et al., 2004; Chong & Ho, 2007; Bédard et al., 2008). Earnings forecasts can mitigate information asymmetries and illustrate the financial position of IPO companies to the potential investors (Gounopoulos, 2011). However, a significant over-forecasting of the management earnings forecast could result in misguiding the investors and other users like financial analysts. Therefore, the reliability of earnings forecast included in IPO prospectuses has been a main concern to market participants and the policy makers of capital markets whether in Malaysian IPO market or elsewhere (El-Rajabi & Gunasekaran, 2006; Mnif, 2010; Ammer & Ahmad-Zaluki, 2014).

The objective of our study is twofold. First, this paper aims to explore the current level of IPO earnings forecasts quality by investigating the accuracy and bias associated with these IPO forecasts. Second, it aims to determine the explanations that have been provided in the first published annual reports by the management when the

earnings forecasts made in their IPO prospectuses have deviated outside $\pm 10\%$ tolerated by the Securities Commission (SC). The motivation to conduct this study lies in the increasing number of newly established companies that went public in Malaysia and absorbed vast capital. This is evidenced by the increased number of listed companies on the Bursa Malaysia, from 285 companies at the beginning of 1990, to 941 companies at the end of 2011. In spite of these great developments in the IPOs market, studies on 'going public' in Malaysia are still somewhat limited.

This paper contributes to the management earnings forecasts and IPO literature. More importantly, there is a lack of prior studies related to investigating IPO earnings forecasts (Gounopoulos, 2011). Furthermore, the issue of explanations provided by directors in the first annual report after IPO has not been extensively investigated in the available literature. To date, only Lee et al. (1993) and Sweeting (2001) investigated the explanations of forecast errors. In addition, previous studies on Malaysian IPO management earnings forecasts did not address or consider this issue. Thus, by conducting this study we strive to fill these gaps in literature.

This study uses a sample of 190 IPO companies throughout the periods from 2002 to 2012. To achieve the objectives of this study, we used descriptive statistics and content analysis. In terms of earnings forecasts bias, this study found the Malaysian IPO earnings forecasts to be pessimistic. In regards of accuracy, the findings revealed that the Malaysian IPO earnings are unsatisfactory in terms of their accuracy level although it promises some improvement in the future. As for the explanations behind the forecasts errors, the study found that the number of explanations in first published annual report of IPO companies is higher when IPO companies management perceived optimism when making forecasts and when such forecasts errors were large.

The general implication of this study appears from the probability that the findings can support investors with their future evaluation concerning the quality of IPO earnings forecasts. Further, findings from this study might be valued input for the policy makers to plan and undertake the policies that are most suited for Malaysian IPOs market.

The remainder of our study is structured as follows. The next section presents and reviews the relevant literature. Then, the sections that follow provide an overview of the utilized research methods, results of descriptive and content analysis, and the conclusion of this study.

2. Literature Review

IPO earnings forecasts have received attention from researchers in several countries due to its importance in the investor's decisions (e.g., Henry et al., 2002; Hussin et al., 2004), IPO company valuation (e.g., Jelic et al., 1998; Chen & Firth, 1999; Keasey & McGuinness, 2008; Jelic, 2011) and security prices (e.g., Gounopoulos, 2011).

In East Asian countries, the errors related to IPO earnings forecasts have been examined in several studies. For example, in Hong Kong, Jaggi (1997) revealed that unlike IPO earnings forecasts issued in many other countries, the Hong Kong IPOs managements did not over-forecast their earnings since they were conservative in issuing forecasts information by reporting forecast error of 6.5% and absolute forecasts error of 12.79%. In addition, McGuinness (2005) found that the mean absolute earnings forecast error was about 7.26% for Hong Kong IPOs earnings forecasts during 2002–2003. McGuinness' results appear at a lower level of errors than what was reported in previous studies in Hong Kong (e.g., Jaggi, 1997). In China, Sun and Liu (2009) reported that while an average forecast error of Chinese IPO is 0.45%, the absolute forecast error is 15.28%. Their findings show improvement in Chinese IPO forecasts compared to those by Chen and Firth (1999) who showed that the average forecast error is 23.24% and the absolute forecast error is 43.09%. In Singapore, Firth et al. (1995) investigated 114 Singaporean IPOs over the years from 1980 to 1993. They reported that the average IPO earnings forecast error is 20.11%, while the mean of absolute forecast error is 10.4%. Their results showed that the IPOs of Singaporean companies had relatively great forecast accuracy. Finally, in Malaysia, 65 Malaysian IPOs were investigated by Mohamad et al. (1994) over the years from 1975 to 1988. Their findings showed that the average forecast error is about 9.34%. Furthermore, Jelic et al. (1998) reported that earnings forecasts are under-forecasted on average by 33.37% and the mean absolute forecast error is 54.91%. Their study is consistent with Mohamad et al.'s (1994) although it proposes smaller credibility. Further, Ahmad-Zaluki and Wan-Hussin (2010) indicated that the mean forecast error is -3.50% and the mean absolute forecast error is 23.76%. They attributed this result of over-forecasting in earnings to the economic conditions of their utilized sample period (1999-2006), which represents the time of recovery of the economic crisis experienced in 1997 and 1998.

In non-East Asian countries, Henry et al. (2002) found that the mean earnings forecast errors of Australian IPOs is around -13.20% but on the other hand, Firth et al. (2012) revealed that the mean forecast error in Australia is 1.11%. In New Zealand, the study of Firth and Smith (1992) indicated that the mean earnings forecast error of IPOs is about -92%, suggesting that these disclosed forecasts are considered excessively optimistic. In a related

study, Pedwell et al. (1994) examined 112 Canadian IPOs during the period from 1983 to 1987. Their results showed that IPO forecasts, typically surpass the actual earnings with the average absolute forecast error of 88%, and mean forecast errors of -77.7%. Finally, for the French IPO market, Mnif (2010) reported that the average of forecast error is -13.85%. His result showed that French IPO companies slightly report optimistic earnings.

With regards to the explanations of earnings forecasts errors, Lee et al. (1993) and Sweeting (2001) indicated that IPO companies usually tend to provide explanations for their forecast errors when the error is both large and optimistic.

3. Research Methods

3.1 Sample Selection

This study used data collected from the prospectuses and annual reports of IPOs listed on the main market of Bursa Malaysia. We employed a sample of newly formed companies in the period from 2002 to 2012. The total IPOs during this period is 265. However, following Ahmad-Zaluki and Wan-Hussin (2010) we excluded the IPO companies in finance, real estate investment trust, infrastructure project, and close-end fund sectors owing to their dissimilar regulatory requirements. Furthermore, the IPOs that did not issue earnings forecasts in the prospectus are excluded from the final sample. Table 1 shows the procedure to arrive at the final sample comprising 190 IPOs.

Table 1. Derivation of sample

Sample Selection from 2002-2012	
Total number of companies	265
less	
Companies that did not disclose earnings forecasts	54
Financial related companies	4
Real estate investment trusts related companies	14
Closed-end funds related companies	1
Infrastructure related companies	2
Final sample	190

3.2 Forecast Error Metrics

Following previous studies (e.g., Firth & Smith, 1992; Jelic et al., 1998; El-Rajabi & Gunasekaran, 2006; Ahmad-Zaluki & Wan-Hussin, 2010), we calculated the bias and accuracy of IPO earnings forecasts by using the following metrics.

$$FER_{it} = \frac{(AE_{it} - FE_{it})}{|FE_{it}|} \quad (1)$$

$$AFER_{it} = \frac{|(AE_{it} - FE_{it})|}{|FE_{it}|} \quad (2)$$

Where

FER_{it} = Forecast error (measuring the bias [pessimistic or optimistic]);

$AFER_{it}$ = Absolute forecast error (measuring the level of accuracy);

AE_{it} = Actual earnings of company i for the period t;

FE_{it} = Forecast earnings as given in the IPO prospectus of company i for the period t.

4. Results and Discussion

4.1 Descriptive Statistics

The results reported in Table 2 indicate that the mean forecast error (FER) for the full sample is 3.36%, which means that the Malaysian IPO earnings forecasts during the period of study were pessimistic. The positive sign for the mean forecast error indicates that the actual reported earnings in annual report surpass their forecasted

earning in IPO prospectus. One sample t-test and Mann-Whitney test in Table 2 also indicate that the mean and median of FER is insignificantly not equal to zero ($p\text{-value}=0.396$; $p\text{-value}=0.896$) and its distribution is skewed to the left, which proves that most of the forecast errors are considered a pessimistic bias. While this study reports a positive mean of FER, the study of Ahmad-Zaluki and Wan-Hussin (2010) reported a negative optimistic FER with a negative mean of 3.50%. Further, this finding of FER is less than the result documented in previous Malaysian studies (e.g., 9.34% in Mohamad et al., 1994). Also, it disagrees with the international evidence evidencing that management of IPOs is usually over-optimistic in forecasting their earnings (i.e. the actual earnings reported in the annual report is less than the forecasted earnings in prospectus). For example, FER in Australia is -30.35% as reported by Hartnett and Römcke (2000) and -13.20% as reported by Henry et al. (2002), in New Zealand, it is -91.00% by Firth (1997) and -37.10% by Hsu et al. (2000), and finally, in France it is -13.85% as reported by Mnif (2010).

Overall, the findings concerning the bias propose that Malaysian IPO directors are, averagely, unbiased and cautious forecasters indicating a general decrease in the forecast bias of Malaysian IPOs over time.

Table 2. Descriptive statistics of the accuracy and bias of management earnings forecasts

	FER (%)	AFER (%)
Full Sample (Jan 2002-Feb 2012) (n=190)		
Mean	3.36	24.94
p-value	0.396	0.000
Median	1.12	9.37
p-value	0.896	0.000
Std.	54.50	48.54
Minimum	-176.04	0.13
Maximum	525.45	525.45

Results significantly different from zero at the *0.05, **0.01 and ***0.001 levels, respectively, using two-tailed tests.

Table 2 further shows that the mean and median of absolute forecast error (AFER) are 24.94% and 9.37%, respectively. The results from t-test and Mann-Whitney test indicate that the mean and median of AFER are significantly greater than zero ($p\text{-value}=0.000$; $p\text{-value}=0.000$). In relation to prior Malaysian studies, the mean AFER of this study is less than the AFER of 28.00% and 54.91% reported by Mohammed et al. (1994) and Jelic et al. (1998) respectively, but is similar to the reported AFER (23.76%) in the study by Ahmad-Zaluki and Wan-Hussin (2010). Compared to prior international studies, AFER in this study is much less than those reported in Australia (e.g., 1138.30% in Lee et al., 1993; 406.20% in Chapple et al., 2005), in Jordon (e.g., 163.40% in El-Rajabi & Gunasekaran, 2006), and it is also relatively smaller compared to the 37.50% by Gallery et al. (2011) in Australia and 42.82% by Gounopoulos (2003) in Greece. However, it is moderately higher than other AFER in U.K (e.g., 11.00% by Keasey & McGuiness, 1991), China (e.g., 15.28% by Sun & Liu, 2009), Singapore (e.g., 10.40% by Firth, 1997), and Hong Kong (e.g., 18.00% by Chan et al., 1996; 21.96% by Chen et al., 2001).

As a result, this percentage of accuracy of Malaysian IPO earnings forecasts is not satisfactory. The mean of AFER should not be significantly different from zero. However, the mean of AFER in the present study shows some improvement for the accuracy of earnings forecasts over time. Nonetheless, comparing to countries such as UK, Singapore, and Hong Kong, the management of Malaysian IPO companies still needs to issue more accurate earnings forecasts.

Furthermore, Table 3 illustrates the summary statistics of IPO management earnings forecast accuracy measures through the period of study. It is clear that all the means of forecast error (FER) are positive except for the FER in 2002 and 2005, indicating that Malaysian IPO issued optimistic earnings forecasts during the year of 2002 and 2005. For example, in 2002, the averages of forecast errors and absolute forecast errors are considerably different from each other because of the over-forecasting of earnings in the prospectus by around 50% by Meda Inc. Berhad. The great difference shows that the disclosed earnings forecasts in 2002 are more optimistic than pessimistic.

For the accuracy, Table 3 indicates that the year of 2003 has the lowest level of earnings forecasts accuracy with a mean AFER of 43.23%. On the other hand, the year of 2010 presents the highest level of accuracy with low levels of mean AFER (5.41%).

Table 3. Descriptive statistics of IPO earnings forecast accuracy (by cohort year)

Year	Forecasting IPOs	FER (%)			AFER (%)		
		Mean	Median	Std.	Mean	Median	Std.
2002	43	-0.73	0.73	25.29	13.67	6.87	21.18
2003	36	8.87	2.09	101.62	43.23	15.06	92.11
2004	41	2.91	-2.74	53.70	28.97	9.43	45.08
2005	26	-5.72	-5.75	34.13	25.41	18.50	22.96
2006	14	6.12	6.18	9.76	8.98	7.04	6.98
2007	19	11.33	5	24.76	17.95	8.46	20.22
2008	10	7.36	8.59	34.82	27.28	22.74	21.11
2009	0	-	-	-	-	-	-
2010	1	5.41	5.41	0.00	5.41	5.41	0.00
2011	0	-	-	-	-	-	-
2012	0	-	-	-	-	-	-
All	190	3.36	1.12	54.50	24.94	9.37	48.54

4.2 Content Analysis

As highlighted earlier, the objective of our study is also to explore the explanations that have been disclosed by the management in the first published annual reports when the earnings forecasts errors are more than $\pm 10\%$. To achieve this objective, analysis is done manually employing content analysis as described in the following sections.

4.2.1 Analysis of Provided General Comments

In order to obtain these explanations, the first published annual reports by IPO companies were explored. The directors' comments and explanations on the errors of management earnings forecasts are commonly stated in the Chairman's statement and under the additional notes on financial statements. In Panel A of Table 4, it is obvious that 163 IPO companies (85.79%) out of the total sample of this study (190 IPOs) generally provided an explicit reference concerning earnings forecasts in their annual reports regardless of whether or not they were included to explain errors. The provided comments are specifically related to the performance of actual earnings compared to earnings forecasts.

Table 4. Provided comments on earnings forecasts errors in annual reports

Panel A: Number of Provide Comments		
Comments	Number of IPO	%
Yes	163	85.79
No	27	14.21
Total	190	100
Panel B: Directors' Comments on Actual Earnings Compared to Forecasted Earnings		
Comments	Number of IPO	%
AE higher than FE (difference $> +10$)	37	22.70
AE less than FE (difference < -10)	42	25.77
AE in line with FE ($-10 < \text{difference} < +10$)	84	51.53
Total	163	100
Panel C: Explanations of Forecast Errors		
Explanations	Number of IPO	%
	Yes	No
when AE is higher than FE	44	61
when AE is below FE	40	45
	84	106
		Total
		190

Note: AE is the actual earnings provided in the first issued annual report. FE is the forecasted earnings disclosed in the IPO prospectus.

Panel B of Table 4 classified the comments on forecasts that compared with actual earnings into three groups. The first group represents the comments on forecasts errors when the difference between actual reported

earnings and forecasted earnings in IPO prospectus is higher than the tolerance level of +10% stated by SC. This group includes 22.70% (37 IPO companies). On the other hand, the second group represents the comments on forecasts errors when the difference between actual reported earnings and forecasted earnings in IPO prospectus is lower than the tolerance level of -10%. This group comprises 25.77% (42 IPOs) out of 163 IPOs that provided comments.

It can be noted that, the number of provided comments is higher when the management of IPO companies are more optimistic (when the difference between actual earnings and the forecasts is negative). It is of great significance to tell the investors why this negative deviation happened not just to fulfill the requirements of SC but also to maintain investments in the company and to increase the confidence in capital market in general. Interestingly, most comments are provided when the forecast errors are in line with the tolerance level of ± 10 . This group includes 84 IPOs out of total 163 IPO companies that provided comments in their first issued annual reports. This may be attributed to the IPO directors' interest in informing the related parties that their forecasts are, to some extent, accurate. These explanations potentially aid investors in understanding the situation of IPO company.

4.2.2 Analysis of Provided Explanations

Out of 190 IPOs sample utilized in this study, the search through annual reports following IPOs yielded only 84 IPOs that explained the reasons behind the deviations reported on forecasts errors. Panel C of Table 4 considers the explanations provided by management for the forecasts errors. The results in Table 4 show that under-forecasting IPOs comprise 52.38% of all provided explanations (44 out of 84) and represent 55.26% of the total sample (105 out of 190). On the other hand, the over-forecasting IPOs represent 47.62% (40 out of 84) of all explainer IPOs. It can be noted that, directors of Malaysian IPO provided more explanations for forecasts errors when actual earnings did not exceed forecasted earnings since the percentage of provided explanations for optimistic forecasts is 47.06% (40 out of 85 IPOs), which is higher than 40.90% (44 out of 105 IPOs) for pessimistic forecasts.

This result is consistent with Lee et al. (1993) and Sweeting (2001) who revealed that IPO companies are typically inclined to issue explanations for their forecast errors when the error is both large and optimistic. However, the explanations that were provided when the actual earnings exceeded the forecasts earnings are few and general compared with a higher number of general and specific explanations, were provided when actual earnings were lower than forecasts earnings.

To confirm the above results, Table 5 provides the relationship between the bias (as represented by FER) and accuracy (as represented by AFER) of earnings forecasts and the explanations provided for them. When comparing the results under explanations with no explanations, the findings indicate that the explanations, on average, were provided when the forecast errors were large, less accurate and optimistic.

Table 5. Explanations and forecast bias and accuracy measures

Measurement	Explainers N=84 Mean (%)	Non-explainers N=106 Mean (%)	Total N=190 Mean (%)
FER	-5.06	10.03	3.36
AFER	27.19	23.14	24.94

Note: Forecast Error (FER) = $(AE_{it} - FE_{it}) / |FE_{it}|$. Absolute Forecast Error (AFER) = $| (AE_{it} - FE_{it}) / |FE_{it}|$. AE is the actual earnings in annual report by the IPO company; and EF, is the disclosed forecasted earnings in the IPO prospectus.

4.2.3 Explanations- Actual Earnings Higher than Forecasts Earnings

The results in Table 6 present the explanations provided by directors when the forecasts errors are pessimistic (actual earnings higher than forecasts earnings). These explanations were classified into seven groups by gathering the similar explanations in one specific group. Table 6 presents a summary of the seven explanatory groups in addition to the number of IPO companies that offered each kind of explanations.

As highlighted earlier, the provided reasons on these occasions tend to be limited and general. The groups of increased demand/sales, increased price, and lower cost/expense are the three popular explanations for the pessimistic IPO management. The most provided explanation (26 times) is concerning the increased demand and sales, which leads to increased revenue.

Table 6. Classifications of explanations offered when actual earnings are higher than forecasts earnings

NO	Type of Explanations	No. of IPO Companies
1	Increased demand/sales	26
2	Increased price	6
3	Lower cost/expense	8
4	Improved economic activities	1
5	Write-up of intangible assets (i.e., goodwill, trademarks, research and development).	2
6	Gain on exchange rate	2
7	Others (i.e., tax saving, disposal of some assets, and lower bad debt charges)	9

4.2.4 Explanations- Actual Earnings Lower than Forecasts Earnings

When the actual earnings is less than forecasts earnings, management provided a variety of explanations. Similar explanations were classified together into thirteen groups. Some of these categories and items were drawn from prior studies in the area (e.g., Lee et al., 1993; Sweeting, 2001). Table 7 lists these thirteen classified groups. While there were only forty IPOs that have explained the forecasts errors when actual earnings less than forecasted earnings (as noted previously in Panel C of Table 4), a total of 93 explanations were reported in annual reports. This is because many IPO companies released multiple explanations for the reported forecasts errors.

The most common provided explanations were the ‘increase in the cost of raw material and materials shortage’. Under this category, directors mentioned that their companies faced a sharp increase in the cost of main raw material for the manufacturing operations specially the petroleum-based raw materials. The increase of oil prices positively increased the overall operating cost. Further, some IPO companies during the period of the study experienced materials shortage especially in the construction industry. The next top popular explanations group is ‘unanticipated costs’. This explanation is to a certain degree unclear, since it would mean the costs were greater than anticipated or the IPO management failed to budget for these costs. In both occasions, part of responsibility is likely to be placed upon the IPO management. Perhaps the management did not carefully consider all matters during making earnings forecasts as well as they did not react well to unexpected events during the forecasting period to live up to the forecasted figures in IPO prospectus.

Another common explanation is ‘lack of sales and demand’. Many directors attributed the shortfall of earnings to lower sales. While directors in these occasions were trying to relate this shortfall of sales to the reasons beyond their control, they had to carry some responsibility for that. Examples for their explanations are:

“Lower sales are a result of weak market conditions especially in Avian Flu scare has resulted in lower demand for chicken meat as consumers switched their consumption of chicken meat to other meat (D.B.E Gurney Resources Berhad, Annual Report 2004, p. 22”.

“A decrease of approximately 10% in export sales to several customers in the Middle East countries was due to the region’s political instability (Tafi Industries Berhad, Annual Report 2005, p. 13)”.

Table 7. Classifications of explanations offered when actual earnings less than forecasts earnings

NO	Type of Explanations	No. of IPO Companies
1	Unanticipated costs (other than those determined separately)	12
2	Delays in commencing operations/installation of new equipment/ acquisition of operating subsidiaries.	11
3	Economic events/ interest rates.	11
4	Predatory pricing/competition	5
5	Lack of sales and demand	13
6	Unfavorable weather conditions/floods	1
7	Increase in the cost of raw material/ materials shortage	21
8	Personnel shortage/resignation/ staff cost	2
9	Government actions /financial and accounting policies	1
10	Failures in entities acquired to meet budget profit levels / low profitability	2
11	IPO financing problems/lack of working capital	2
12	Exchange rate	2
13	Others	10

Furthermore, results in Table 7 presents other explanations that directors refer to in case of negative forecasts errors. Explanations (e.g. delays in commencing operations/installation of new equipment/ acquisition of operating subsidiaries and economic events/ interest rates) have been reported many times by IPO management. The less indicated explanation was under the group nine (1 IPO) (government actions /financial and accounting policies). Specifically, CYL Corporation Berhad explained part of the shortfall of “RM819,038 due to the change in accounting policy for deferred tax, Annual Report 2004, p. 13”.

Overall, it can be noted from the presented explanations in Table 7 that the management of IPO companies has tried to attribute most of explanations behind the forecasts errors to reasons outside their control; for example, delays in commencing operations, economic events, exchange rate, and government actions.

It is remarkable that the group of ‘unfavorable weather conditions/floods’ is most clearly not associated with the management performance, ability, and skills. Example for this group is:

“Thai AirAsia was not able to meet its profit forecast due to domestic competition and several unforeseen circumstances. The air travel sentiments were dampened by the unexpected Tsunami disaster, multiple earthquakes off Sumatra and unrest in southern Thailand that occurred in the 2nd and 3rd quarter of the financial year ended 30th June 2005 (AirAsia Berhard, Annual Report 2005, p. 48)”

Finally, the group ‘others’ in Table 7 represents several of different explanations which cannot be classified with other similar explanations into other groups. Examples of this group are:

“Non-achievement of the profit forecast was primarily due to additional provision of doubtful debts of RM1.2 million which was in relation to a trading debt that occurred in 2005 (Tafi Industries Berhad, Annual Report 2005, p. 13)”.

5. Conclusions and Implications

The main purpose of this study is to provide further empirical evidence on the current level of earnings forecasts quality of Malaysian IPOs by examining the level of related bias and accuracy with such earnings forecasts. Further, this study aims to explore the explanations behind the forecasts errors of earnings. This empirical study found that the mean forecast error was positive, which indicates that earnings forecasts of Malaysian IPO were pessimistic. This result is inconsistent with the evidence of other studies dedicated to the same context stating that management of IPOs generally issue more optimistic earnings forecasts. For the accuracy of earnings forecasts included in IPO prospectus, the study reports low mean of accuracy, which means that Malaysian IPO companies issue accurate earnings forecasts to some extent, but they are still unsatisfactory.

In terms of explanations of forecasts errors, we found that the explanations are provided commonly for optimistic and large forecasts errors. Further, it was reported that the explanations were provided when the forecasts errors are negative, showing that the reasons behind the deviations of forecasts were related to situations and events that were outside the control of IPO management. Therefore, the responsibility cannot be placed on IPO management.

The present study’s general implications arise from the findings potential to support investors in their evaluations of IPO earnings forecasts in terms of quality. The study findings may also serve as an invaluable input for policy makers in their planning and establishing policies that are appropriate for the IPO market in Malaysia.

Further, the implication of the results entails that, further effort should be carried out by the management of future Malaysian IPOs in order to enhance the accuracy of earnings forecasts. Furthermore, Malaysian IPO management should be more careful in conducting earnings forecasts and in considering factors as indicated by Chan et al. (1996) and Jelic et al. (1998). They showed that accurate earnings forecasts are a result of the absence of difficulty of forecasting (e.g., the underlying variability and instabilities of business circumstances), the proficiency of the managers undertaking the earnings forecasts, and the capability and readiness of company management to ‘manage’ their earnings.

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The Local Conception of Wellbeing in Lao Social Cultural Construction

Thantavanh Manolom¹, Buapun Promphakping² & Farung Mee-Udon³

¹ Development Science, Faculty of Humanities and Social Sciences, Khon Kaen University, Thailand

² Research Group on Wellbeing and Sustainable Development (WeSD), Faculty of Humanities and Social Sciences, Khon Kaen University, Thailand

³ Faculty of Humanities and Social Sciences, Khon Kaen University, Thailand

Correspondence: Thantavanh Manolom, Faculty of Humanities and Social Sciences, Khon Kaen University, 123 Mitraparp Rd., Khon Kaen 40002, Thailand. Trade Official, Ministry of Industry and Commerce, Lao PDR.

Tel: 66-43-20-2861. E-mail: thantavanh@hotmail.com

Received: August 31, 2014 Accepted: November 4, 2014 Online Published: December 30, 2014

doi:10.5539/ass.v11n3p78

URL: <http://dx.doi.org/10.5539/ass.v11n3p78>

Abstract

Although material resources are insufficient, wellbeing becomes a promise concept which leads to an argument that wellbeing is a socially and culturally defined concept. Therefore, wellbeing can be varied with many different perspectives whose definition is challenged. This paper proposes to explore the local notion of wellbeing within the social cultural contexts of Lao PDR. The study adopted a qualitative method, 35 representatives of the households participated in the focus group discussion in Sangthong district, and 15 key informants were in-depth interviewed. The content analysis and triangular technique were employed for data analysis and reviewing. This study argues that to develop the measurement of development should include the wellbeing of social and cultural dimension. The result shows that the notion of wellbeing's meaning in local Lao people conception are comprised of seven dimensions, including family; society; health; education; security, leader and public management; environment; and economic dimension. This finding suggests that the social cultural construction of wellbeing should be considered a form of work to develop the measurement of development in Laos by including the social and cultural wellbeing.

Keywords: Lao PDR, local conception, wellbeing, social cultural construction

1. Introduction

After Second World War (WWII) many Least Developing Countries (LDCs) concentrated their development on economic growth heavily, as it was assumed that it would lead their people to an improvement in quality of life. However, they realized that a significant number of their population still did not acquire the benefits of development and still suffered from poverty, non-sustainable environment, and new public problems after processing the initial term of high growth. Therefore, the mainstream monetary measure of wellbeing attainment cannot be seen as representative indicators. They can even appear to be absurd in the case of a serious economic crisis in which Gross Domestic Product (GDP) data can still increase even though the wellbeing of the majority of the population and communities decreases (Xing & Muchie, 2003). If we agree in that development can lead to the improvement of quality of life which is partly defined by perceptions of theirs owns being, the use of GDP to measure development is therefore will be insufficient. With the recognition of limitation of GDP (Sen, 1988), as well as many other scholars (Xing & Muchie, 2003), there have been concepts to pursue measurements of development, and one of these perceptions comes under the idea of "wellbeing" which the definition remains the area of contention (Dodge et al., 2012).

One important point of moving from seeing development achievement from GDP to wellbeing is that these achievements should be socially and culturally defined. The relevance of society and culture are increasingly recognized in writings on both wellbeing and development. Following to this line of idea, there has been argued that wellbeing is socially and culturally constructed (WeD, 2007). This concept would be enable the development policy meets the need of local people and improves to strengthen the quality of life.

The movement of defining development achievement from “economic growth” to broader concepts of “wellbeing” thus requires our understanding of local notion regarding development and wellbeing. The issue here does not simply see non-material aspect in oppose to economic growth in development. It is rather how to accommodate both “objective” and “subjective” worlds into the concept of development, suggested by this study, which could be done through exploring local conception of wellbeing.

The inclusion of social cultural notion of wellbeing into development policy is particularly challenging for Laos, for two reasons. Firstly, there are huge diversities of social cultural groups of population. Secondly, the Lao PDR has embarked on “market-led” development since the reform program called “New Economic Mechanism (NEM)” in 1986. The development efforts aim to transform the country from a central planned economy that is relatively isolated and subsistence based to a market economy that is open, production and service oriented (Souvannavong, 2000). Since the introduction of economic reforms under the NEM, considerable changes have been evident in high economic growth, macroeconomic stabilization, and structural adjustments. As the government revenue and international aid increased and expanded, family owned farms were dependent on agriculture, many state enterprises in manufacturing were leased or sold and state-owned agricultural marketing enterprises were disassembled.

Since the start of the reform, economic growth has been changed prominently, particularly in the year of 1990s GDP of the Lao PDR reached 6.3%. In 2000–2012, annual growth rate was on the peak of 7.4%. However, the most number of Lao populations still did not fully and equally get out from poverty and some significant social problems (NSC, 2011). Additionally, there are several critics on development to the focusing on the economic growth. There brings the queries on the new development concept under the NEM whether it would be succeeded for Lao people to achieve the wellbeing or not. To respond to its queries we would need to understand what Lao local conception of wellbeing is.

The subject of this study is the local notion of wellbeing with in social cultural contexts of the Lao PDR. The wellbeing has been widely perceived with many methods to research and there are different perspectives on this concept. This work is on track with the tradition of the social cultural constructionism. In this paper the most important viewpoint is to find out the exact meaning and component of wellbeing in local Lao people conception. The collecting data are centered on the questions of: What are the things Lao people need to have in order to maintain good live (having)?; What would Lao people like to be or which goals/needs that are considered to be highly value for Lao people living (thinking)?; What can Lao people do in order to achieve what they would like to be (doing)? This study argues that to develop the measurement of development should include the wellbeing of social and cultural aspects.

The paper is organized to begin with setting out a framework of “Wellbeing” in term of the theoretical conception of wellbeing. Then, it provides a short introduction to the Lao context, the field sites themselves, and the research methods employed, followed by the presentation of the empirical results. The last substantive section of the paper relates these results back to the conceptual framework, and drawing the paper to a conclusion.

2. Theoretical Conception of Wellbeing

There has been generally argued that the development is a concept to impose from outside, so that local conception of development or progress is denied. Recently the study of the development is turning more to local knowledge indigenous development that it will focus mainly on the linkage of people wellbeing. Therefore, if wellbeing is perceived as a concept of development, the study of its meaning is hence a process to be operated together with the development.

The wellbeing is a multi-varied and dynamic phenomenon. There is a concept under the family’s quality of life, subjective wellbeing or happiness, welfare, life satisfaction and human development. There are many different perspectives of wellbeing but in numerous dimensions they are coincide each other (McGillivray, 2007). Some scholars like Easterlin (2001) conceived that it could be exchanged, and used as proxies. However, all concepts having mentioned here point out that wellbeing has different meaning which cannot be refused that those are linked and being portions of wellbeing.

As far as the concept of wellbeing has been originated from Aristotle and the teaching of the Buddha or from other major philosophies (McGregor, 2008), the word of wellbeing is not a new concept then. However, most founding religions have defined the concept of wellbeing to be more vivid and offer moral direction for life. As modern social sciences Jeremy Bentham has argued that the utilitarian conception of wellbeing remains current in economics (Collard, 2003). Wellbeing in this concept means “Satisfaction with life”. Presently, it is also

popular to identify Adam Smith's concern with wellbeing in his "Theory of Moral Sentiment" as well as in "The Wealth of Nations" (McGregor, 2008).

Amartya Sen's (1999) has challenged the term wellbeing to the utilitarianism of mainstream welfare economics recently. His disputes with Martha Nussbaum, who is guarded of the term precisely since its utilitarian baggage, and the imaginative and brighten work of many of their discussants, have improved the recent development literature (Nussbaum & Sen, 1993; Alkire, 2002; Gasper, 2004). There are also other remarkable presents of the concept to be more comprehensible including Partha Dasgupta's "Inquiry into Human Wellbeing and Destitution" (Dasgupta, 1993); and some of the writing of Robert Chambers on the notion of "responsible wellbeing" (Chambers, 2004).

Amartya Sen states that the ultimate effect from the development is making individual success on their needs, and the individuals have freedom on chosen goal by themselves. In other words, this concept considers an individual's life as a joining of diverse "Functioning" that is freely chosen called "Capabilities". The income is not just only a tool, but also the trail leading to success (Stiglitz, Sen, & Fitoussi, 2008). However, Sen has been criticized that the idea is highly abstract (Promphakping, 2006).

The emergence of positive psychology, the work of Nobel prize-winner Daniel Kahneman and others debating the virtues of pleasure and understandings of wellbeing (Kahneman et al., 1999; Ryan, Huta, & Deci, 2006; McGregor, 2008) is another discussion in the social sciences that have also raised the profile of the notion in academic and policy circles. This strengthening work has found much significance in coexistent social sciences and policy circles. However, wellbeing is a growing area of research, yet the question of how it should be defined remains unanswered (Dodge et al., 2012).

To conduct the research that is summarized in this paper it is crucial to develop a precise and practical definition of wellbeing. The conception of wellbeing used in this paper synthesizes contributions from three broad traditions in the social sciences which argue that each must be comprehended if we are to develop a more holistic concept of wellbeing. There are four major thoughts from these three traditions that have been drawn upon to develop wellbeing concept. These are those concerned with theories of human needs, as exemplified by Doyal and Gough (1991); the work of Sen on capabilities, functioning and freedom (Sen, 1999), combined with the resource profiles approach (Gough, McGregor, & Camfield, 2007). This is a livelihood type framework that allows exploration of the ways in which different combinations of resources support or obstructs the capacity to act meaningfully; and the work on subjective wellbeing, life quality satisfaction. Thus, the concept and methodology of wellbeing that has been modified by the Research Group on Wellbeing and Sustainable Development (WeSD) will be employed. The concept includes (1) What the needs and resources that people have "Having"; (2) What satisfaction with life of people would like to be "Thinking"; and (3) What they do to achieve the things that they satisfy "Doing" or "trying to achieve/satisfy". Consequently, the meaning of wellbeing should depend on situations that humans are able to achieve their goals by using the thing they have and the way that they do. It can be an objective and a subjective wellbeing. The hypothesis is to use wellbeing indicators as a best tool to measure the result of the development, because it reflects subjective and objective wellbeing which is not just what people have, but what they think, what and why they do. Moreover, it also reflects the relationship between people and others (Mee-Udon, 2009).

The issue to be addressed here on the idea of wellbeing is on how people might live well together in society and have good change in development. While it is necessary to focus on the wellbeing of the person; this definition is nevertheless equally concerned with notions of "the good society" and "the common good" (Deneulin & Townshend, 2007). The ability of the person to achieve wellbeing is dependent largely on society being structured as to make this possible. Therefore, wellbeing of the person can not be perceived without understanding the role that wider social collectivities play in creating the conditions that support to achieve wellbeing (McGregor, 2008). Moreover, wellbeing here encompasses the notion of happiness but cannot directly be equated with it as a person who is happy yet unwillingly suffers from malnutrition cannot be regarded as experiencing wellbeing. While suffering various privations in terms of freedoms or material needs, it is possible to be happy. But this cannot be taken into account as an adequate indicator of a more comprehensive notion of a person's wellbeing, nor can this conception be equated with wealth. Because being materially wealthy but miserable about the quality of life does not add up to wellbeing. As recent experience from more opulent societies indicates that wealth can also translate into declines in wellbeing, for example, through obesity or increased mental dissatisfaction due to destructive status competition. Thus, the study of such meaning of wellbeing in Lao society is very important for supporting the development in Laos, as the social cultural constructed wellbeing.

Wellbeing is a crucial achievement to indicate the potentiality of people living. Wellbeing is different between countries, because it involves closely to the physical and mental state of family members and society. In order to be able achieving wellbeing and make this possible for a person depends largely on structured society. In addition, the intensity of such an increase in wellbeing differs across countries in the sense that least developed countries have converged among them whereas medium developed countries have converged toward highly developed nations (Jordá & Sarabia, 2014). Hence, to study the concept of human wellbeing in Laos it should rely on the context of Lao people.

At the present no wellbeing's measurement in Laos, even the Lao government has afore-mentioned concept of wellbeing since the 7th of National Socio-Economic Development Plan (NSC, 2011). The Lao government has pursued the principle of development indicators to enterprate the situation of poverty, development, quality of life, and livelihood of its people. These are all important parts of wellbeing, namely The Millennium Development Goals (MDGs), Human Development Index (HDI), Poverty Vulnerability Index (PVI), and the Lao Expenditure and Consumption Survey (LECS). However, in such diversity of cultural settings, to develop a standard set of measurement of wellbeing is more needed.

Furthermore, there are some questions to be answered: What we call the "development" leading us to the right direction? What are the goals that human beings want to achieve? Which process would lead them to their goals? Thus, these studies are interested in what the wellbeing is in terms of Lao people conception, and what the components are that could make the clear knowledge about the concept in their perspective.

As mentioned-above, this research is adopted the tradition of the social cultural constructionism from the theoretical perspective. An initial important factor which is vital to have in account is that the social cultural constructionism has different theoretical roots (Stam, 2002), and it is possible to recognize these roots from the work of Giam-battista Vico (Lock Strong, 2010) though it was very long time ago. Vico indicates that "worlds are artificially constructed by people, as people change their constructions they transform their worlds, and in doing so change themselves" (Hosking & Morley, 2004, pp. 1-14). This statement is central in the social cultural constructionism theory.

Another important characteristic of the social cultural constructionism theory is about the language which is not only a means to know the meanings, but it co-constitutes reality that is a part in the epistemological and ontological constitution of the reality (Nightingale & Cromby, 2002). If the reality is a social cultural construction, how this was born then. The answer is the social interaction process, and more specifically in the relationship between the different social actors (Gergen, 1985). Additionally, important implications for the social cultural constructionism perspective are about how the scientific knowledge in social science must be constituted, and what specific methods are suitable for this scientific enterprise. Nevertheless, the same conception can not be used both in social and physical sciences because concepts like objectivity or measurement have very different meaning (Luckmann, 2008). Furthermore, another important dimension of people capacity to be in contact with the world is emotion which is the first level of the sensible and concrete dimension in wellbeing such as fear, anger, joy, compassion or sorrow (Kitayama et al., 2000). Therefore, the questions raising here are: What is about the nature of the emotions? Can the emotions be social cultural constructions? The answer for the social cultural constructionists is that the emotions are a socio cultural phenomenon (Armon-Jones, 1986).

Concisely, in this research the social cultural constructionism describes the social reality as the interplay between the social actors and their historical and cultural contexts which aims to find out the meaning of wellbeing conception for Lao people in which they are living. Also the objective of this paper is to explore the concept of wellbeing based on theories and the conceptions in a more specific way of Lao people that is developed in the tradition of the social cultural constructionism. A field study was conducted in Sangthong district and qualitative methods were adopted in this study.

3. Laos Context and Field Sites

Compare to other countries in Asia, Lao PDR is among the smallest one. After the reform, particularly after 1986, the Lao government introduced their reformation known as *jin-ta-na-kan mai* (*New Imagination*), the economic growth has played a crucial role in development, and the wellbeing is more defined by GDP. The introduction of the New Economic Mechanism (NEM) or market economic mechanism system was considered as far-reaching reform in order to achieve sustainable economic growth in Laos (Anderson et al., 2007).

In the past, the Lao economy followed a centrally planned system. Since the introduction of NEM in 1986, the country has been transitioning to a more open-market economy. This has led to the liberalization of prices and markets, including opening up of the economy to foreign investment and trade, and implementing reforms in the

legal, regulatory, and financial sectors. Moreover, as Lao PDR became a full member of the Association of Southeast Asian Nations (ASEAN) in 1997 and the ASEAN Free Trade Area, this is considered one of the most important foreign policy objectives of the country. As believed that it allows for the creation of a more secure, stable and mutually beneficial relationship with its neighbors in the region. Lao PDR has also put in a request to join the World Trade Organization (WTO), and has officially become a full member of the WTO on February 2, 2013. In addition, the national priority target aiming to reduce poverty, make wellbeing of people, and to shed the country's status from a Least Developed Country (LDC) by the year 2020. However, having high growth in the initial period, the great number of Lao people still did not fully and equally reap the benefits of development and still suffered from some social problems and quality of life such as poverty, health and environment problems.

Sangthong district, the study area, is mountainous and most remote area of nine district of Vientiane Capital. Its total area is of 752.7 square kilometer with unique culture, fresh air and rich of natural and mineral resources such as gold, copper, coal and some others. Apart from that, the district also has various rivers namely Tone, Sang and Mekong rivers which can be used as a source of production and livelihood of local people. There are 37 villages, five village groups that are different in the development levels. There are 5417 households out of 27 683 population, female 13 628, including 92.98% of low land group, Khamu 7% and Hmong 0.02%. Sangthong is one of the base districts for revolution, people are patriotic and nationalists, and strengthen solidarity. 95% of population is active agriculture in producing the crops (Sangthong District Office [SDO], 2012). They have good culture and live in the prosperous natural resources such as soil, forest, air, mineral and rivers which are suitable for the sustainable economic development in the future. After the independence on 2 December 1975, Sangthong is one of the selected development districts as others. Sangthong is also connected with the National High Way No.11 which links the main road with all villages and the villages group. Sangthong has the standard of electricity, public telephone, radio, school, hospital, and some others, which are located in the central of district as it facilitates the social and economic development.

However, from the determination of Lao government, Sangthong is one of the poorest districts in 47 poor districts in the Lao PDR (NSC, 2011). It is also found that there are many challenges for the economic and social development. For instance, the livelihood of people are based on the natural conditions, it hardly adapts the status while the development has been changing. There are no sufficient infrastructures such as road are damaged in the wet season, and human resources are not enough for the advocacy campaign for the development from government and private sectors. In addition, Sangthong is limited in education and culture, particularly in female population. Otherwise, the government sector has initiated to increase the role of women and this brings the general development to be better than in the past.

Moreover, as mentioned, Sangthong has traditionally the poorest district (SDO, 2012). Most of the populations living in villages do the farming. To meet household needs, however, they have, for some decades, moved to other more prosperous parts of the country and crossed border to Thailand. The reason is for circular labor migrants, remitting a portion of their income to sustain livelihoods in settlements. In recent years factories have launched in Sangthong, which improved transportation infrastructure and lower costs. This has advantages for many families to return for farming and shrinking land holdings, while meeting rising needs and growing expectations. At the present, regarding to the government's report, in 2014 Sangthong district will be announced to be the "development district". It means Sangthong will be out of the poorest district which can be a good example for the development in the Lao PDR.

4. Methods

The study employs qualitative research. Fieldwork was conducted during 2012–2013. To primarily understood the concept of wellbeing in local Lao people perspective by taking social phenomenon under phenomenology into critical consideration (Creswell, 2008).

The procedure of the study, start with reviewing relevant documents as well as the research data from field work, which focused on household and community level. Then, the focus group discussions with 35 household representatives were employed. Participants in the target groups were selected by purposive sampling in five villages. There involved various issues relating to the development and wellbeing in Lao local society, implementation at the local level such as seniors or chiefs of village who have responsibility for political, economic, social, and environmental aspects. Follow by in-depth interviews were employed by using the interview guidelines that can get from the reviewed relevant documents step, for the key informants from public and private organizations. Interviewees include 15 people whose involved in policy development at the local, provincial, and central levels. These include chiefs of village or seniors in amount of 5 persons by selecting from five villages in

target areas, 2 from the district levels, 2 from the provincial levels, 4 at the central level (from the Prime Minister's Office), and 2 representatives from the private sector. All techniques used to collect the data are centered on the questions: What are the things Lao people need to have in order to maintain good live (having)? What would Lao people like to be; or which goals/needs that are considered to be highly value for Lao people living (thinking)? What can Lao people do in order to achieve what they would like to be (doing)?

After collection, the acquired data was processed and analyzed. Content analysis was conducted for discrimination, interpretation and comparison for investigation of relationship and patterns in phenomenon (Ritchie & Lewis, 2003). This study was based on theory and the data was processed using analysis for finding the meaning and the components of wellbeing for Lao people.

The selection of research area was based on: (1) one of the poorest districts in 47 poor districts in Lao PDR (NSC, 2011); (2) locations under government and private sector development projects (i.e., mining exploration, agricultural development, hydropower; (3) communities near urban areas or affected by present or future projects; (4) rural communities unaffected by urban development; (5) areas designated by the Lao government for social and economic development; (6) the development levels are difference between villages in the area (villages with high levels of income disparity); and (7) the people in the community are including both poor and non-poor people.

5. Results and Discussion

In the term of "Development", it is a value or normative concept. It is considered to define the value by person, location, and timing fundamental. The interpretation of its meaning of the development would differ from each other, local, and time contexts. As well as the "Wellbeing" is largely used for scholars and policy makers, this is different aspect in a particular area. Thus, the development of wellbeing indicator has to begin from those meaning of the regional or local aspects (Promphakping, 2006).

According to the local context of Lao society, there are varieties of wellbeing's meanings. The word of "Wellbeing" would mean "being opulent and being happy (som-boun poun-souk) or being well and being strong (yu-dee mee-hang)", which is common found in Lao language. When giving blessing it is usual said "wishing you being well and being strong (khor hai chao yu-dee mee-hang der)", when greeting other by saying "are you being well and being strong or being good (chao yu-dee mee-hang bor)?" Those words are the same meaning of being opulent and being happy or being well and being strong.

In Lao language the basic meaning of those words for communication usually means the human health being. If we split its components we could be able to divide into two main parts: "being well/being opulent" and "being strong/being happy". The being well/being opulent means the physical, environment, economy and society which are substantial such as the natural resources, shelter, food, medicine and utilities materials to reflect the human opulence for individual and household levels. Those words mean in English as "being well", but for the word being strong/being happy are related to the health on both physical and mental or the sensational meaning of satisfaction, or in English meaning of "feeling well". If we consider this meaning we would find that being well and being strong could replace the meaning of being opulent and being happy or wellbeing in the local context.

As the concept of wellbeing would means differently in each local. To construct wellbeing measurement to be well suited for the Lao PDR, it needs to make understanding for the wellbeing meaning in Lao people perspective. From data collection in local Lao context, the "*Being well*" means to live in the best environment (both from natural and human made), economic, social and cultural. "*Being strong*" means to live with happiness mentally and physically such as good health, having good and safe food, having regular exercise and good emotion. Therefore, according to the research process, the framework for the meaning of wellbeing in Lao people conception means the capability of living in a happy and warm family, good society and community, spirit/belief religion and culture, security in life and property, good physical and mental health, good knowledge and education, good leader and public management, freedom to participation, good environment, and enough of living economy. There are seven dimensions of wellbeing conception for Lao local people showing in the example of local Lao people who express their opinions and define the meaning for each dimension as follows:

5.1 Good Family Dimension

Refers to the state of happiness from understanding and helping each other while living together in family, warm family, disagreement avoiding in family, good offspring, success of family members, family members do not involved temptation, and single family (one husband one wife); as shown in their statements as follow:

“Living together with all family members, having meals together regularly thus brings about the great happiness in the family.” (Female, aged 32).

“Our children obey the parents, avoid playing with drug and alcohol, complete their studies and are successful in having jobs.” (Female, aged 52).

“Having a warm family, one man and wife with harmonious family and support each other in solving difficulties is the most happiness.” (Male, aged 44).

(Informant interview, 2012–2013)

5.2 Good Society Dimension

Refers to the happy state from understanding and helping each other between members in the community, having a very high spirit, realizing all the truth, being less selfish, living in the fair, and good relationship society, inherit and participation in cultural, social, religious, and traditional activities; as shown in their statements as follow:

“Actually, our life is nothing much to concern, just be happy everyday and the most important is that we are living in the society with honor and love.” (Female, aged 59).

“Religion, good custom and culture of nation are the most preservative, we must conserve to prevent the social problems, and those are related to the wellbeing of people.” (Male, aged 55).

“Some people do not respect the law, but scare of illusion things such as ghosts, Gods and souls, and the punishment from the community. This shows that religion, custom and culture are able to solve the social problems and be affected on the happiness of people in the community.” (Female, aged 64).

(Informant interview, 2012–2013)

5.3 Good Health Dimension

In this dimension “wellbeing” means good health, both mentally and physically. Health can be cured and cared while illness with good caring by family, doctor, nurse and community with equity and equality, with regularly exercise in the good facility provided. There are (1) *Physical condition* is the state of having a strong body, good taste, clean and nourished food, consuming clean water, having good sleep as the body needs, seeing good view, fresh breathing, being strong to move around, not overweighting, having normal and regular relationship activity with couples, having massage, normal excretory system, exercising regularly, staying far from diseases, and getting impressive health services. (2) *Mental condition* involves a state of happiness with a kind and strong mental willing for having life without libidinous desires, good emotional and cheerful, no miserable feeling, no other bias (jealousy), be respected from others, be participated with community activities such as pray a merit at the temple, doing most favorite activities: reading, watching movies, working and doing the favorite need, and going to the most favorite and appropriate requirements. (3) *Health care center* means to have the happy state of having good quality and equality of health service. (4) *Health knowledge* is the happy state of providing prevention the disease and gets the basic treatment when getting sick; as shown in statements bellow:

“Having tough mentally and physically, consuming healthy food with regular exercise and be able to work every day is the happiest life.” (Male, aged 54).

“For me having the respect and being loved from family and community members are the most happiness.” (Male, aged 45).

“Whatever we have sadness or happiness it depends on ourselves, it depends on our adaption to live with it.” (Female, aged 47).

“Our wellbeing is the way to use our sense of living and happiness for ourselves, family and community.” (Male, aged 43).

“I’m feeling painful all of my body and difficult to live my life. It is better to have a doctor staying regularly in our village.” (Female, aged 60).

(Informant interview, 2012–2013)

5.4 Good Education Dimension

Refers to the happy state of having equality and quality education; as shown in statements bellow:

“If we have sufficient schools and teachers in our village, our children will not move to far away school and they can effort to improve themselves for better life.” (Female, aged 50).

“It will be the best if we have good quality for education, sufficiency and equality between our community and the district, because it is related to the future of our children.” (Male, aged 53).

(*Informant interview, 2012–2013*)

5.5 Good Security, Leader and Public Management Dimension

Refers to the happy state of having security in life and assets, having wisdom, equity, good and transparency leader, effective public management, and providing the community participation for the development policy and planning; as shown in statements as follow:

“Nowadays, there are many problems in the society such as snatching, robbery and drug usage in many areas...these are so terrified that make us feel sleepless and unhappy.” (Female, aged 50).

“Apart from the Government’s support, I think a community could take responsibility for taking care of social orders and regulations in the society to make people trust and live their normal life safely to reach the happiness.” (Male, aged 58).

“If the authorities and people in the community are working actively for the mutual benefits and development of the country, thus, it will bring the better life for us.” (Male, aged 49).

“The selection of good leaders with ethics is the most essential for the development to create wellbeing for our people.” (Male, aged 55).

“The participation in the community activities is the most essential for the development, because the goal of the development is for the community as a whole. Therefore, every activity which involves to the community is essential to have the agreement from the people in the community.” (Female, aged 53).

(*Informant interview, 2012–2013*)

5.6 Good Environment Dimension

Refers to the happy state from cleanliness of natural and non-natural environment, rich of natural resources especially the forest, without pollutions from chemical substances, waste, chemical fertilizers, sufficient clean water, fresh air, no risk from natural disaster; as shown in statements as follow:

“Natural disaster is the most devastated, because the destruction and change of environment can affect the wellbeing of people in the community.” (Female, aged 65).

“In our village, managed of rubbish and pollution should be in concern.” (Male, aged 47).

(*Informant interview, 2012–2013*)

5.7 Good Economic Dimension

refers to the happy state from having enough and various food, well-built and safety house, having own land for farming, sufficient rice through the year, pleasant work and security, sufficiency and permanent earnings for living costs, less expenses, no risk, less/no debts, more savings; as shown in statements as follow:

“Without debt is the most important for better life and happiness of family” (Female, aged 37).

“If our products are more valuable, our life would be better and happiness.” (Male, aged 49).

“Remember, saving will lead to the wellbeing of our family.” (Female, aged 37).

(*Informant interview, 2012–2013*)

The concept of wellbeing for Lao people in this study is synthesis base on the framework of social and cultural construction of local Lao people which we call the insider perspectives. There has been shown that the livelihoods of Lao people in deed are all related to the significant of social and natural factors. As a whole Lao people and community have been generous, dependent, and considered a sincere family and society is the most influence for the livelihood which is long lasting with Lao people from the ancient times. This study has found that the meaning of wellbeing can be classified into seven dimensions including both materials (objective) and non-materials (subjective) categories. There is consistent with the study of Forgeard et al. (2011), who believed that wellbeing is best understood as a multifaceted phenomenon which can be assessed by measuring a wide array of subjective and objective constructs. As mentioned, this wellbeing conception of local Lao people synthesized from the framework of “What the needs and resources that Lao people have (having)? What satisfaction with life that Lao people would like to be (thinking)? What they do to achieve the things that they satisfy (doing)”, as showed in Figure 1.

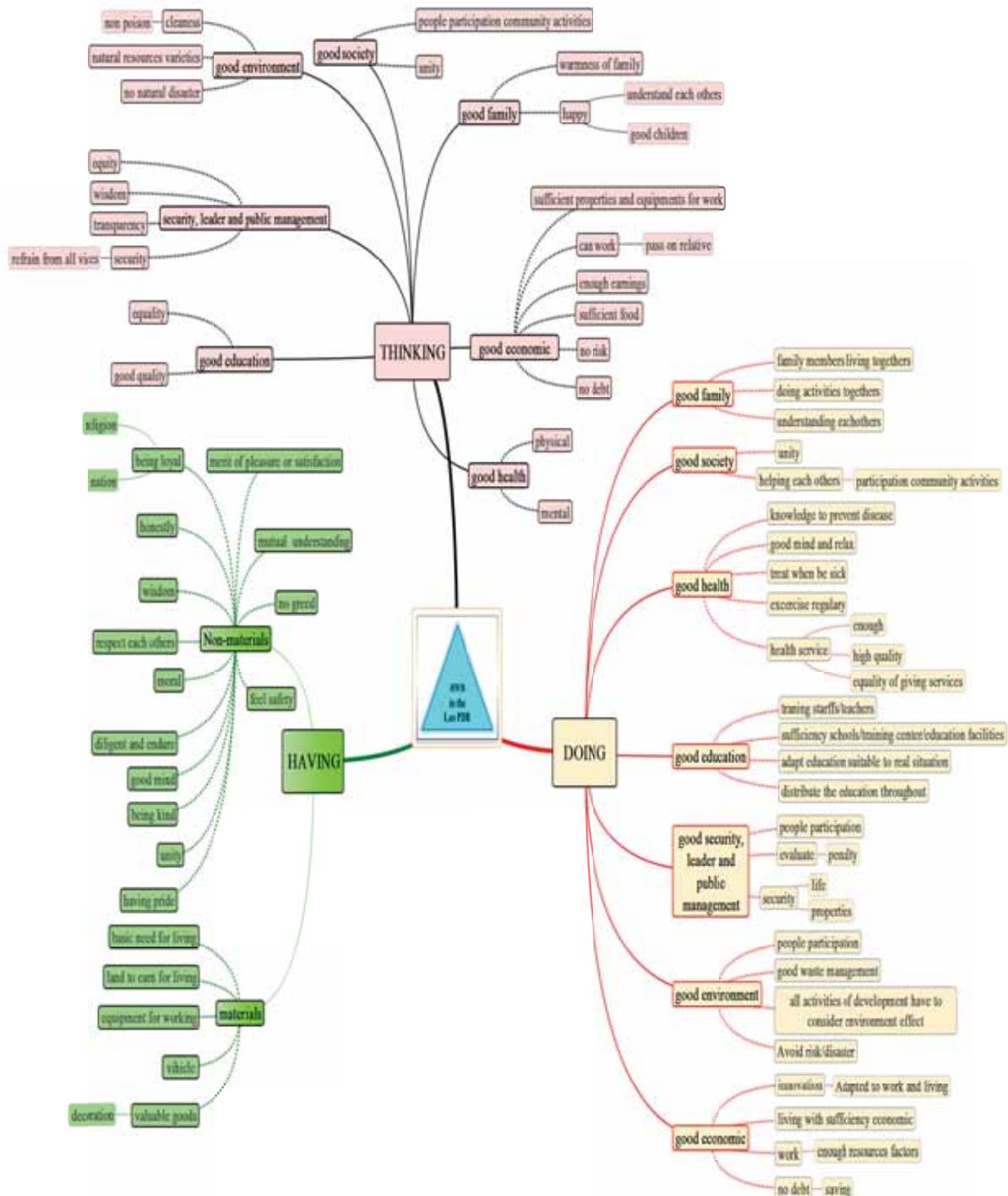


Figure 1. Mind mapping of the local Lao people's wellbeing under the three dimensions of observation

For Lao people's "needs and resources" or "*Having*", it can be classified into two categories, materials and non-materials. *The materials* include concrete items such as natural resource, shelter, clothes, food, medicine, farm-land, valuable and durable properties like accessories, vehicle, technology equipment, household stuff, working equipment, labor, domestic animals, and food. *The non-materials* are consciousness, wisdom, honesty, warmthness of family, respect each other, no greeding, good mind, moral, feeling safe, united community, mutual understanding, having pride, good culture, and being loyal to religion and nation. These needs and resources are the foundation for Lao people's wellbeing. They will use the resources to do whatever they satisfy for their

wellbeing. Moreover, the “satisfaction in Lao people life” does not only relate to the resources that Lao people have but it also refers to what they would like to be or “*Thinking*” and how to lead their lives to achieve what they would like to be or “*Doing*”. Eventhough they have a lot of resources, they still would like to get something else that they do not have or they are not satisfied with what they have. This situation means that Lao people have not achieved their wellbeing. This study has found that the valuation or wellbeing of Lao people from their perspective includes *three* characteristics.

The first feature reflects objective values (Objective wellbeing - OWB) including *(1) variety, cleanliness and goodness in the natural resources and environment*. At present, in the Lao PDR the natural resources are limited; the environments are damaged, and have many environmental problems (UNDP, 2013). This situation effects the livelihood of Lao people, as their lives rely on the natural resources which makes the environmental burden leading to diseases (Reig-Martinez, 2013); *(2) having good and strong physical health*, physical health is very important for people in working, because participation in the workforce is also an important activity which can provide income, social relationship, status, daily routine, and life satisfaction (Campen & Cardol, 2009; Cramm et al., 2013), and higher levels of wellbeing (Lehto et al., 2009; Meltzer et al., 2009). Also they can earn for their living, support their families which will not be a burden for their living; *(3) having enough and equality of income or economics*, as people need and should be concerned about objective inequality, they want their society to move toward (Beja, 2013) by having land and home ownership (Hu, 2013); no debt. Lao people especially most farmers in rural areas are critical in debt both legal and illegal (NSC, 2011), because they need money for their farming or buying their farming equipments. Some farmers are in debt because they do not yield good cultivation or face the problem of drought or flood. However, most farmers believe that they can pay their debt as long as they still can work and businesses are still in process; *(4) high knowledge and high education*, the education is very important condition for people to get a good job and examine the human wellbeing (Haq & Zia, 2013). They can apply their knowledge in their living, and their working place even the farmers who can also work in the farm field.

The second feature refers to the mental aspect that is the most valuable one (Subjective wellbeing - SWB). Wellbeing is not only limited in terms of material or physical needs but also relates to other needs that are subjective in nature (Lyndon et al., 2013). It is now recognized that mental health is not merely the absence of mental illness, but also the presence of the subjective wellbeing (Keyes, 2005; Bak-Klimek, 2013). Mental health includes seeing their children grow up and succeed, spirits of the Lao people who are happy in their occupation, living in the safe environment, having good leader and public management, proud and satisfied with their living, meriting and doing religion’s activities. Especially for religion it is an important dimension of human experience which is positive relation with wellbeing (Graham & Crown, 2014).

The third feature of wellbeing also reflects the relationship between people and others. Therefore, the most important aspect in this sense is significantly related to the warmth of family, attending and participating in communities’ activities, and cultural values. There is consistent with the study of Trung (2013), who believed that cultural value positively affects people happiness and satisfaction especially in East Asia. Moreover, it is also consistent to the study of Ruchiwit (2013) which mentioned that one of the factors predicting the wellbeing of Laotians has been their attitudes toward their society and its cultural values. However, the values can change due to time and situations. Additionally, this wellbeing’s meaning also depends on the process of wellbeing creation which is considered from the effort to achieve their satisfaction that is not necessary to use only one way.

In summary, the concept of wellbeing in local Lao people conception is comprised of three perspectives: (1) What are the needs and resources that the Lao people have “having”? (2) What satisfaction with life of Lao people would like to be “thinking”? (3) Their effort “doing” called “the processes” of achieving that satisfaction of Lao people under the frame of wellbeing that is suitable for Lao society. The meaning of wellbeing can classify into seven dimensions including three characteristic: “Objective wellbeing”; “Subjective wellbeing”; and “Relationship between people”. The concepts of wellbeing are different in each society because it depends on the social cultural construction of the society. Therefore, the objective and subjective wellbeing measures are needed in unison or the relationship to understand human quality of life in each society and to make informed policy decisions (Haq & Zia, 2013).

6. Conclusion

In conclusion, from the results of this research it investigates the possibility in different levels of analysis. First of all the multidimensionality of the wellbeing concept is raised up and it uses the different methods from the studied groups to show the concepts of wellbeing formed the social and cultural construction which is the insider perspective that comes from local Lao people.

There are three features of the wellbeing for Lao people. One is objective wellbeing visible from several aspects that are concrete and can touch, namely having their own basic needs such as shelter, clothes, food, medicine, farmland, equipment, vehicles, valuable and non-valuable goods, and natural resources. Second is subjective wellbeing that is abstract and cannot touch resulting from people's thoughts and feeling, namely having warmth of family, feeling safety, going to the temple for listening to dharma, having loyalty to the nation, religions and the merit, good mind, united, mutual understanding, and having pride. Third, wellbeing of Lao people is a social cultural construction, reflected the relationship between people and others, which refers to wellbeing as family, relatives, community, education, religion and culture, health, natural resources, and environment. However, this social cultural construction of wellbeing is not separately from economic wellbeing, it still has the connection as a means to acquiring quality of life. This finding suggested for developing the measurement of development that should include the social and cultural wellbeing. In addition, it is also closely related to the economic indicators with the social, cultural and environmental aspects. The implication of this study recommends policy makers to implement the policy as a priority by taking into consideration the needs of the local people, the social context, the culture and knowledge system itself. As a matter of fact, future research should capture the relationship between the views of wellbeing that is conceptualized in this study with the world-view of the wellbeing in the empirical of the local community level.

Acknowledgments

The authors thank all the participants for their contributions and interest in the research project, and kindness assistance with the English-language presentation of the manuscript.

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An Analysis of Technical Efficiency of Rice Production in Indonesia

Unggul Heriqbaldi¹, Rudi Purwono¹, Tri Haryanto¹ & Martha Ranggi Primanthi¹

¹ Department of Economics, Airlangga University, Indonesia

Correspondence: Unggul Heriqbaldi, Department of Economics, Airlangga University, Airlangga street No. 4, Surabaya, East Java, 60286, Indonesia. Tel: 62-818-0679-6025. E-mail: u.heriqbaldi@feb.unair.ac.id; u.heriqbaldi@yahoo.com

Received: September 4, 2014 Accepted: October 9, 2014 Online Published: December 30, 2014

doi:10.5539/ass.v11n3p91

URL: <http://dx.doi.org/10.5539/ass.v11n3p91>

Abstract

The objectives of this paper are to estimate technical efficiency in rice production and to assess the effect of farm-specific socio-economic factors on the technical efficiency using survey data from 15 provinces in Indonesia, collected in 2008. A stochastic frontier production function model is used to estimate the technical efficiency of rice farms in each province, and using the model, the influence of socio-economic factors on efficiency is also measured. This study finds that there is a sizeable degree of variation of inefficiency between the 15 provinces. It also finds that factors like land size, income and source of funding are influential determinants of technical efficiency. In terms of age, it also found that younger farmers tend to be more efficient. Expanding the agricultural area, especially outside Java and Sumatera Islands, improving farmers' income and giving an incentive to young people to work in the agricultural sector will enhance technical efficiency and thus productivity, as well as the overall rice output

Keywords: rice production, technical efficiency, stochastic production function

1. Introduction

Currently, in the Indonesian context, the technical efficiency of rice farming is an important concern mainly because of its important role in maintaining domestic food security and as well as improving agricultural development. Rice is staple food that consumed by most Indonesian and the per capita consumption shows that it is higher compared to neighbouring countries. With a total population of approximately 235 million in 2007, the per capita rice consumption reached approximately 130-139 kilograms per year, while in Thailand and Japan the consumptions are 79 and 52 kilograms respectively (BPS, 2007).

Despite the important of rice sector in the Indonesian economy, this sector has been facing a significant challenge, especially in increasing the production at the level above the domestic consumption rate. Recent figures show that not only rice, but most of Indonesia's agricultural products, experience slower growth in total factor productivity (TFP) (World Bank, 2010). The agricultural TFP growth fell from 2.35 per cent per year in 1968-92 to annual contractions of 0.58 per cent from 1993 to 2001 (World Bank, 2010). Such conditions eventually contribute to the slow growth of job creations in rural areas.

Based on the above unfavourable condition especially in the productivity of rice farming and agricultural sector in Indonesia, it is then very important to improve the sectoral performance, not only in the context of food security and jobs creation, but also from the perspective of rural areas development. The objective of this paper is to quantify the technical efficiency of rice farm by using survey data from 15 provinces in Indonesia in 2008, as well as to assess the factors that contribute to the technical efficiency. To achieve this objective, this paper employs stochastic production function and inefficiency effect model. In the context of literature on technical efficiency of rice farming in Indonesia, the present study extends the literatures in two ways. First, it utilizes the survey data from 15 provinces, which mainly become the major regions of rice farming in the country. Second, based on the quantification of technical efficiency, this paper tries to analyse both factors of production as well as socio-economic characteristics, contributes to the efficiency of rice farming.

This paper is organized as follows. Section 2 reviews the relevant literatures on efficiency studies in rice farming. Section 3 explains briefly the stochastic frontier model and specification of the functional forms. The empirical results are presented in section 4 and some conclusions are drawn in section 5.

2. A Brief of Literature

Frontier models have been widely applied in agricultural studies (for example: Battese & Coelli, 1992; Bravo-Ureta & Pinheiro, 1993; and Xu & Jeffrey, 1998). In the context of South and South-East Asian regions, rice production efficiency study has received a substantial attention (see for example: Balcombe et al., 2007; Coelli, et al., 2002; Dhungana, et al., 2004; Rahman, 2010; Rahman & Rahman, 2009; Rahman, et al., 2009; Tan, et al., 2010; Wadud & White, 2000; Yao & Shively, 2007). In the case of India, some studies were also conducted, including by Battese et.al (1989), Battese and Coelli (1992), and Battese & Coelli (1995). All three of these studies has a common approach which was using stochastic frontier production function. The results of these studies also showed some similarities, although in Battese & Coelli (1995), the research not only focusing on the estimation of frontier production function, but also tries to develop the inefficiency effects model. From the inefficiency effects model, Battese & Coelli (1995) found that age and education level of farmers, farm size and years of observation significantly affect agricultural production inefficiencies in the two villages were examined, namely Kanzara and Shirapur. While in the other villages, Aurepalle, the inefficiency were not significantly influenced by age and education variables farmers, farm size.

Bravo-Ureta and Pinheiro (1997) conducted a study on efforts to increase productivity by improving the efficiency of small-scale farming in the Dajabon region, Dominican Republic. The study uses two stages, where the first stage of Bravo-Ureta and Pinheiro (1997) estimate the stochastic production function to obtain the technical efficiency, allocative and economic efficiency levels by using maximum-likelihood method. In the second stage, Bravo-Ureta and Pinheiro (1997) used Tobit models to estimate the effect of various attributes of farmers on efficiency.

In the case study in China, Xu and Jeffrey (1998) and Tian and Wan (2000) estimate the efficiency of rice farming. Xu and Jeffrey (1998) try to analyse the differences in the production of conventional rice and hybrid rice farming by using a dual decomposition efficiency stochastic frontier models. The model involves several variables of which the location, chemical fertilizers, bio fertilizers, machinery, and pesticide. The results of the study showed significant differences in technical and allocative efficiency between conventional rice farming and the production of hybrid rice. Xu and Jeffrey (1998) and Tian and Wan (2000) found that education has a positive effect on technical efficiency of rice farming. Tian and Wan (2000) also found that multi-cropping index has a negative effect on the level of technical efficiency. Several other studies using the same method in analysing technical efficiency and inefficiency effects, such as Idiong (2007) in the case in Nigeria, Khan *et al.* (2010) in Bangladesh, and Khai and Yabe (2011) in Vietnam.

In other studies, Krasachat (2003) and Dhungana et al (2004) measure and investigate technical efficiency in Thailand and Nepal, respectively. Both use deterministic models to measure the level of technical efficiency, while the inefficiency effects obtained from the Tobit models. In the case of Thailand, Krasachat (2003) found the average overall technical efficiency is 0.71 and the variable of land affect significantly the level of efficiency. Meanwhile, in the case of Nepal, Dhungana et al (2004) found that differences in the level of inefficiency among farmers are the result of differences in the intensity of the use of resources such as seed, labour, fertilizer and mechanical equipment.

The same method is used by Javed et al (2010) in the analysis of rice and wheat farming in Pakistan. The results of the study revealed that the average technical efficiency in rice-wheat farming system is 0.83, and the result from inefficiency models indicate that length of study, the number of contacts with advisor, and access to credit have a negative effect on inefficiency.

In the context of Indonesia, there is only a few empirical studies concerning technical efficiency of rice farming. Some that can be mentioned are Fabiosa, Jensen, and Yan (2004), Rada, Buccola, and Fuglie (2010), and Brazdik (2006). Brazdik (2006) evaluates the technical and scale efficiency of rice farms in West Java and to identify determinants affecting farms' efficiency and the result shows that farm size is one of the most important factors of farm's technical efficiency and that high land fragmentation was the main source of the technical inefficiency during the final period of the intensification era. Furthermore, Fabiosa *et.al* (2004) examine the impact of macroeconomic shocks on the efficiency of small farmers and conclude that productive efficiency declined by 7 to 22 percent during the crisis, largely because of a decline in technical efficiency and a relatively large volatility in efficiency.

However, in the context of Indonesia, there is no study that compare the rice farming technical efficiency of each region in Indonesia and identify the common and specific characteristics which influence its technical efficiency. Consequently, this paper contributes to fill the the current gap by estimating and comparing technical efficiency

among regions and identify the common and specific characteristics which contribute to the technical efficiency in each region.

3. Model and Data

3.1 The Basic Model

The stochastic frontier model which also called composed error model was introduced by Aigner *et al.* (1977) and Meeusen and van den Broeck (1977). The basic model of stochastic frontier can be represented as follows.

$$y_i = g(x_i, \beta) + \varepsilon_i \text{ for } i = 1, 2, \dots, N \quad (1)$$

where y = output, x = input vector, β = parameter vector, ε = error term, i = firm or production unit. The error term ε , consists of two independent components,

$$\varepsilon_i = v_i - u_i \quad (2)$$

where v_i is two-sided error term which represents statistical noise which is assumed to be *i.i.d* $N(0, \sigma_v^2)$ and $u_i \geq 0$ is one sided error term that represents technical inefficiency, assumed to be independent to v_i and x_i . Another assumption is that error component $u_i = |U_i|$, where U_i is *i.i.d* $N(0, \sigma_u^2)$. This assumption implies that u_i is half-normal. However, the assumption can be replaced by other assumption such as truncated-normal (Stevenson, 1980; Battese and Coelli, 1992) and two-parameter gamma (Greene, 1990).

Based on those assumptions, the model can be estimated using Maximum-Likelihood Estimation (MLE). Aigner *et al.* (1977) derives log likelihood function based on the following:

$$\ln(y_i) = g(x_i, \beta) + v_i - u_i \quad (3)$$

Furthermore, ALS (1977) expresses the likelihood function in the form of two variance parameters, which are $\sigma^2 = \sigma_u^2 + \sigma_v^2$ and $\lambda = \sigma_u/\sigma_v$. λ is an indicator of variability in two sources' random errors, which then differentiate one production unit to the other. The likelihood function therefore can be expressed as follow.

$$\ln L(y|\beta, \lambda, \sigma^2) = N \ln \frac{\sqrt{2}}{\sqrt{\prod}} + N \ln \sigma^{-1} + \sum_{i=1}^N \ln[1 - F(\varepsilon_i \lambda \sigma^{-1})] - \frac{1}{2\sigma^2} \sum_{i=1}^N \varepsilon_i^2 \quad (4)$$

where, $\varepsilon_i = y_i - x_i \beta$ and F are standard normal conditional distribution function (cdf). The ML estimator is derived from the maximization of (4) with respect to the parameters β, λ, σ .

If y in logarithm, hence the technical efficiency of production unit i can be expressed as follow

$$TE_i = \exp(-u_i) \quad (5)$$

and technical inefficiency is $1 - TE_i$. The prediction of the above technical efficiency requires estimates of the u_i . The best predictor for u_i is conditional expected value of u_i given ε_i . This condition was stated and applied in the stochastic frontier model of Jondrow et.al (1982). Jondrow et.al (1982) show that

$$E(u|\varepsilon) = \sigma_* \left[\frac{f(\varepsilon\lambda/\sigma)}{1 - F(\varepsilon\lambda/\sigma)} - \left(\frac{\varepsilon\lambda}{\sigma} \right) \right] \quad (6)$$

where $\varepsilon\lambda/\sigma = -\mu_*/\sigma_*$ and $\lambda = \sigma_u/\sigma_v$, while f and F are cdf respectively. Since μ_* and σ_* are unobservable, hence the parameters can be replaced by the estimates of respective parameters. Referring to Battese and Coelli (1988), the technical efficiency of production unit of i is

$$TE = E[\exp(-u_i|\varepsilon_i)] = \left\{ \frac{1 - \Phi[\sigma_* - (\mu_i^*/\sigma_*)]}{1 - \Phi(-\mu_i^*/\sigma_*)} \right\} \exp\left(-\mu_i^* + \frac{1}{2}\sigma_*^2\right) \quad (7)$$

where $\Phi(\cdot)$ is the cdf.

3.2 Functional Forms and Variables

This paper will use the most appropriate functional forms by employing the log likelihood ratio test to the Cobb-Douglas and translog models. The Cobb-Douglas specification is presented as follow.

$$y_i = \beta_0 \prod_{j=1}^n x_{ij}^{\beta_{ij}} e^{\varepsilon_i} \quad \text{For } i = 1, 2, \dots, n \quad (8)$$

where y = output, x_j = the j -th input, i = i -th farmer, $\varepsilon_i = v_i - u_i$, and β_0, β_{ij} = parameters. Transforming into logarithm form yields;

$$\ln y_i = \ln \beta_0 \sum_{j=1}^n \beta_{ij} \ln x_{ij} + v_i - u_i \quad (9)$$

The detail model specification for the case of paddy production is:

$$\ln(y_i) = \ln\beta_0 + \beta_1 \ln(\text{land}_i) + \beta_2 \ln(\text{seed}_i) + \beta_3 \ln(\text{fertilizer}_i) + \beta_4 \ln(\text{pesticide}_i) + \beta_5 \ln(\text{labor}_i) + \beta_6 (\text{cost}_i) + v_i - u_i \quad (10)$$

where y represents the quantity of freshly threshed rice paddy (in tonnes); land_i is the harvest area (in hectares); seed_i is quantity of seeds used in the farming areas (in kilograms); fertilizer_i is fertilizer (in kilograms); pesticide_i is pesticide applied (in kilograms); labor_i is hired labourers input (person-days); family_i labour input by family (person-days); cost_i is dummy variable for other cost of rice farming, such as land rent, farming equipment, credit interest, land tax, fuels, and others ($D = 1$, if other costs are positive, $D = 0$ otherwise); v_i is stochastic noise, assumed to be *i.i.d* $N(0, \sigma_v^2)$; u_i is non-negative random variable which is called inefficiency effect, assumed to be distributed as absolute value from $N(0, \sigma_u^2)$; and β is unknown parameter to be estimated along with the variance parameters, which is formulated in the form: $\sigma^2 = \sigma_u^2 + \sigma_v^2$ and $\lambda = \sigma_u/\sigma_v$.

The second specification is the translog model, which is given by:

$$\ln y_i = \alpha_0 + \sum_{j=1}^6 \alpha_{ji} \ln x_{ji} + 0.5 \sum_{j=1}^6 \alpha_{ji} \ln x_{ji}^2 + \sum_{j=1}^6 \sum_k \alpha_{jk} \ln x_{ji} \ln x_{ki} + v_i - u_i \quad (11)$$

where the variables are as previously defined.

As a special case of translog model, the Cobb-Douglas functional form imposes restrictions on the technology by imposing constant production elasticity and elasticity of input substitution equals to unity. Therefore, this paper will test the Cobb-Douglas against the translog function to determine whether it is an adequate representation of the data.

Based on the appropriate model, the next procedure will be hypothesis test for λ which will determine whether there is inefficiency effect or not. Given the result of hypothesis test procedure, the technical inefficiency model is defined as follow (Battese & Coelli, 1995):

$$u_{it} = \delta_0 + \sum_{j=1}^{11} \delta_j Z_{ji} \quad (12)$$

Where the δ_j s are unknown parameters; Z_1 is income of farmer million rupiah per month); Z_2 is dummy for farmer's education attainment (1 if farmer finishes high school, 0 otherwise); Z_3 is farmer's age (year); Z_4 is dummy for farmer's other job (1 if farmer has other job, 0 otherwise); Z_5 is dummy for irrigation facility (1 if rice field irrigated, 0 otherwise); Z_6 is dummy for financial source for farming (1 if self-funding, 0 otherwise), Z_7 is dummy for government assistance (1 if government assisted, 0 otherwise); Z_8 is dummy for dry season (1 if production in drought condition, 0 otherwise); Z_9 is dummy for rainy season (1 if production in rainy season, 0 otherwise); Z_{10} is dummy for cultivating area (1 if area more than 5000 m², 0 otherwise); and Z_{11} the ratio of labour per hectare.

3.3 Descriptive Statistics

Table 1. Sample distribution based on province

No	Province	Farm Sample (n)
1	Nanggroe Aceh Darussalam (NAD)	186
2	Sumatera Utara (SUMUT)	274
3	Sumatera Barat (SUMBAR)	217
4	Sumatera Selatan (SUMSEL)	238
5	Lampung	230
6	Jawa Barat (JABAR)	345
7	Jawa Tengah (JATENG)	337
8	Jawa Timur (JATIM)	339
9	Banten	216
10	Bali	133
11	Nusa Tenggara Barat (NTB)	185
12	Kalimantan Barat (KALBAR)	152
13	Kalimantan Selatan (KALSEL)	199
14	Sulawesi Tengah (SULTENG)	128
15	Sulawesi Selatan (SULSEL)	275
Total		3454

This study uses data from the 3454 rice farmers in 15 provinces in Indonesia based on a survey of business cost structure of rice plants (SOUTP) conducted by the Central Statistics Agency (BPS) of Indonesia in 2008.

Descriptive statistics of all variables included in the model are presented in Table 2. The descriptive statistics are calculated based on provincial basis. From production perspective, the production of rice in 15 provinces is at an average of 2 tons per hectare, where Sumatera and Sulawesi became the two highest rice producers. The average labour use in all provinces was approximately 51 person-days per hectare, while in terms of fertilizer used the mean value was 177 kilograms per hectare. From age perspective, most of age of the farmers is more than 45 years.

Table 2. Descriptive statistics of all variables included in the stochastic frontier production models and inefficiency models

Province	Component	Output	Land	Seed	Fertilizer	Pesticide	Labour	Other cost	Other income	Age
NAD	N	179	179	179	179	179	179	179	179	179
	Min	210	400	3	8	2	8	15	159	21
	Max	4600	12500	100	400	1500	103	3700	8735	86
	Mean	1218	2524	19	78	184	29	612	1736	50
	Stdev	874	1882	15	62	231	15	660	1423	12
SUMUT	N	638	638	638	638	638	638	638	638	638
	Min	220	430	2	5	3	4	2	38	17
	Max	35000	100000	800	2100	64000	499	22572	44553	85
	Mean	2918	6387	39	190	970	47	1136	4438	49
	Stdev	3075	7689	53	195	3711	32	1449	5151	12
SUMBAR	N	196	196	196	196	196	196	196	196	196
	Min	160	648	3	7	2	10	2	60	23
	Max	4644	14000	68	570	7000	201	6785	8007	88
	Mean	1410	4125	22	94	367	39	714	1940	50
	Stdev	937	2704	14	88	960	27	798	1658	14
SUMSEL	N	484	484	484	484	484	484	484	484	484
	Min	450	900	2	23	50	9	53	63	18
	Max	16000	40000	245	2150	120000	292	5418	21715	85
	Mean	3608	9926	56	241	3391	74	817	5906	46
	Stdev	2476	7362	45	174	6666	70	824	4704	12
LAMPUNG	N	504	504	504	504	504	504	504	504	504
	Min	250	400	3	15	2	8	7	26	22
	Max	12200	27500	150	4100	16000	258	7166	15038	93
	Mean	2238	5013	21	273	665	55	709	2792	49
	Stdev	1726	3831	17	299	1080	42	887	2342	13
JABAR	N	1454	1454	1454	1454	1454	1454	1454	1454	1454
	Min	112	280	2	5	2	6	2	2	15
	Max	25800	43000	105	2900	45000	424	25325	50137	90
	Mean	1757	3730	13	185	1022	52	647	2232	51
	Stdev	2383	4785	13	241	2838	39	1422	3837	12
JATENG	N	1320	1320	1320	1320	1320	1320	1320	1320	1320
	Min	90	375	2	10	2	7	2	3	24
	Max	12000	20000	150	1830	20000	297	10162	25141	88
	Mean	1301	2657	14	194	424	40	391	1421	51
	Stdev	1185	2247	12	237	959	26	682	1603	12
JATIM	N	1197	1197	1197	1197	1197	1197	1197	1197	1197
	Min	99	260	2	6	2	4	2	7	15
	Max	22000	35000	200	5800	20000	344	13310	27753	98
	Mean	1683	3238	17	228	278	43	470	2020	51
	Stdev	1698	2977	17	308	696	34	761	2290	12
BANTEN	N	342	342	342	342	342	342	342	342	342
	Min	150	400	2	8	2	12	4	67	12
	Max	9800	25700	75	900	1800	220	4612	18421	90
	Mean	1569	3287	11	113	258	47	308	2169	48
	Stdev	1330	3087	10	111	269	29	453	2301	12
BALI	N	117	117	117	117	117	117	117	117	117
	Min	180	300	2	10	5	12	17	277	29
	Max	9000	18000	70	1400	2400	194	7384	13477	81
	Mean	2105	3793	17	197	273	53	1071	2659	51
	Stdev	1580	2612	12	201	315	38	1362	2374	11
NTB	N	174	174	174	174	174	174	174	174	174
	Min	160	400	2	15	50	9	8	51	20

Province	Component	Output	Land	Seed	Fertilizer	Pesticide	Labour	Other cost	Other income	Age
KALBAR	Max	8100	20000	160	770	15000	171	2800	15604	90
	Mean	2220	5365	35	168	735	48	560	2940	47
	Stdev	1677	3972	29	135	1772	31	507	2709	13
	N	163	163	163	163	163	163	163	163	163
	Min	450	900	5	15	2	12	10	535	26
	Max	8730	35000	110	550	15000	391	1730	17815	82
KALSEL	Mean	2106	6127	22	129	1923	96	191	4068	48
	Stdev	1304	4142	14	90	2116	69	263	2868	12
	N	292	292	292	292	292	292	292	292	292
	Min	189	723	4	15	2	8	10	11	19
	Max	7430	20230	103	720	6000	202	3930	13814	82
	Mean	1624	4539	24	130	933	61	625	2295	46
SULTENG	Stdev	1135	3026	16	105	1025	33	682	2099	12
	N	146	146	146	146	146	146	146	146	146
	Min	257	500	3	10	40	4	27	61	20
	Max	30000	60000	480	1800	53100	316	36300	40299	81
	Mean	3162	7683	50	252	3014	35	2532	4071	46
	Stdev	4056	8117	53	266	5709	29	5052	5185	13
SULSEL	N	729	729	729	729	729	729	729	729	729
	Min	114	300	2	8	4	6	10	30	19
	Max	17470	30000	240	1450	6500	186	17646	26090	85
	Mean	2574	5403	23	179	547	51	1664	2755	47
	Stdev	2208	4456	21	175	691	25	2240	2740	13
Mean value of each variables		2099.53	4919.80	25.53	176.73	998.93	51.33	829.80	2896.13	48.67

Note, N: number of farm samples; stdev: standard deviation

4. Empirical Result

4.1 Production Frontier Estimates

A likelihood ratio (LR) test can be employed to determine which model specification is better. In this study, the LR test was conducted to compare the Cobb-Douglas production function model against the translog model. The null hypothesis of the test is that the appropriate model is Cobb-Douglas production function, while the alternative hypothesis is that the translog model is more representative in explaining production function of rice farming in all 15 provinces. The chi-square values obtained from the test are presented in Table 3. The test result shows that in most of the cases the null hypothesis was rejected (except for Bali, Nusa Tenggara Barat, and Kalimantan Barat) and it was concluded that in 12 provinces, the translog specification fitted the data better than the Cobb-Douglas counterpart.

Table 3. Likelihood ratio test on Cobb-Douglas production function model against the translog model

No	Province	Log Likelihood Function		LR-stat	Critical Value $\alpha = 0.05$	Decision	Appropriate Model
		Cobb-Douglas	Translog				
1	NAD	33.62	75.02	82.81	32.67	Reject H ₀	Translog
2	SUMUT	44.36	67.66	46.61	32.67	Reject H ₀	Translog
3	SUMBAR	10.11	25.92	31.61	32.67	Reject H ₀	Translog
4	SUMSEL	7.95	69.53	123.16	32.67	Reject H ₀	Translog
5	LAMPUNG	-79.74	-54.18	51.12	32.67	Reject H ₀	Translog
6	JABAR	136.66	170.72	68.13	32.67	Reject H ₀	Translog
7	JATENG	483.59	665.55	363.94	32.67	Reject H ₀	Translog
8	JATIM	1.85	38.92	74.14	32.67	Reject H ₀	Translog
9	BANTEN	9.91	36.16	52.50	32.67	Reject H ₀	Translog
10	BALI	36.21	33.35	-5.71	32.67	Accept H ₀	Cobb-Douglas
11	NTB	-24.35	-12.43	23.84	32.67	Accept H ₀	Cobb-Douglas
12	KALBAR	96.59	-34.99	-263.14	32.67	Accept H ₀	Cobb-Douglas
13	KALSEL	30.91	57.62	53.42	32.67	Reject H ₀	Translog
14	SULTENG	0.40	35.95	71.10	32.67	Reject H ₀	Translog
15	SULSEL	43.42	88.39	89.94	32.67	Reject H ₀	Translog

Based on the above result, the maximum likelihood estimates of the parameters from the most appropriate model are presented in Table 4.

Table 4. Maximum-likelihood estimates for parameters of the stochastic frontier production models in 15 provinces

Variable	Parameter	ACEH	SUMU T	SUMB AR	SUMSE L	LAMPUNG	JABAR	JATEN G	JATIM	BANTE N	BALI	NTB	KALBA R	KALS EL	SULTEN G	SULSEL
Constant	β_0	-2.252*	-0.144	-3.648*	-8.633*	-3.668*	-1.537*	-0.528*	3.965**	-5.087*	0.389	2.234*	6.766**	3.093	8.893***	2.320**
Land	β_1	(1.080)	(1.689)	(1.057)	(1.243)	(2.594)	(1.041)	(0.265)	(1.599)	(1.930)	(0.682)	(0.536)	(0.262)	(2.853)	(1.114)	(1.082)
	β_2	1.137*	0.411	1.807**	4.466**	2.494***	1.769**	0.990**	0.190	2.476**	0.825*	0.301*	0.149**	-0.549	-3.730**	-0.285
Seed	β_3	(0.717)	(0.571)	(0.531)	(0.433)	(0.852)	(0.399)	(0.095)	(0.566)	(0.714)	(0.129)	(0.093)	(0.032)	(1.020)	(0.678)	(0.315)
	β_4	-3.482*	-0.015	1.361*	-1.862*	-1.080*	-0.627*	0.015	0.422	-1.105*	0.139*	0.169*	-0.033*	0.027	2.185***	0.142
Fertilizer	β_5	(1.322)	(0.408)	(0.905)	(0.466)	(0.706)	(0.349)	(0.083)	(0.461)	(0.746)	(0.093)	(0.074)	(0.018)	(0.730)	(0.920)	(0.320)
	β_6	2.329**	0.946**	-1.426*	-0.940*	-0.579**	-0.411*	-0.031*	-0.173	0.319	0.062*	0.301*	0.069**	0.679	1.058*	-0.034
Pesticide	β_7	(1.349)	(0.266)	(0.804)	(0.402)	(0.321)	(0.180)	(0.012)	(0.209)	(0.253)	(0.038)	(0.054)	(0.020)	(0.551)	(0.773)	(0.249)
	β_8	0.340	0.165*	0.364	0.047	0.369**	-0.124*	-0.001	-0.019	-0.162	-0.027*	0.023	0.009*	0.007	-0.306	0.054
Labour	β_9	(0.786)	(0.105)	(0.303)	(0.250)	(0.208)	(0.074)	(0.013)	(0.131)	(0.202)	(0.019)	(0.026)	(0.006)	(0.191)	(0.410)	(0.101)
	β_{10}	0.723	0.326**	0.125	-0.787*	-0.144	0.195*	-0.003	-0.290*	0.078	-0.041	0.085*	0.063**	0.779*	-0.204	0.295
Oth cost	β_{11}	(0.731)	(0.190)	(0.491)	(0.263)	(0.315)	(0.129)	(0.013)	(0.170)	(0.247)	(0.039)	(0.038)	(0.013)	(0.327)	(0.538)	(0.282)
	β_{12}	0.018	-0.273*	0.145	-0.073	-0.014	0.0003	0.044**	-0.259*	-0.058	0.041	0.041	0.092*	0.036**	0.015	1.808***
0.5(land) ²	β_{13}	(0.469)	(0.142)	(0.283)	(0.244)	(0.194)	(0.090)	(0.010)	(0.098)	(0.179)	(0.034)	(0.033)	(0.007)	(0.236)	(0.492)	(0.168)
	β_{14}	0.117	0.197**	-0.089	-0.533*	-0.294**	-0.245*	-0.001	-0.015	-0.260*	*	*	*	*	0.303*	0.822***
0.5(seed) ²	β_{15}	(0.281)	(0.112)	(0.144)	(0.071)	(0.152)	(0.081)	(0.017)	(0.109)	(0.148)	*	*	*	(0.199)	(0.235)	(0.061)
	β_{16}	-0.833*	-0.032	0.740**	-0.358*	-0.098	-0.125*	0.007	0.017	-0.309*	*	*	*	-0.148	0.610***	0.091*
0.5(fertilizer) ²	β_{17}	(0.487)	(0.069)	(0.271)	(0.108)	(0.137)	(0.073)	(0.012)	(0.085)	(0.140)	*	*	*	(0.142)	(0.233)	(0.058)
	β_{18}	-0.346*	0.109**	0.077*	0.222**	-0.050*	-0.082*	0.001	-0.074*	-0.110*	*	*	*	-0.161*	0.093	0.063*
0.5(pesticide) ²	β_{19}	(0.096)	(0.042)	(0.058)	(0.076)	(0.031)	(0.022)	(0.003)	(0.022)	(0.049)	*	*	*	(0.089)	(0.130)	(0.047)
	β_{20}	-0.027*	-0.004	-0.003	0.029	0.018	-0.001	-0.001*	0.006	0.019	*	*	*	0.025*	-0.047**	0.007
0.5(labour) ²	β_{21}	(0.014)	(0.006)	(0.015)	(0.022)	(0.015)	(0.024*)	(0.005)	(0.001)	(0.007)	(0.020)	*	*	(0.013)	(0.028)	(0.009)
	β_{22}	0.098**	0.016	0.070	0.024	-0.051**	-0.051*	-0.001	0.029**	-0.076*	*	*	*	0.026	-0.084*	0.059**
0.5(oth cost) ²	β_{23}	(0.047)	(0.021)	(0.056)	(0.025)	(0.030)	(0.016)	(0.001)	(0.016)	(0.035)	*	*	*	(0.041)	(0.064)	(0.032)
	β_{24}	-0.011	0.026**	0.035**	0.059**	0.022	0.019**	0.002*	0.015**	-0.028*	*	*	*	0.012	0.148***	0.022*
Land x seed	β_{25}	(0.035)	(0.012)	(0.017)	(0.035)	(0.020)	(0.007)	0.000	(0.007)	(0.013)	*	*	*	(0.020)	(0.052)	(0.017)
	β_{26}	0.388	-0.048	-0.252*	0.449**	0.223**	0.124**	-0.012	-0.005	0.045	*	*	*	-0.061	-0.496**	-0.086*
Land fertilizer x	β_{27}	(0.315)	(0.079)	(0.180)	(0.078)	(0.127)	(0.068)	(0.012)	(0.087)	(0.142)	*	*	*	(0.141)	(0.199)	(0.046)
	β_{28}	-0.392*	-0.205*	0.198*	-0.025	0.082*	0.133**	0.010**	0.070**	-0.012	*	*	*	-0.035	-0.127	-0.096*
Land pesticide x	β_{29}	(0.269)	(0.054)	(0.123)	(0.045)	(0.057)	(0.036)	(0.004)	(0.037)	(0.059)	*	*	*	(0.097)	(0.172)	(0.040)
	β_{30}	-0.079	-0.014	-0.068	-0.033	-0.073**	0.035**	0.002	-0.001	0.044	*	*	*	-0.037	0.037	-0.028*
Land labour x	β_{31}	(0.155)	(0.021)	(0.055)	(0.048)	(0.039)	(0.016)	(0.002)	(0.026)	(0.046)	*	*	*	(0.039)	(0.086)	(0.017)
	β_{32}	-0.212*	-0.045*	0.013	0.101**	0.048	-0.054*	0.007**	0.033	0.037	*	*	*	-0.105*	0.207**	-0.036
Land x oth cost	β_{33}	(0.150)	(0.035)	(0.076)	(0.052)	(0.055)	(0.028)	(0.003)	(0.033)	(0.048)	*	*	*	(0.061)	(0.093)	(0.052)
	β_{34}	0.049	0.019	-0.051	-0.082*	-0.03	0.003	-0.006*	0.059**	0.029	*	*	*	-0.048	-0.208**	-0.098**
Seed fertilizer x	β_{35}	(0.087)	(0.026)	(0.049)	(0.051)	(0.035)	(0.019)	(0.002)	(0.018)	(0.029)	*	*	*	(0.050)	(0.096)	(0.028)
	β_{36}	0.572**	0.096**	*	-0.276*	-0.033	-0.047	-0.008	-0.001	0.027	*	*	*	0.070	0.151	-0.016
Seed pesticide x	β_{37}	(0.227)	(0.038)	(0.130)	(0.065)	(0.053)	(0.032)	(0.004)	(0.032)	(0.070)	*	*	*	(0.111)	(0.155)	(0.035)
	β_{38}	0.047	0.014	0.054	-0.047	0.032	-0.014	0.000	-0.018	0.011	*	*	*	-0.004	-0.057	-0.024*
Seed labour x	β_{39}	(0.141)	(0.015)	(0.054)	(0.043)	(0.034)	(0.014)	(0.002)	(0.021)	(0.037)	*	*	*	(0.034)	(0.083)	(0.014)
	β_{40}	-0.007	0.048**	-0.115	-0.061	-0.063*	0.062**	0.000	-0.049*	0.080*	*	*	*	0.097*	-0.023	0.152**
Seed x oth cost	β_{41}	(0.125)	(0.026)	(0.096)	(0.050)	(0.046)	(0.025)	(0.003)	(0.028)	(0.054)	*	*	*	(0.064)	(0.089)	(0.042)
	β_{42}	0.011	-0.036*	-0.028	-0.037	-0.037	-0.025*	0.010**	-0.062*	-0.044*	*	*	*	0.043	-0.02	0.01
Fertilizer pesticide x	β_{43}	(0.085)	(0.019)	(0.048)	(0.039)	(0.035)	(0.016)	(0.003)	(0.016)	(0.022)	*	*	*	(0.042)	(0.077)	(0.024)
	β_{44}	0.093**	0.000	-0.004	-0.007	0.016	-0.018*	0.002	0.003	-0.062*	*	*	*	0.046*	0.076*	0.045**
Fertilizer labour x	β_{45}	(0.027)	(0.012)	(0.037)	(0.037)	(0.019)	(0.011)	(0.001)	(0.012)	(0.017)	*	*	*	(0.025)	(0.048)	(0.015)
	β_{46}	0.164**	-0.015	0.071*	-0.003	0.042**	-0.013	-0.009*	0.023*	-0.079*	*	*	*	-0.062	-0.177**	0.006
Fertilizer x oth cost	β_{47}	(0.056)	(0.022)	(0.052)	(0.036)	(0.023)	(0.022)	(0.001)	(0.016)	(0.041)	*	*	*	(0.050)	(0.069)	(0.045)
	β_{48}	-0.042	0.018	0.041	0.044	0.031*	0.002	-0.005*	-0.011	0.040*	*	*	*	0.034	-0.127**	0.059**
Pesticide labour x	β_{49}	(0.047)	(0.015)	(0.035)	(0.040)	(0.022)	(0.011)	(0.001)	(0.012)	(0.017)	*	*	*	(0.033)	(0.063)	(0.020)
	β_{50}	0.011	-0.014*	-0.03	-0.004	-0.041***	0.012**	-0.003*	0.006	0.015	*	*	*	-0.009	0.019	-0.01
Pesticide x oth cost	β_{51}	(0.021)	(0.008)	(0.026)	(0.017)	(0.017)	(0.007)	(0.001)	(0.008)	(0.030)	*	*	*	(0.017)	(0.034)	(0.013)
	β_{52}	-0.031*	-0.001	0.031*	0.047**	0.016*	-0.007*	-0.002*	0.003	-0.011	*	*	*	-0.006	0.016	0.004
Labour x oth cost	β_{53}	(0.015)	(0.005)	(0.020)	(0.021)	(0.012)	(0.004)	0.000	(0.006)	(0.014)	*	*	*	(0.009)	(0.035)	(0.008)
	β_{54}	-0.003	0.007	-0.044*	0.021	0.024	0.003	0.002**	-0.004	-0.013	*	*	*	0.026	-0.062*	-0.081**
		(0.022)	(0.011)	(0.032)	(0.019)	(0.020)	(0.008)	(0.001)	(0.008)	(0.018)	*	*	*	(0.020)	(0.048)	(0.022)

(**), (***) (*) indicates respectively that the value of the statistic is significant at 1, 5 and 10 percent

The result of parameter estimates for land area variable shows a positive and statistically significant coefficient in 11 provinces, which means that an increase in land area will have a positive impact on rice farming. Since the coefficient is obtained from the log-log model, then the coefficient can be interpreted as land area elasticity of rice farming. This elasticity varies in each province, and is in the range 0.3 to 4.4. It means that in some provinces the relationship between the land area and rice farming is inelastic, but in some other provinces, is quite elastic. The coefficients of square of land size are negatively significant in the case of SUMSEL, LAMPUNG, JABAR, and BANTEN, which imply that the rice farming function in those province exhibits

diminishing return. This means that adding more land area will reduce the marginal productivity of land at some point.

An interesting result is shown by the coefficients of fertilizer in 11 provinces. Although the coefficients are statistically significant, the signs are not consistent from one province to other. For example, in the case of SUMSEL, LAMPUNG, JABAR, and JATENG, the coefficients are negative, which mean that an increase in the use of fertilizer in the production process will have a negative impact on rice farming. One possible explanation for this result is that the fatigue condition of land. It is because all the provinces above have intensively used fertilizer in rice farming more than other province. Hence the impact of additional use of fertilizer might harm the productivity capacity of rice farming. This notion is also supported by the coefficients of square of fertilizer that are negatively significant in 5 provinces, implying diminishing return.

In the case of pesticide use in rice farming process, the coefficients are not significant in most of all provinces, except for SUMUT, LAMPUNG, JABAR, BALI, and KALBAR. The coefficients' sign also show mixed result but in all, the pesticide elasticity of rice farming is very low.

Another interesting result is shown by coefficient of labour, where there are only 7 provinces in which labour has an impact to rice farming. Even, in the case of 2 provinces, SUMSEL and JATIM, the labour coefficient is negative, implying that an increase in labour hour in production process will have a negative impact on output. Moreover, in the case of JATIM, it can be seen that the use of labour in the paddy production exhibits the minimum function since the parameter of squared land is positive. It may be concluded that at some stage after passing the minimum amount of labour required, an increase of this input will increase the output.

Additionally, the cross effect coefficient indicates the relationship between two inputs. The result shows that generally land and seed, land and fertilizer, seed and fertilizer, seed and labour, fertilizer and pesticide, fertilizer and labour are complementary inputs. Whereas, on average land and pesticide, land and labour, land and other cost, seed and pesticide, seed and other cost, pesticide and other cost and labour and other cost are substitution inputs.

4.2 Inefficiency Effect Estimates

Moving forward into the analysis of inefficiency model, it is required to identify whether the inefficiency model can accurately represent the rice production function characteristics. In order to meet that condition, it is necessary to conduct Likelihood Ratio (LR) test. In LR test, the efficiency model becomes the unrestricted model, whereas the standard model (without inefficiency effect) becomes the restricted one. The result of the LR test is represented in Table 5. The LR test shows that inefficiency effect exists in the rice stochastic frontier production model in all provinces. The inefficiency effect is also supported by the value of gamma parameter which is quite big and statistically significant.

Table 5. LR test efficiency model versus standard model

Province	LR stat	Critical Value*		Decision	Remark
		df	$\alpha = 0.01$		
ACEH	125.729	13	27.026	Reject H_0	inefficiency effect
SUMUT	164.938	13	27.026	Reject H_0	inefficiency effect
SUMBAR	47.208	13	27.026	Reject H_0	inefficiency effect
SUMSEL	151.908	13	27.026	Reject H_0	inefficiency effect
LAMPUNG	185.152	13	27.026	Reject H_0	inefficiency effect
JABAR	495.310	13	27.026	Reject H_0	inefficiency effect
JATENG	1042.368	13	27.026	Reject H_0	inefficiency effect
JATIM	376.815	13	27.026	Reject H_0	inefficiency effect
BANTEN	133.867	13	27.026	Reject H_0	inefficiency effect
BALI	66.378	13	27.026	Reject H_0	inefficiency effect
NTB	66.717	13	27.026	Reject H_0	inefficiency effect
KALBAR	306.246	13	27.026	Reject H_0	inefficiency effect
KALSEL	85.566	13	27.026	Reject H_0	inefficiency effect
SULTENG	45.231	13	27.026	Reject H_0	inefficiency effect
SULSEL	179.553	13	27.026	Reject H_0	inefficiency effect

The maximum likelihood estimates of inefficiency effects model is presented in Table 6. From the table it can be seen that the coefficients of income in all provinces, are found to have the expected signs. The income variable has a significant positive association, indicating that as the income of farmer increased, the farmer has the ability to use better inputs in the production process, which in turn increase the production efficiency.

In the context of education variables, the estimation results show that in almost all provinces, the coefficient of education has no significant effect on the level of efficiency of rice farming. There are only 4 provinces that show a negative effect of education on rice farming efficiency. These results may be attributed to the age background of the majority of farmers that are above 45 years, so that the effect of education is not significant on the production efficiency changes.

The analysis of the education variable above is confirmed by the estimates of age coefficient, which show that the age variable has a significant negative association, indicating that younger farmers tend to be more efficient. Moreover, having another job for farmer has influence to the production efficiency only in a few provinces. In some provinces such as SUMSEL and JATENG, having another job improves the efficiency through improvement of income and skill of farmer, while in other provinces, the job in fact has a negative impact on efficiency.

Table 6. Maximum-likelihood estimates for parameters of the inefficiency effects model

Variable	Parameter	ACEH	SUMUT	SUMBAR	SUMSEL	LAMPUANG	JABAR	JATENG	JATIM	BANTEN	BALI	NTB	KALBAR	KALS EL	SULTE NG	SULSEL	
Income	δ_1	-0.220 ***	-0.394 ***	-0.200*	-0.187 **	-0.198** *	-0.250 ***	-0.439 ***	-0.452 ***	-0.270* **	-0.372 ***	-0.19* **	-0.709* ***	-0.091 ***	-0.127* **	-0.321 ***	
		(0.063)	(0.117)	(0.038)	(0.033)	(0.036)	(0.038)	(0.023)	(0.101)	(0.093)	(0.137)	(0.042)	(0.023)	(0.018)	(0.037)	(0.063)	
Education	δ_2	-0.041 (0.127)	-0.004 (0.095)	0.166* *	0.223* (0.092)	0.097 (0.146)	0.078 (0.125)	0.087 (0.110)	0.215* *	0.063 (0.074)	0.170 (0.119)	-0.180 (0.298)	-0.063 (0.164)	(0.216)	(0.037)	(0.072)	(0.133) (0.085)
Age	δ_3	0.004 (0.005)	0.019* **	0.010* **	0.006* **	0.010*** **	0.015* **	0.006* **	0.016* **	0.007* *	0.004 *	0.011* **	0.000 ()	0.004* *	0.006** *	0.009* **	
Oth job	δ_4	0.013 (0.103)	0.226* **	-0.024 (0.087)	-0.083 (0.066)	0.026 (0.111)	-0.017 (0.078)	-0.080 (0.043)	0.230* **	0.072 (0.037)	-0.111 (0.079)	0.072 (0.096)	0.043* (0.124)	0.033 (0.115)	0.135* (0.032)	0.008 (0.045)	0.135* (0.093)
Irrigation	δ_5	-0.475 ***	-0.441 ***	0.369* **	-0.776 ***	0.051 **	0.090* *	-0.127 ***	-0.068 *	-0.176* ()	2.344*	0.009 ()	0.028 (0.132)	0.078* (0.028)	0.272** (0.057)	-0.038 (0.137)	
Financial	δ_6	1.062* (0.652)	0.218* *	-0.001 (0.104)	-0.033 (0.102)	0.124* (0.058)	0.143* *	1.607* **	0.811* **	1.455* **	0.236 (0.060)	0.567* **	0.661* **	0.133* (0.224)	-0.124* (0.088)	-0.047 (0.079)	
Govt assist	δ_7	0.229* *	-0.289 **	0.250* **	-0.109 **	-0.166 ***	-0.016 ***	-0.097 *	-0.161* *	0.121 ()	0.018 (0.114)	0.046* (0.131)	0.090* (0.121)	0.052 (0.030)	-0.203 (0.062)		
Drought	δ_8	0.056 (0.150)	0.335* **	-0.173* *	-0.127 *	0.330*** ()	-0.030 (0.069)	-0.045 (0.104)	0.175* *	0.022 ()	0.859* *	0.302* **	-0.098* **	0.606** *	0.193* *		
Flood	δ_9	-0.206 (0.281)	0.423* **	0.208* (0.148)	0.132* (0.143)	0.465*** (0.093)	0.000 (0.144)	0.371* *(0.098)	0.271* *(0.062)	-0.339 ()	0.000 (0.126)	0.445* **	-0.033 ()	-0.499 ***	-0.580* **		
Cult area	δ_{10}	0.199 (0.242)	0.498* **	-0.417* **	1.074* **	0.203** ()	0.596* **	0.762* **	1.357* **	-0.156 ()	0.634* **	0.325* **	0.026* *	0.176* **	0.054 ()	0.194* ()	
Labor ratio	δ_{11}	0.906* **	1.425* **	0.917* **	0.669* **	1.086*** ()	0.832* **	-0.001 ()	1.046* **	-0.088 ()	-0.303 ()	0.612* **	0.342* **	0.715* **	0.642** *	1.824* **	
Sigma-squared	σ^2	0.058* **	0.268* **	0.069* **	0.082* **	0.167*** ()	0.208* **	0.346* **	0.299* **	0.267* **	0.079* **	0.084* **	0.018* **	0.046* **	0.053** *	0.169* **	
gamma	γ	0.818* **	0.938* **	0.475* **	0.699* **	0.912*** ()	0.951* **	0.999* **	0.930* **	0.991* **	0.886* **	0.184 ()	0.080 ()	0.445 ()	0.473** *	0.882* **	
Log-likelihood		75.02	67.66	25.92	69.53	-54.18	170.72	665.55	38.92	36.16	36.21	-24.35	96.59	57.62	35.95	88.39	

Note, (***) (**) (*) indicates respectively that the value of t statistic is significant at 1, 5 and 10 percent, figure in parentheses is standar error

In terms of source of financing, the financial coefficients show significant and positive signs, which mean that as the source of financing comes from farmer, the production will be less efficient compared to the case of external source of financing. A limited amount of fund of farmer will constrain farmer in applying better inputs such

seeds, fertilizer, tractor machine, and other materials in the rice farming, therefore the source of financing in rice farming influences efficiency. Furthermore, the government assistance has a different effect on technical efficiency. In SUMUT, JABAR, BANTEN and SULSEL government has a positive influence to increase the efficiency. On the other hand, in the others, the government assistance may not have impact to improve the efficiency.

Another appealing result is that the cultivated area and labour ratio have a similar effect on technical efficiency. On average, a wider land area a lower technical efficiency will be. It could occur because an increase of land used may not be followed by an increase of other important inputs hence the economic scale cannot be exhibited. This circumstance supports the diminishing return condition resulted from production function estimation. Similarly, when the ratio of labour engaged is higher, the technical efficiency tends to be lower.

Climatic factors or the season is also a factor that is important in the process of rice farming in Indonesia. This factor indicated by the dummy variable of dry season and the rainy season. Based on the estimates, when there is a dry season, some provinces experience a lower efficiency in rice farming. Meanwhile, during the rainy season, the impact varies among provinces. But in general, in the case of flood, the level of production efficiency is also decreased significantly.

4.3 Technical Efficiency Indexes

The average farm-level technical efficiencies of the 15 provinces are predicted based on the maximum-likelihood estimates. The estimates are presented in Table 7. The results show a wide variation in the level of technical efficiencies across provinces. For example, the minimum and maximum technical efficiencies in the 15 provinces are 11 per cent and 100 per cent, respectively. With respect to mean value, out of the sample of 15 provinces, 47 per cent have technical efficiency of 80 per cent or below, while the remaining 53 per cent have technical efficiency of higher than 81 per cent. Overall, the mean technical efficiency is about 77 per cent, indicating that the average farm produced only 77 per cent of the maximum attainable output for given input levels in 2008. This shows that there is considerable possibility for enhancing the technical efficiency, and thus productivity as well as the overall rice output. The higher degree of variability of technical efficiency estimates between provinces can be attributed to the instability of farming conditions.

Table 7. Descriptive statistics of predicted technical efficiency indexes

Province	Mean	Minimum	Maximum	Standard deviation
ACEH	0.816	0.290	0.981	0.164
SUMUT	0.809	0.319	0.967	0.138
SUMBAR	0.863	0.468	0.980	0.112
SUMSEL	0.819	0.397	0.980	0.141
LAMPUNG	0.694	0.285	0.959	0.184
JABAR	0.783	0.311	0.975	0.151
JATENG	0.810	0.331	1.000	0.157
JATIM	0.805	0.304	0.967	0.141
BANTEN	0.750	0.279	0.984	0.174
BALI	0.799	0.341	0.972	0.145
NTB	0.850	0.333	0.986	0.145
KALBAR	0.317	0.106	0.986	0.154
KALSEL	0.776	0.432	0.980	0.138
SULTENG	0.879	0.516	0.982	0.111
SULSEL	0.820	0.311	0.970	0.125
Average	0.77	0.33	67.58	0.15

5. Conclusion

This study uses stochastic production frontier to estimate farm level technical efficiency using input and output data from 15 provinces in Indonesia in 2008. The results indicate sizeable degree variation of inefficiency in all provinces, which imply considerable possibility for enhancing the technical efficiency, and thus productivity as well as the overall rice output. In general, land input has a significant contribution in most of the provinces. However in some provinces there is a tendency of diminishing return, especially in Java and Sumatera islands.

The study also analyses the inefficiency effects to evaluate the factors influencing the inefficiency. Results indicate that improving farmer's income will increase the technical efficiency of rice farming by allowing farmer to improve the quality of their production factors. Further results also show that giving incentive to people in productive age to work in the rice farming will enhance the technical efficiency as well as productivity of rice

production. The improvement of government assistance, especially with respect to financial aspect will also enhance the technical efficiency, since the assistantships will reduce the farmer's constraint in applying better inputs such seeds, fertilizer, tractor machine, and other materials in the rice farming.

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Examining the Role of Job Resources on Work Engagement in the Academic Setting

Adel A. Y. Alzyoud¹, Siti Z. Othman¹ & Mohd F. Mohd Isa¹

¹College of Business, Universiti Utara Malaysia, Malaysia

Correspondence: Adel A. Y. Alzyoud, College of Business, Universiti Utara Malaysia, Malaysia. E-mail: adel_zyoud@yahoo.com

Received: September 25, 2014 Accepted: October 20, 2014 Online Published: December 30, 2014

doi:10.5539/ass.v11n3p103

URL: <http://dx.doi.org/10.5539/ass.v11n3p103>

Abstract

The aim of this study is to examine the relationship between job resources, namely autonomy, social support and performance feedback and work engagement. Data were gathered through questionnaire from a sample of academicians ($n = 532$) who worked in four public universities (Mu'tah University, The University of Jordan, The Hashemite University and Yarmouk University) located in the southern, middle and northern region of Jordan. Results indicate that autonomy, social support and performance feedback were a significant factor in influencing academicians work engagement. These findings generally supported past findings, which suggested that employees are more likely to engage with their work if they are given the autonomy, social support and performance feedback. The findings were discussed and implications were also put forward.

Keywords: work engagement, job resources, autonomy, social support, performance feedback

1. Introduction

Organizations are becoming more convinced that staff engagement is the secret to maintaining business success and profitability. One of the reasons why organizations start to place greater emphasis on employees' work engagement is because it has positive and beneficial consequences at the individual and organizational levels, and these include organizational commitment, physical health and business-unit performance. In fact, past studies have shown how engaged employees tend to be more satisfied with their jobs, feel more committed to the organization, and do not intend to leave the organization (Demerouti, Bakker, De Jonge, Janssen, & Schaufeli, 2001; Schaufeli & Bakker, 2004; Schaufeli & Salanova, 2007). In other words, high levels of work engagement can lead to greater commitment and satisfaction, lower absenteeism and quit rates, improved health and well-being, and better in-role and extra-role performance.

However, to achieve a high level of engaged employees and to ensure engaged employees stay engaged is not an easy task. In most situations, management influences the job demands and resources of their employees as they are the one who have the legitimate power to influence work conditions. In the academic context for example, teaching has been considered to be one of the most stressful occupations, and this is due to a high workload, inadequate salary, large class sizes, emotional demands, student misbehavior and the perceived low status of the profession (Burke & Greenglass, 1994; Carlson & Thompson, 1995; Hakanen, Bakker, & Schaufeli, 2006; Konermann-van Hunsel, 2012; Kyriacou & Sutcliffe, 1978). Studies have shown how high teaching commitments, and pressure in attracting external funding have become the sources of job-related stress for academics, while high role conflict such as demands of teaching, research, and administration has been related to high levels of job dissatisfaction and anxiety (Gillespie, Walsh, Winefield, Dua & Stough, 2001; Kinman, 2001; Winefield, Boyd, Saebel, & Pignata, 2008; Sonnentag & Frese, 2003; Winefield, Gillespie, Stough, Dua, Hapuarachchi, & Boyd, 2003).

In Australia, Rea (2011) found that research and teaching staffs in universities work very long hours to cover their workloads and they are the most dissatisfied. As a result, nearly half of the academic workforce in Australian universities intends to move to overseas universities or leave the higher education in the next 10 years (Burke, 2011). In other part of the globe, Alrai (2010) found that 776 university professors with PhD from Jordanian universities left their work between September 2007 and September 2008, and this number comprise of 17 percent of the total number of professors working in universities. Among the reasons these academics left the universities was lack of satisfaction. Batikhi (2012), head of Jordanian Association for Scientific Research

(JASR) has pointed out the poor organizational support in public universities in Arab countries where the academic staff have little financial support to conduct their researches as compared to universities in other countries. Thus, organization needs to work on how to design a job that can increase employee engagement.

Therefore, the purpose of this paper is to report findings of a research study that explored the possible influence of job resources such as autonomy, social support and performance feedback on work engagement among the academicians. We were particularly interested in discovering about whether academics work engagement was influenced by the job resources provided by the university.

2. Literature Review

2.1 Work Engagement

The concept of work engagement was first coined by Kahn in 1990, who defined it as "the harnessing of organizational members' selves to their work roles" (p. 694). It is the extent to which an individual is attentive and absorbed in the performance of his or her work. Kahn (1990) argued that when people are engaged, they are not only physically involved in their work, but they also are cognitively alert and emotionally connected to others at the moment of engagement. However, the level of work engagement varies across individuals as the amount of energy and dedication they contribute to their job is different.

This concept has evolved through the years and has been regarded as a worthwhile concept by many researchers in studying burnout, health, job satisfaction, job performance and turnover intention of employees. Maslach and Leiter (1997) for example, have referred work engagement as the opposite of job burnout by defining burnout as an erosion of engagement. They argued that while burnout is defined by exhaustion, cynicism, and inefficacy, engagement is the direct opposite where energy replaces emotional exhaustion, involvement replaces cynicism, and a sense of efficacy replaces lack of professional accomplishment.

May, Gilson, and Harter's (2004) definition of work engagement was quite similar as what has been previously defined by Kahn (1990). They believed that work engagement consists of three components: physical – the energy used to perform a job, emotional – putting one's heart in one's job, and cognitive – being engrossed in a job. On the other hand, Schaufeli, Martinez, Pinto, Salanova and Bakker (2002, p. 24) defined work engagement as a "positive, fulfilling, work-related state of mind that is characterized by vigor, dedication and absorption." They refer vigor as high levels of energy and mental resilience that related to work experience, and one's eagerness to invest effort in work and to persist even when faced with problems. Individual will feel motivated, eager and excited about his or her work even when they faced with setbacks, limitations or challenges. Dedication is more of being deeply involved in one's work and experiencing feelings of importance, passion, motivation and challenge. In other words, dedicated individuals would be happily involved in their work and felt that their work is important, meaningful and challenging. Finally, absorption is described as being content and having a total concentration on one's work.

In the past, various predictors of work engagement have been studied and these include organizational commitment distributive, procedural justice, rewards and recognition; person-job fit and person-organization fit; leadership style (Babcock-Roberson & Strickland, 2010; Hamid & Yahya, 2011; Kimura, 2011; Leithwood & Jantzi, 1999; Saks, 2006; Tims, Bakker, & Xanthopoulou, 2011). However, work engagement has been mostly analyzed by the job demands-resources model. The model offers two assumptions regarding the predictors and outcomes of engagement at work. First, job resources such as peers and supervisors support, autonomy as well feedback, is assumed to commence a activational manner that guide to engagement at workplace, thus, lead to advanced performing. The following notion is that in a high demands situation (e.g. workload, emotional demands, and mental demands) job resources will become more prominent and gain their motivational potential (Bakker & Demerouti, 2007; Demerouti, Bakker, Nachreiner, & Schaufeli, 2001).

This model has also been used to predict the influence of job characteristic, in terms of job demands and job resources on individual's well-being (Bakker, Demerouti, Taris, Schaufeli, & Schreurs, 2003). First is the process of exhaustion where job demands gradually reduce the mental and physical energy reserves that will finally lead to tiredness, burnout and other related health problems like a healthy grievance and functional disorder (authorized leave). Second is the activational manner where resources rise the preparedness to expend strength or to work hard. This at the end of the day will lead to engagement, to be committed and more activational consequences, as organizational citizenship behavior (OCB). Equally, collapse and enthusiasm manner have earned experimental support from numerous researches (e.g., Bakker, Demerouti, Taris, Schaufeli, & Schreurs, 2003; Bakker, Demerouti, & Verbeke, 2004).

2.2 Job Resources

Job resources are known to influence employee well-being intrinsically or extrinsically. As intrinsic motivators, job resources will satisfy the needs for autonomy, competence and individuals' growth and development (Bakker & Demerouti, 2007; Ryan & Deci, 2000). For example, supervisory coaching can improve job competence, while involvement in decision-making and colleague or supervisory support might fulfill the necessity for autonomy. Job resources might as well act as *outer* motivators. According to Schaufeli and Bakker (2004), and Bakker and Demerouti (2007) in a resourceful environments which includes supportive peers and performance feedback, the likelihood of being successful in completing one's task and achieving one's work goal may increase. It is expected that an appropriate supply of job resources might supplement employees' work engagement while their deficiency can hinder goal accomplishment, and this may lead employees to develop a negative and cynical attitude towards their work.

In line with the views about job resources being a enthusiasm role, many past researches have exposed a positive association amongst job resources components such as social support, performance feedback and autonomy and work engagement in various settings and countries (Bakker & Demerouti, 2007, 2008; Buys & Rothmann, 2010; Lee Ashforth, 1996; Lin, Oi-ling, Kan, & Xin-wen, 2009; Korunka, Kubicek, Schaufeli, & Hoonakker, 2009; Nahrgang, Morgeson, & Hofmann, 2011; Rothmann & Joubert, 2007; Saks, 2006; Schaufeli & Bakker, 2004; Taipale, Selander, Antilla, & Natti, 2011). For example, a 3-year panel study on 2,555 Finnish dentists have shown how job resources such as opportunity to be creative (craftsmanship) and receiving positive feedback were positively related to work engagement (Hakanen, Perhoniemi, & Toppinen-Tanner, 2008). Similar findings were also found in a study conducted by Schaufeli, Bakker and Van Rhenen (2009) where rises in autonomy, support and feedback have positively predicted future work engagement and reduced sickness absenteeism.

In another longitudinal study of 163 employees in electrical engineering and electronic company in Netherland, Xanthopoulou, Bakker, Demerouti and Schaufeli (2009) found that work engagement are best explained when all the dimensions of job resources such as autonomy, social support, and performance feedback are simultaneously taken into account. The findings support previous study conducted by Lloren, Bakker, Schaufeli and Salanova (2006) on employees in Spain and Holland, where employee's motivation, determination and interest to work were depend on whether the organizations provide the needed resources or not.

In a survey of over two thousand school teachers in Finland, Hakanen, Bakker and Schaufeli (2006) found positive relationship between job resource in the form of job control, information and supervisory support and work engagement. A year later, Bakker, Hakanen, Demerouti, and Xanthopoulou (2007) found similar findings when tested on instructors hiring in multi level schools. In 2010, Bakker and Bal conducted a study on six different teacher training colleges and found that job resources have motivational potential that enhance teachers' week-levels of work engagement.

Study also has shown how job resources becoming further prominent as well as gaining their enthusiasm effort while workers are defied with great demands. In a study involving Finnish dentists with high job demand such as workload, Hakanen, Bakker, and Demerouti (2005) established that job resources alike changeability in the necessary qualified abilities and interactions were utmost suitable in sustaining engagement at work.

Based on the discussions presented above, the following hypotheses are proposed:

H1: Autonomy is positively related to work engagement

H2: Social support is positively related to work engagement

H3: Performance feedback is positively related to work engagement

3. Research Framework

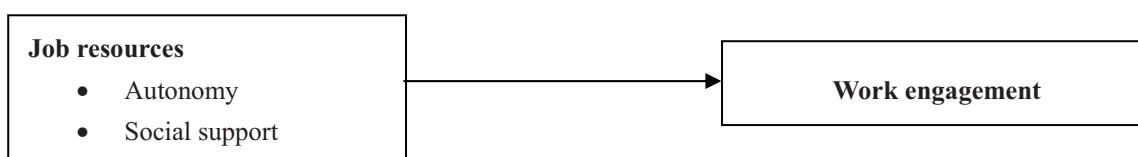


Figure 1. Research framework

Figure 1 shows the research framework tested in this study. The research framework is developed based on social exchange theory (Blau, 1964), Job Demands-Resources (JD-R) Model (Demerouti & Bakker, 2011), as

well as the discussion of literature on work engagement (Bakker & Demerouti, 2007; Bakker, Demerouti, Taris, Schaufeli, & Schreurs, 2003; Demerouti, Bakker, Nachreiner, & Schaufeli, 2001). The research framework shows the relationship between job resources (autonomy, social support, feedback performance) and work engagement. Job resources was the independent variable while work engagement was the dependent variable.

4. Methodology

4.1 Research Design

Quantitative research design is used in this study as it allows the testing of relationship between variables using statistical methods. This corresponds with the primary objective of this study, which is to examine the relationship between job resources and work engagement. Apart from that, this study is conducted in the natural environment of the organization where the researcher interference is minimal. The unit of analysis is at the individual level (academic staffs) as respondents' perceptions about the job resources become the basis for understanding their influence on work engagement. The primary data for this study was collected at one point of time (cross-sectional study) through distribution of questionnaire.

4.2 Participants

430 male and 102 female respondents have took part in this study. The average age for the respondents 51 years old. Out of 532 respondents, 86.2% of them were married. All of the respondents had higher academic qualifications of doctoral degree. 53.9% of the respondents had earning between USD2001 and USD3000 per month. Most of the respondents had been in their position for 1-3 years (42.9%) and had served their organizations for 1-3 years (55.3%). Associate professors made up 35.1% of the total respondents. The rest consisted of professors, assistant professors, instructors and lecturers.

4.3 Measurements

Measures for work engagement were adapted from Schaufeli and Baker (2003). The 17-items work engagement scale measured academician's perception on his/her work-related state of mind. The measurement for job resources consist of three dimensions namely, autonomy, social support and feedback performance. Items for autonomy and social support were adapted from Karasek (1985) while items for feedback performance were adapted from Sims, Szilagyi, and Keller (1976). The 3-items autonomy scale assessed the extent of freedom, independence, and discretion of an academician to plan his/her work pace and method; the 8-items social support scale assessed academicians' interpersonal coping resource where one person helps another and enhances that person's well-being; and the 4-items performance feedback scale assessed the extent to which an academician knows his/her own job performance from the job itself, colleagues, or supervisors. In this study, each of the adapted questions asked how strongly the respondents agreed or disagreed with the work engagement and job resources statements on a five-point scale whereby, 1= strongly disagree, and 5=strongly agree.

5. Results

Table 1 presents the internal consistency reliabilities (Cronbach's Alpha), means, standard deviations, and Pearson correlations of variables for the 532 participants. As shown in Table 1, the Cronbach's Alpha for the work engagement measure was .74. The three sub-scales of the 15 item job resources (autonomy, social support and performance feedback) also have satisfactory reliability values ranging from .77 to .82. Job resources were significantly positively related with work engagement ($r = 0.49$, $p<0.01$). This result implies that participants who received higher job resources had higher work engagement. Table 1 also revealed significant clear positive correlation amongst all the resources components and engagement, with correlation coefficients between .24 and .51. These results indicates that the more the participants received job autonomy, social support and performance feedback, the more engaged they are with their work.

Table 1. Reliability statistics, descriptive statistics and correlations

Variables	α	M	SD	1	2	3	4	5
Job resources (15 items scale)	.75	3.61	.48	-				
Autonomy	.82	3.77	.82	.34**	-			
Social support	.82	3.59	.70	.82**	-.05	-		
Performance feedback	.77	3.54	.76	.57**	.10*	.14**	-	
Work engagement	.74	3.71	.43	.49**	.51**	.27**	.24**	-

Note: n=532; ** $p<0.01$; α = reliability; M = mean; SD = standard deviation

To test hypothesis 1, 2 and 3, regression analysis was conducted. Results in Table 2 showed that 37% ($R^2 = 0.37$, $F = 103.18$, $p < 0.01$) of the variance in work engagement was significantly explained by autonomy, social support and performance feedback. In the model, autonomy ($\beta = 0.51$, $p < 0.01$), social support ($\beta = 0.28$, $p < 0.01$) and performance feedback ($\beta = 0.16$, $p < 0.01$) were found positively associated with work engagement. Therefore, hypothesis 1, 2 and 3 were supported.

Table 2. Regression results of proactive personality on work engagement

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	β	Std. Error	β		
(Constant)	1.79	.12	-	15.12	.000**
Autonomy	.27	.02	.51	14.53	.000**
Social Support	.17	.02	.28	7.95	.000**
Performance feedback	.09	.02	.16	4.47	.000**

** $p < 0.01$; $R^2 = 0.37$; $F = 103.18$

6. Discussions, Limitation and Direction for Future Research

In this study, work engagement was assessed by job resources like autonomy, social support and performance feedback. The results show that there was an association between all the job resources components and work engagement. This finding is consistent with the theoretical prediction of the JD-R model, which claims that job resources lead to high work engagement (Bakker & Demerouti, 2007; Schaufeli & Bakker 2004). It is also consistent with previous studies on job resources and work engagement (Bakker & Demerouti, 2007, 2008; Bakker, Demerouti & Verbeke, 2004; Demerouti, Bakker, De Jonge, Janssen, & Schaufeli, 2001; Mauno, Kinnunen, & Ruokolainen, 2007; Schaufeli & Bakker, 2004; Schaufeli, Bakker, & Salanova, 2006).

The present study expanded this prospective evidence to Jordanian academics' staff and suggests that resources of job (autonomy, thesocial support besides feedback) are predictors of work engagement. When academics experience greater autonomy, social support and performance feedback at work, they may be more likely to find a way to make their work more pleasant, participate in their workplace decision in order to increase their involvement in their work and workplace, and thus increase their commitment to their work. Therefore, through strong autonomy, social support and performance feedback relationships, employees appear better equipped to cope with challenges at work place and show to understand their work more meaningful. Further to the point made above, the significant relationship job resources on work engagement among academicians can influences their level of contributions to enhance the performance of their universities.

There are limitations in the design of this study that might influence the interpretations and generalizations of these findings. This study only concentrated on academics in four public universities in Jordan. Different results might be obtained if the study is conducted in private universities and universities at different geographical areas. Based on the regression model, job resources only explains 37% of the variance in work engagement. This indicates that there are other potential factors that might influence academics' work engagement such as leadership style, individual characteristics and job characteristics. Hence, it is suggested that future research should replicate the framework of this study by incorporating the mentioned factors to elicit a comprehensive understanding on how personal, organizational, and environmental factors affect academics' work engagement.

7. Conclusion

The current research findings revealed that all three components of resources (autonomy, social support and performance feedback) tested in this study were found to be a strong predictor of work engagement among the academics in higher education institutions. It gives the impression that academicians are willing to put extra effort in their works when these resources are perceived to be present. In this paper, the researcher expected to show engagement is predicted by job resources and leads to a higher engaged workforce. It is hoped that through the examination of how job resources relate to work engagement, a more complete understanding of the kind of effort needed to increase academics engagement towards their work will be achieved.

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Managing for Stakeholders: The Role of Stakeholder-Based Management in Project Success

Mahmoud Rajablu¹, Govindan Marthandan¹ & Wan Fadzilah Wan Yusoff¹

¹Faculty of graduate school of management, multimedia university, 63100, Cyberjaya, Malaysia

Correspondence: Mahmoud Rajablu, Faculty of graduate school of management, multimedia university, 63100, Cyberjaya, Malaysia. Tel: 60-12-331-2869. E-mail: mrajablu@msn.com

Received: September 13, 2014 Accepted: October 20, 2014 Online Published: December 30, 2014

doi:10.5539/ass.v11n3p111

URL: <http://dx.doi.org/10.5539/ass.v11n3p111>

Abstract

Today, project management practices play a key role in different industries and sectors. Project management is promoted as an organizational strategic component that leads innovation, creates value and turns vision into reality. Despite the importance of projects and project management their high rate of failures and challenges is a major concern of both industry and academia. Among the reasons that affect project outcomes, stakeholder influential attributes and more importantly, their understanding and effective utilization and management are identified as the key to project success. This study utilizes the body of knowledge developed in the field of project management and uses stakeholder theory combined with a number of complementary theories to achieve its goals and objectives. The study moves beyond the traditional power-based frameworks employing six key influential attributes to examine their direct and mediating effects on project success. The quantitative survey data are analyzed using SEM statistical techniques and procedures to produce research results. The research results have led to the development of a new typology of stakeholder influential attributes (TSIA) and a stakeholder-based project management model (SBPMM) that aid managing for stakeholders' strategy and principle.

Keywords: managing for stakeholders, project success, stakeholder management, project management, strategic management

1. Introduction

Projects are organizational strategic instrument that lead innovation and create value. However their failures and challenges cost global businesses, governments and organizations fortune each year. The recent studies conducted by the academia and industry including studies by McKinsey in collaboration with the University of Oxford (McKinsey Quarterly, 2012), and KPMG New Zealand multi-industrial survey (KPMG, 2010), as well as the 2000–2011 CHAOS report (Standish Group, 2000-2011) confirm high rates of project challenges and failures. The international development projects are also subject of failures and great disappointments (Lavagnon Ika, 2013). Scholars have cited “the ignorance or poor stakeholder management” as one of the key reasons responsible for project failure (Aaltonen, 2011; Chang, Chih, Chew, & Pisarski, 2013; Hietbrink, Hartmann, & Dewulf, 2012; Yang, Shen, Ho, Drew, & Xue, 2011; Zolin, Cheung, & Turner, 2012). Findings indicate that issues within the stakeholder environment are mainly related to the stakeholder influential attributes and behaviours and their understanding and management (Beringer, Jonas, & Kock, 2013; Fageha & Aibinu, 2013; Mitchell, Agle, & Wood, 1997; Rowley & Moldoveanu, 2003), which require exhaustive analysis, broader knowledge, and inclusive management methodology, techniques and tools in order to effectively be assessed, utilized and managed to ensure projects well-being and success.

2. Literature Review and Hypothesis Development

The stakeholder theory (Freeman, 1984) is the main theory of this research. The study utilizes body of knowledge developed in the field of project management and uses numbers of complementary theories such as the theory of stakeholder influences (Rowley, 1997), the theory of network governance (Jones, Hesterly, & Borgatti, 1997) stakeholder-agency theory (Hill & Jones, 1992), and stakeholder salience theory (Mitchell et al., 1997) for the purpose of this study.

Our aim is to investigate the direct effect of stakeholder influential variables on project success and the mediating role of stakeholder management processes between the influential variables and project success. In line with our objectives, we have moved beyond the traditional power-based approach covering broader concepts. This approach is expected to better address the issues related to the stakeholder management and project success through the: 1. employment of all key influential attributes that can cause project, its organization and success, and 2. employment of the key comprehensive stakeholder management processes that can play the role of mediator.

The conceptual framework of this study is drawn directly from the literature comprising two types of exogenous and endogenous variables as follows: 1. Project stakeholder influential variables, consisting six latent variables of power, interest, urgency, legitimacy, proximity, and relationship network (independent variables); and 2. Manage-through-Stakeholder, consisting five observed variables of stakeholder identification & classification, communication, engagement, empowerment, and risk control (mediator); and 3. Project success (dependent variable). The conceptual framework of this study consists of 12 variables. It is assumed that IV leads to mediator, and in turn mediator causes the DV (Baron & Kenny, 1986) by modifying their original relationships (Jaccard & Jacoby, 2010). The 12 variables are measured by 68 ordinal items. The next section covers the key concepts and variables used in this study.

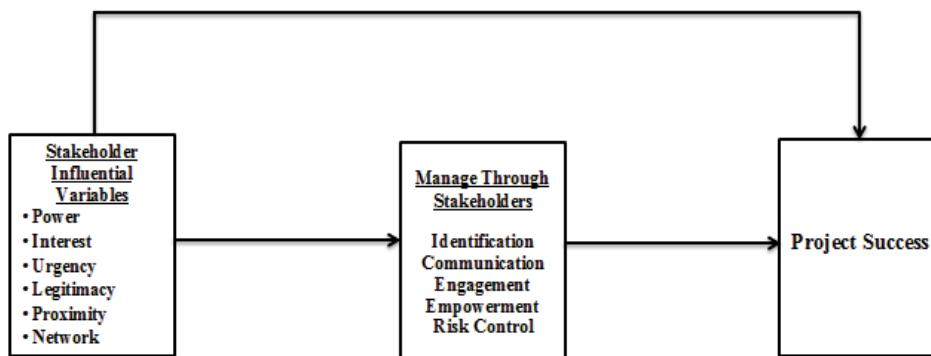


Figure 1. Conceptual framework

2.1 Project Success

The purpose of a project is to deliver benefit to its stakeholders. Stakeholder benefits are the driver for the project and achievement of stakeholders' objectives is the driver for project success. Cooke-Davies (2002) defines three levels of success including project management success, project success and constant project success. From the base-organization viewpoint, Andersen (2008) described success as project product success (benefits), project management success (deliverables), and project success as the sum of both. From the stakeholder perspective, Beringer et al. (2013) claimed that stakeholder behaviour and management of such behaviour is the key to project portfolio success. The study by Keogh, Fourie, Watson, and Gay (2010) on the department of health and science (MIT) proves the importance of stakeholder involvement in the development of a new curriculum for its success. Toor and Ogunlana (2010) research findings on large public sector development projects moved the topic beyond the traditional iron triangle and concluded that stakeholders' perception and satisfaction is the key to project success. From the base organization's (project owner) viewpoint, Eskerod and Jepsen (2013) reconfirmed the importance of stakeholders by stating that a project can only be successful if stakeholders are first motivated and in return have contributed to the project.

2.2 Stakeholder Theory

The idea of maximizing for stakeholders evolved through Freeman's "Strategic Management: A Stakeholder Approach" which became the theoretical ground for further developments. Stakeholder theory is a theory of organizational management and ethics (Phillips, Freeman, & Wicks, 2003). It opposes the free market norm of shareholder capitalization and promotes stakeholder maximization. For many decades economists have been defining the purpose of a business as an instrument to capitalize on shareholders, this was also referred to the legal purpose of a business. Stakeholder scholar Stout (2012) stated that this is a misinterpretation as law has not defined the purpose of a business to capitalize on shareholders; law simply says to do the lawful. This may also reflect the purpose of a project as an instrument established to deliver benefits to its stakeholders that include the project owner.

Stakeholder theories grow into different branches, models and criteria, for example the three taxonomies of normative, instrumental, and descriptive (Donaldson & Preston, 1995), the primary and secondary domains (Clarkson, 1995), the typology of organizational stakeholders (Savage, Nix, Whitehead, & Blair, 1991), the resource-based influential strategies (Frooman, 1999), and the salience framework (Mitchell et al., 1997), and managing for stakeholders (Freeman, Harrison, & Wicks, 2007).

Stakeholder has been defined and conceptualized in a wide range from broad to narrow. One of the earliest broad and classic definitions was introduced by Freeman (1984) who defined stakeholder as “any group or individual who can affect or be affected by the achievement of the organization’s objectives”. Influenced by the Freeman’s theory, but interested more in project outcome, Cleland (1986) provided a more narrow view defining project stakeholder as individuals or institutions that are either under or beyond project manager’s authority, and directly or indirectly get affected by the project’s outcome, and have share or stake or an interest in project. PMBOK guide (PMI, 2013, p. 29) defines stakeholders as “individual, group, or organization who may affect or be affected by, or perceive itself to be affected by a decision, activity, or outcome of a project, who may be actively involved in the project or have interests that may be positively or negatively affected by the performance of completion of the project”. Littau, Jujagiri, and Adlbrecht (2010) conducted a meta-analysis study on stakeholder theory in project management discipline; authors found that the PMBOK guide definition has become the dominant stakeholder definition for the field of project management as of 2006 onwards. The definition adopted by this research expands on type III defining project stakeholder as individual(s), or group(s), or organization(s) who have property rights, or an interest (self or moral) or human rights in the project, and can affect or be affected by the project activity or its outcome. This definition departs from the networked and dynamic environment of stakeholder community giving voice to all may count.

2.3 Stakeholder Influential Attributes

Scholars’ disagreement and diverse opinions on Freeman’s principles of who and what counts, led Mitchell et al. (1997) to the development of the theory of stakeholder salience. Mitchell et al. (1997) added two more variables of legitimacy and urgency to fill the gaps related to the single variable of power. However, the salience framework was criticized for ignoring stakeholders beyond the economic value of the firm or project (Banerjee, 2008; Bourne & Walker, 2005; Yang, Shen, & Ho, 2009).

The next popular framework is the power/interest matrix which was formulized by Johnson and Scholes (1999). The model was modified and used in project environment by Olander and Landin (2005). Additionally, adopting from Mitchell et al. (1997) salience framework, Bourne and Walker (2006) introduced the typology of power, urgency and proximity. Authors replaced legitimacy with proximity to add a new dimension and eliminate legitimacy’s restriction. However these efforts were also criticized for remaining within the traditional framework of power, ignoring the dynamism of stakeholder environment and other influential attributes (Banerjee, 2008). Arguably, the traditional power-based frameworks have their strengths and weaknesses and miss out important critical factors such as the complexity of relationship network and the significance of stakeholders’ moral interest in favour of others. To fill the gap and in order to provide a fresh insight this study has moved beyond the salience-based frameworks employing all key influential attributes. The following section will provide an overview of theories, models and views that are relevant to these six key attributes.

Power: is the ability used by some to bring the outcomes they wish (Salancik & Pfeffer, 1974). Power was cited by Mitchell et al. (1997) through organizational theories of agency, resource dependence and transaction cost. Power was also categorized in organizational settings by Etzioni (1964) as coercive power (physical resources or force i.e. gun), utilitarian (financial resources), and normative (prestige). A number of researchers have argued that project’s survival and well-being is influenced by stakeholders’ power. It’s a tool that can save or kill a project. Power has been an ongoing debate; many stakeholder scholars including Freeman (1984), Donaldson and Preston (1995), and Clarkson (1995) challenged the importance of power in favour of legitimacy in stakeholder-manager relationship. This study retains power for further assessment.

H1a. Stakeholders’ power effects project success.

Interest: Johnson and Scholes (1999) modified the stakeholder environment scanning model introduced by Mendelow (1981) to measure stakeholder interest through formulated power/interest matrix (Olander & Landin, 2005). Authors’ organizational stakeholder mapping is about how interested stakeholders are in pursuing their expectations and whether they have the power to push for. In contrary to the power-dependent arguments, Rowley and Moldoveanu (2003) stated that interest-based perspective is capable of mobilizing stakeholder group and influence the focal organization independent from power or urgency. Additionally, Freeman, Harrison, Wicks, Paramar, and Colle (2011) added to the topic stressing the moral interest as an important criterion for

identifying who counts. This research will retain interest as an independent influential variable for further examination.

H1b. Stakeholders' interest effects project success.

Legitimacy: is often coupled with power as socially acted attribute; it is also referred to legitimate or illegitimate usage of power in which if it used through legitimate channels may sustain otherwise lost (Davis, 1973). According to Mitchell et al. (1997) both variables of legitimacy and power are linked while being independent. Authors argued that a stakeholder of a firm may have a legitimate claim to make but its claim will not receive salience from management unless he/she has either the power to push for or has a high degree of urgency to drive the claim forward. Bourne & Walker (2006) replaced legitimacy with proximity claiming it ignores stakeholders beyond contractual rights. Yang, Shen, Bourne, et al. (2011) also replaced legitimacy with proximity due to its complication and restriction.

In contrary to the above power-dependent approaches, scholars have described legitimacy through broader notion that explains the subject as a socially constructed concept with ownership title, moral rights, interest (self or moral), legal, contractual, and exchange relationship (Carroll & Buchholtz, 2011; Phillips, 2003; Suchman, 1995). Legitimacy was also promoted by a number of scholars as the core attribute in stakeholder-manager relationships (Clarkson, 1995; Donaldson & Preston, 1995; Freeman, 1984). This study will retain legitimacy as one of the key factors in stakeholder-manager relationships.

H1c. Stakeholders' legitimacy effects project success.

Urgency: Mitchell et al. (1997) proposed urgency to respond to the dynamism of situation. Urgency refers to how urgent stakeholders' claims are; such urgent claims are based on time sensitivity and criticality (Mitchell et al., 1997). The importance of urgency in project field was also confirmed by other researchers (Bourne & Walker, 2006; Yang, Shen, Bourne, et al., 2011). This study will retain urgency for further assessment.

H1d. Stakeholders' urgency effects project success.

Proximity: evaluates stakeholders' relationship based on their ties with the project management team and processes (Bourne & Walker, 2006). Proximity in conjunction with other attributes is expected to add a dimension enabling project managers to analyze community of stakeholders based on their closeness, role and relationships with the team and processes. This study finds proximity relevant and will retain it for further analysis.

H1e. Stakeholders' proximity effects project success.

Network: Rowley (1997) argued that stakeholder network topology of relationship to be more complex than it was described by Freeman (1984). Author argued that the relationship does not happen in dyadic form; it happens in the form of network of influences with direct links among stakeholders. The characteristics of these relational networks lead to density and or centrality of relationships which may cause coalitions or conflicts among stakeholders (Rowley, 1997). Yang, Shen, Bourne, et al. (2011) tested the stakeholder relationship management and found it significant. Authors categorized it into two processes. First promoting the relationship between project stakeholders, and second analyzing the stakeholders' impact through networks of relationships. This study finds relationship network relevant and will retain it for further analysis.

H1f. Stakeholders' relationship network effects project success.

2.4 Stakeholder Management Process

Stakeholders are the originator of the project management organization that is responsible for the delivery of stakeholders' expectation and satisfaction. The successful delivery of any project deliverables highly depend on stakeholder engagement and management (Chang et al., 2013), and the effective engagement and management of stakeholder relies on project manager's ability to identify stakeholders' expectations from the beginning to close-up (Cleland, 1999). Researchers described project stakeholder management as a process in which project team facilitates the needs of stakeholders to identify, discuss, agree, and contribute to achieve their objectives (Brammer & Millington, 2004; Pajunen, 2006; Rowlinson & Cheung, 2008). Similarly, Kerzner (2011, p.34) describes stakeholder relationship management through six continues processes, including "identifying stakeholders, analyzing, engaging, identifying information flow, enforcing stakeholder agreement, and stakeholder debriefing." Additionally, from the base-organization viewpoint, Eskerod and Jepsen (2013) suggested three processes of stakeholder identification, assessment, and prioritisation.

This study has drawn the key stakeholder management processes from the literature to construct its mediating factor. The mediating variable of Manage-through-Stakeholder (MTS) consists of five observed variables of

stakeholder identification & classification, communication, engagement, empowerment, and risk control. The aim here is to investigate the mediating role of MTS on the relationship between stakeholder influential variables and project success. Therefore, and in line with the research objectives, and the hypothesized model (Little, Cunningham, Shahar, & Widaman, 2002), we have treated MTS construct as a latent factor with five observable indicators.

Manage-through-Stakeholder consists of following hypotheses.

H2a. The relationship between stakeholders' power and project success is significantly improved when manage-through-stakeholder is mediated.

H2b. The relationship between stakeholders' interest and project success is significantly improved when manage-through-stakeholder is mediated.

H2c. The relationship between stakeholders' legitimacy and project success is significantly improved when manage-through-stakeholder is mediated.

H2d. The relationship between stakeholders' urgency and project success is significantly improved when manage-through-stakeholder is mediated.

H2e. The relationship between stakeholders' proximity and project success is significantly improved when manage-through-stakeholder is mediated.

H2f. The relationship between stakeholders' relationship network and project success is significantly improved when manage-through-stakeholder is mediated.

3. Research Methodology

The purpose of this study is to put concepts into relationships to investigate and produce model (Saunders, Thornhill, & Lewis, 2009). Under this correlational study, quantitative survey is selected as the most suitable method. This research has employed the means of web named "Internet-based survey" (Fricker, 2008) that best serves the purpose of gathering data from a large sample on a global scale (Fleming & Bowden, 2009). For the purpose of data analysis two sets of tools including Statistical Package for Social Science (SPSS v. 21), and Analysis of Moment Structures (Amos v. 21) were used.

3.1 Sampling Method

For the purpose of sample size the formula (Note 1) introduced by Krejcie and Morgan (1970) was used to determine the right sample size. Aligned with the survey strategy researchers approached a number of the world's leading project management associations and standards to promote the survey among their respective professional members. We received positive support from the following leading project management associations and their respective members:

1. The Project Management Institute (PMI) with professional community member of 408,524.
2. Association for Project Management (APM, UK) with professional community member of 27,000.
3. Australian Institute of Project Management (AIPM) with professional community member of 10,000.

The total associations' member respondents/population is 445,524 ($N = 445,524$). In order to accurately calculate the sample size researchers used a simple and comprehensive tool provided by National Statistical Service Australia (NSS, 2012). The NSS calculator provided a sample size of 384. Over the period of four months (November 2013 to February 2014), altogether 290 questionnaires were received which is a 75.5% response rate. Dropping the unworkable 32 responses left us 258 completed and valid responses. The 258 valid responses provided a concrete and workable response rate of 67.2%. The response rate of 67.2% is believed to be satisfactory to proceed with data analysis. Baruch and Holtom (2008) suggested an average response rate of 52.7% for studies at individual level. Additionally, the 258 (67.2%) valid response satisfies the rule of thumb in terms of framework variables, parameters and good fit using SEM (Hair, Anderson, Tatham, & Black, 2010; Ho, 2006).

Project and stakeholder management professionals from 47 different countries and variety of industries completed the survey. A majority of 41.1% of the respondents belonged to the age group of 36-45 followed by 46-55 (31.8%), and 26-35 (17.8%). In terms of experience, 39.5% had 6-10 years' experience managing projects and stakeholders followed by 24.4% with 11-15, and 17.4% with 16 years and above, and 14.7% with 0-5 years. With respect to the education the majority of 59.3% hold master's degrees, 26% bachelors and 13.2% hold doctoral degrees. Table 1 provides more details on respondents' profile.

3.2 Research Instrument

A new set of questionnaire was developed to conduct a fresh study. The questionnaire design was guided by the theories, conceptual framework and the research hypothesis. Tull and Hawkins (1990) objective-based and Sekaran and Bougie (2010) closed questions approach was also adopted. For the purpose of measurement, the study has used five-point liker-type scale to measure variables. The five-point liker-type scale provides less bias in mean, variance, covariance, correlation coefficient and the reliability of scores (Krieg, 1999). We then performed number of steps to ensure quality questionnaire over the period of one year. The steps included the review of literature, construct of the questionnaire, interviews with ten project and stakeholder management professionals, review of the questionnaire by the expert panel of four experts, conducting questionnaire pre-tests and finally conducting pilot test to ensure validity and reliability of the questionnaire.

Table1. Profile of Respondents

Position	Project Size (Financial Resources/USD 10 ³)	Project Size (Number of Stakeholders)	Experience (Project Management)	Membership
Project manager (62.4%)	≥ 49: (0%)	0-10 (3.1%)	0-5 (18.6%)	PMI (83.3%)
Program manager (13.6%)	50 - 99: (3.5%)	11-30 (9.7%)	6-10 (39.5%)	APM (10.9%)
Portfolio manager (6.6%)	100 - 499: (9.3%)	31-50 (17.1%)	11-15 (24.4%)	AIPM (5.8%)
Operations manager (4.7%)	500 - 999: (9.7%)	51-100 (28.3%)	16< (17.4%)	
Change manager (.8%)	1,000 - 4,999: (24.8%)	101-500 (19%)		
Line manager (1.9%)	5,000 - 14,999: (31%)	500< (22.9%)		
Senior executive (10.1%)	≤15,000: (21.7%)			

4. Data Analysis

4.1 Reliability, Validity of Measurement Scales

In order to determine how well the collected data measures the construct of the study, psychometric properties including principle component analysis (PCA), reliability and CFA test was carried out (Anderson & Gerbing, 1988). The reliability was initially assessed using Cronbach's alpha coefficient. The results show that the reliability of the constructs exceeded the 0.7 (Sekaran, 2011). Item to total correlations were also satisfactory with no threats as per Saxe and Weitz (1982) suggestion of 0.3 and above.

Principle component analysis with varimax rotation was carried out to remove statements that do not significantly contribute to the constructs. All constructs with underlying statements entered into the PCA. The Bartlett's test of sphericity (sig. < .05) and KMO score with .943 was the indicator of suitability of the sample for factor analysis. We achieved factor loading scores higher than 0.5 for all items which stated the satisfactory explanations of the items (Hair et al., 2010). This analysis reconfirmed our twelve factors with the first factor accounting for 38.16% of the total variance explained (70.51%). The Monte Carlo test confirmed the PCA result.

Continuing with the analysis, each construct was averaged in order to measure as a single factor. Mean, Standard Deviation (S.D.) and correlations were estimated for each construct. Additionally, we used CFA to assess convergent, and discriminant validity and construct reliability. All the constructs were included in a single measurement model as suggested by Anderson and Gerbing (1988). The entire factors significantly loaded with 0.5 scores and higher (Hair et al., 2010). The excel stat tools designed by Gaskin (2012) was used to calculate the Correlation Matrix, Composite Reliability (CR), Average Variance Extracted (AVE), Maximum Shared Variance (MSV), and Average Shared Variance (ASV), the result is shown in Table 3. According to Hair et al. (2010) the threshold for Construct Reliability should be higher than 0.7, and higher than 0.5 for factor loading scores. The value of average variance extracted (AVE) of greater than 0.5 also confirmed the existing convergent validity (Bagozzi, Yi, & Phillips, 1991). For the purpose of confirming discriminant validity, the MSV and ASV of each construct should not be greater than its AVE (Hair et al., 2010). The results confirmed that there is no violation in validity test (Table 3).

Next, we examined measurement model's goodness of fit. Based on our research objectives and hypothesized model (Little et al., 2002), and in order to reduce the complexity and likelihood of the unwanted interaction effects between the large number of variables (MacKinnon, 2008), we treated the Manage-through-Stakeholder variable as a latent factor with five observed indicators including identification, communication, engagement, empowerment, and risk control. The hypothesized model generated a chi-square of 1.357 with 832 degrees of freedom with fit indices of RMSEA=.037, GFI=.796, CFI=.618, AGFI=.768, NFI=.328, TLI=.585, and p<.000.

However, the re-specified model provided a better fit with chi-square of 1.365 and 457 degrees of freedom with fit indices of RMSEA=.038, GFI=.879, CFI=.974, AGFI=.852, NFI=.910, TLI .970, and p<.000 (Table 2). According to Hair et al. (2010) p-value is expected to be significant if N>250 or m≥12.

Table 2. Measurement model fit

Fit indices	Hypothesized Model	Re-specified Model
CMIN/DF	1.357	1.365
DF	832	457
p-value	<.000	<.000
GFI	.796	.879
AGFI	.768	.852
NFI	.328	.910
TLI	.585	.970
CFI	.618	.974
RMSEA	.037	.038

Note: CMIN/DF, 1<good<3; significant p-value if N>250 or m≥12, GFI, AGFI, NFI & TLI >.8 permissible; >.9 good; >.95 great (Hair et al., 2010; McDonald & Ho, 2002), CFI>.95 if 12≤M≤30 (Byrne, 2010; Kline, 2011); RAMSEA <0.05 good (Hair et al., 2010; Schumacker & Lomax, 2012)

4.2 Research Model Testing

The structural equation modeling technique was employed to test theoretical hypothesis model with the maximum likelihood approach. Here, we proposed a Stakeholder-Based Project Management Model (SPMM) with a series of constructs based on project management theories and literature. The hypothesized relationship between constructs of the study is shown in figure 2.

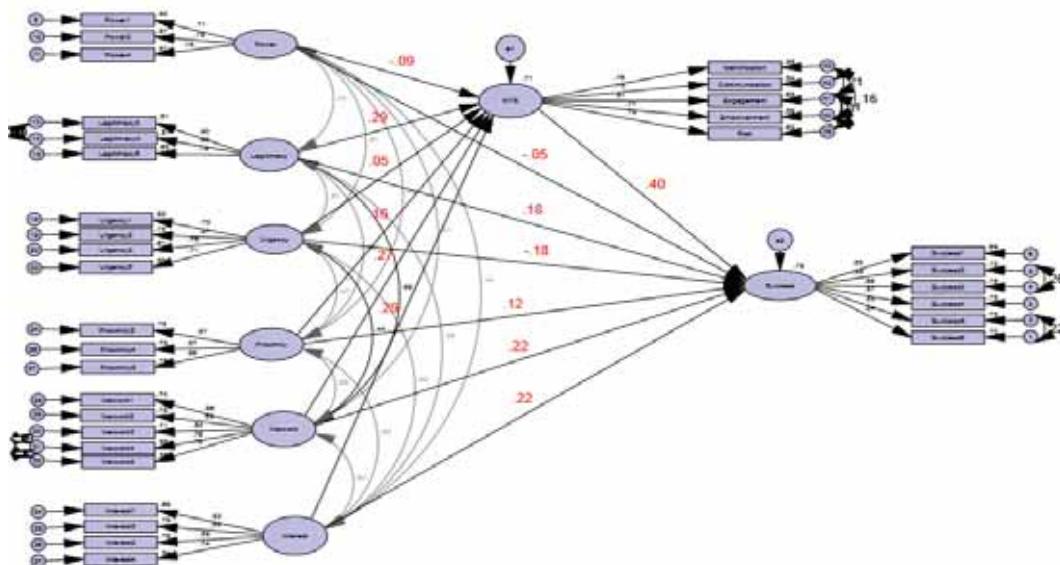


Figure 2. Path diagram of structural model

The output of structural model reveal that the stakeholder conceptualized variables including interest ($\beta = .33$, $t=5.07$, $p<.001$), network ($\beta=.32$, $t=4.52$, $p<.001$), legitimacy ($\beta=.30$, $t=4.47$, $p<.001$), and proximity ($\beta=.19$, $t=2.94$, $p<.001$) have significant positive effect on project success.

The conceptualized variable of power from the other hand doesn't have a significant effect on project success. However, the conceptualized variable of urgency has negative effect on project success with $\beta=-.16$ and $t= -2.64$ and $p<.01$. It is concluded that H1b, H1c, H1d, H1e and H1f are supported, and H1a is not supported (Table 4).

The same as the re-specified model, the structural equation model also confirmed a satisfactory goodness of fit. To examine the mediation model as suggested by James, Mulaik, and Brett (2006), we run two mediation model testing of full and partially mediation. The results of the research alluded that the partial mediation model is a better model fit compared to the full mediation model (Table 5).

Table 3. Mean, standard deviation, zero-order correlation, convergent and discriminant validity

	Mean	S.D.	CR	AVE	MSV	ASV	Proximity	Power	Legitimacy	Urgency	Network	Identification	Communication	Engagement	Empowerment	Risk	Success	Interest
Proximity	3.799	1.081	0.933	0.736	0.482	0.318	0.932											
Power	4.183	0.783	0.839	0.512	0.397	0.171	0.476	0.838										
Legitimacy	4.099	0.982	0.927	0.719	0.578	0.371	0.681	0.486	0.910									
Urgency	4.079	0.824	0.878	0.590	0.397	0.233	0.499	0.630	0.565	0.874								
Network	3.958	0.913	0.917	0.650	0.588	0.360	0.634	0.427	0.722	0.468	0.916							
Identification	4.147	0.791	0.883	0.558	0.549	0.331	0.520	0.396	0.518	0.482	0.532	0.879						
Communication	3.995	0.832	0.858	0.502	0.432	0.294	0.461	0.343	0.537	0.455	0.555	0.657	0.857					
Engagement	4.052	0.874	0.887	0.572	0.540	0.348	0.571	0.283	0.642	0.384	0.593	0.692	0.596	0.882				
Empowerment	3.866	0.854	0.879	0.548	0.540	0.323	0.516	0.287	0.594	0.450	0.612	0.576	0.632	0.735	0.878			
Risk	3.974	0.861	0.895	0.588	0.549	0.277	0.498	0.307	0.551	0.391	0.526	0.741	0.493	0.583	0.498	0.893		
Success	3.991	0.932	0.949	0.727	0.588	0.386	0.694	0.327	0.760	0.361	0.767	0.575	0.555	0.704	0.622	0.578	0.949	
Interest	3.938	0.943	0.913	0.677	0.503	0.341	0.592	0.445	0.584	0.555	0.674	0.559	0.605	0.549	0.605	0.503	0.709	1.912

Note: all correlations were significant in $p < .001$, Cronbach Alpha stands on diagonal line.

Table 4. Represented H1

	Variables	Beta	S.E.	C.R.	β	P	H1	
Success	<---	Power	-.125	.098	-1.2	-.08	.199	H1a
Success	<---	Legitimacy	.338	.076	4.467	.30	***	H1c
Success	<---	Urgency	-.247	.094	-2.639	-.16	.008**	H1d
Success	<---	Proximity	.163	.055	2.938	.19	.003**	H1e
Success	<---	Network	.391	.086	4.525	.32	***	H1f
Success	<---	Interest	.387	.076	5.067	.33	***	H1b

Note: $p < 0.001$ ***, $p < 0.01$ level **

Table 5. Comparing full and partial mediation goodness of fit

Fit Indices		Partial Mediation Model		Full Mediation Model	
CMIN/DF		1.392		1.470	
DF		374		379	
p-value		<.000		<.000	
GFI		.888		.882	
AGFI		.861		.855	
NFI		.920		.914	
TLI		.972		.966	
CFI		.976		.970	
RMSEA		.039		.043	

Note: CMIN/DF, $1 < \text{good} < 3$; significant p-value if $N > 250$ or $m \geq 12$, GFI, AGFI, NFI & TLI $> .8$ permissible; $> .9$ good; $> .95$ great (Hair et al., 2010; McDonald & Ho, 2002), CFI $> .95$ if $12 \leq M \leq 30$ (Byrne, 2010; Kline, 2011); RAMSEA < 0.05 good (Hair et al., 2010; Schumacker & Lomax, 2012)

Following these procedures, we have examined the relationship between stakeholders' influential variables and project success when Manage-through-Stakeholder is mediated (H2). The mediation test revealed that the relationship between influential variables of interest ($\beta = .296$, $p < .01$), legitimacy ($\beta = .280$, $p < .01$), proximity ($\beta = .154$, $p < .05$) and network ($\beta = .322$, $p < .01$) with project success is significantly improved when Manage-through-Stakeholder is mediated (Table 6 & 7).

Table 6. Regression weights for full mediation model

			Estimate	S.E.	C.R.	β	P
MTS	<---	Interest	.200	.042	4.759	.296	***
MTS	<---	Network	.226	.050	4.539	.322	***
MTS	<---	Proximity	.079	.030	2.599	.154	.009
MTS	<---	Legitimacy	.188	.042	4.518	.280	***
Success	<---	MTS	1.528	.128	11.965	.892	***

Note: $p < 0.001$ ***, $p < 0.01$ level **

The test also indicated that the variables of power and urgency didn't fulfil the mediation criteria. It is concluded that H2b, H2c, and H2f partially mediated, while H2e is fully mediated.

Table 7. Regression weights for partial mediation model

Variables			Estimate	S.E.	C.R.	β	P
MTS	<---	Interest	.201	.050	4.031	.285	***
MTS	<---	Network	.198	.059	3.375	.270	***
MTS	<---	Proximity	.077	.037	2.096	.144	.036
MTS	<---	Legitimacy	.198	.050	3.961	.284	***
Success	<---	MTS	.675	.150	4.496	.410	***
Success	<---	Legitimacy	.200	.074	2.691	.174	.007
Success	<---	Urgency	-.306	.078	-3.948	-.203	***
Success	<---	Proximity	.099	.052	1.905	.112	.057
Success	<---	Network	.259	.085	3.047	.215	.002
Success	<---	Interest	.250	.076	3.279	.216	.001

Note: $p < 0.001$ ***, $p < 0.01$ level **, $p < 0.05$ level *

For the purpose of post hoc analysis Sobel test was performed to test partial mediation effects. Sobel test is a powerful mediation test which has greater statistical power than other methods in mediation test (MacKinnon, 2008). The Sobel test results have significantly proved our assumptions and the effectiveness role of the mediator. Our conclusion of hypothesis is presented in table 8.

Table 8. Comparison of direct and indirect mediation when MTS is mediated

Variables	MTS			Sobel Test		Conclusion
	Direct	Indirect	Z	S.E.	p	
Interest	.22***	.12*	2.99	.04	<.01	Partial Mediation Supported
Legitimacy	.17**	.11*	2.64	.05	<.01	Partial Mediation Supported
Proximity	.11	.10*	-	-	-	Full Mediation Supported
Network	.21***	.11*	2.97	0.04	<.01	Partial Mediation Supported

Note: $p < 0.001$ ***, $p < 0.01$ **, $p < 0.05$ level *

5. Discussion and Implications

The hypothesis testing results revealed that out of 12 hypotheses, 9 hypotheses were supported. As it was predicted in the theoretical framework, H1 results confirmed the existence of two categories of stakeholder influential attributes of positive and negative. The category of positive effect on project success consists of interest, legitimacy, proximity and network. The negative effect on project success includes urgency, and finally power with no significant, but negative weight on project success. These results are the foundation and the key important insight of this empirical research. The H2 results confirmed the positive effect of Manage-through-Stakeholder (MTS) on project success and more importantly, its significant mediating role between stakeholder influential attributes of interest, legitimacy, proximity and network (positive attributes) and project success. Additionally, from the four positive attributes, proximity was the only variable with the perfect mediation of full mediation. The other two variables of power and urgency could not participate in the mediation test due to their non-significant paths.

The stakeholder segmentation methodology was used to produce a simple but meaningful model. Based on H1 results a new Typology of Stakeholder Influential Attributes (TSIA) was introduced. The TSIA (Figure 3) is the

foundation and the building block of this research outcome. The framework classifies stakeholders based on their type of effect (positive or negative) and level of influence (low to high) on project success. Depending on classification, the model further recommends relevant managerial strategy to be employed.

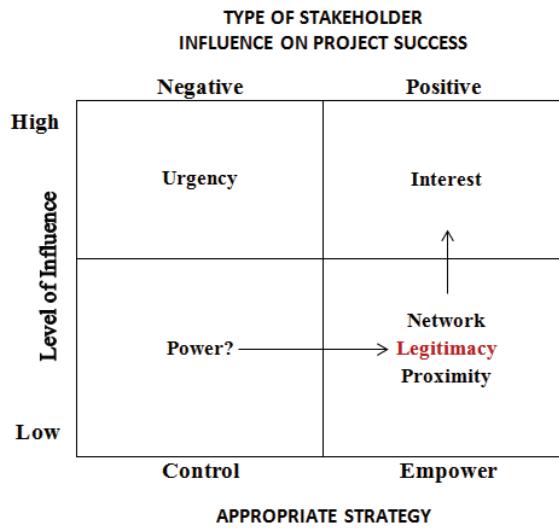


Figure 3. Typology of stakeholder influential attributes

Under the above typology, depending on the nature and the level of influence, stakeholders are classified into four regions including:

Type 1: Stakeholders with positive quality of interest that can highly contribute to project's success. These stakeholders are recommended to be empowered.

Type 2: Stakeholders with positive qualities of network, legitimacy, and proximity with low to moderate contribution to project's success. These stakeholders are also suggested to be empowered.

Type 3: Stakeholders with negative weight of urgency that can highly disturb project's success. These stakeholders are recommended to be controlled.

Type 4: Stakeholders with negative weight of power that can disturb project's well-being, but if utilized under legitimate channels as authority can positively contribute to project's success. These stakeholders are also recommended to be controlled.

Under the typology of stakeholder influential attributes "interest" shows the highest positive influence. The other three attributes of "network, legitimacy and proximity" are also classified as positive with low to moderate influence in comparison to the interest. These are variables meaning with respect to the situation they may result in higher or lower degree of positive effects. "Urgency" from the other hands is classified as negative with high effect that calls for management attention with control strategy. This result makes sense as audience see urgency as an attribute that pressures project and its resources and deliverables due to its critical and time sensitive claims especially if the claim comes from those that can be an exposure to the project. Power was the only variable with no significant, but some negative weight. This outcome supports the classical argument on power as being part of legitimacy. Scholars have diverse opinion about power. On one side of the continuum there are numbers of power-based studies (Johnson & Scholes, 1999; Mitchell et al., 1997; Olander & Landin, 2005) in which power is the dominant variable, while other variables depend on power to influence. On the other side of the continuum is the work of scholars who were suspicious about the role of power and challenged its role in favour of legitimacy in stakeholder-manager relationship (Clarkson, 1995; Donaldson & Preston, 1995; Freeman, 1984). Additionally, some moved beyond self-interest stressing the importance of the moral interest in favour of others (Freeman et al., 2011). These scholars raised concern about stakeholders' power and the legitimacy of their claims as a critical factor for management's attention. Suchman (1995) and Weber (2009) also argued that if power is used through legitimate channels as authority may sustain otherwise is lost. In harmony with these scholars and the stakeholder normative core, we find our results and the TSIA classification in favour of legitimacy in stakeholder-project management relationship.

Building and operationalizing on the above TSIA, the overall hypotheses results has led to the construction of the Stakeholder-Based Project Management Model (SBPMM). The SBPMM is a process-based success-focused

framework that facilitates enterprise stakeholder and project management approach (figure 4). The SBPM framework consists of two parts and six areas. Similar to the EFQM model, the SBPM model consists of project enablers and the project results. The first part (enabler) represents the predictors that initiate project and project organization and lead success, and the second part (result) represents a set of criteria that measure success. Stakeholders appear on both sides as predictors and criteria. The enabler part consists of four stakeholder attributes and a process area with five stakeholder management processes. The results part consists of project outcomes with three sets of key criteria. Figure 4 illustrates the model.

Under the SBPMM, the enablers (proximity, interest, network, and legitimacy) initiate the project and its organization to lead success. The SBPMM also confirms the importance of management processes including identification, communication, engagement, empowerment and risk control. These processes perform key role in effective utilization and management of stakeholder environment. The SBPMM is a success-oriented framework that is built on significant paths between independent variables of influential attributes and the dependent variable of project success through the mediating variables. The aim here is to differentiate between enablers and preventers. Urgency and power are considered as preventers due to their non-significant path and therefore do not qualify to take part in the model. However their effect and position was classified and discussed under the TSIA. This approach is expected to better help researchers and practitioners in their stakeholder management activities.

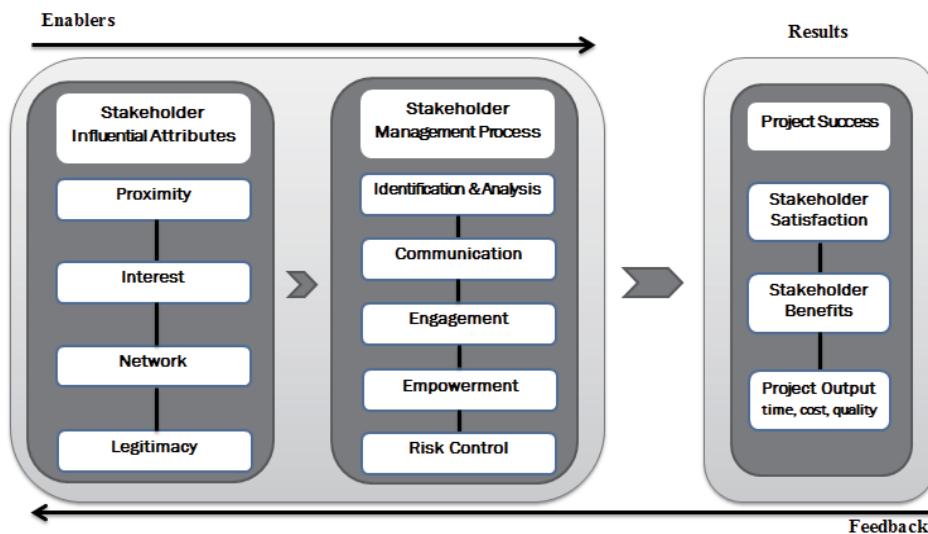


Figure 4. Stakeholder-based project management model

We argue that the introduced frameworks (TSIA and SBPMM) are in consistent with the managing for stakeholders' strategy and principle which is about best stakeholder management thinking (Freeman et al., 2007). The philosophy behind managing for stakeholder is ethics and the cooperative capitalism as a system of social cooperation and value creation. It's a mind-set of serving all stakeholders to secure stable return for both stock and stakeholders. It opposes the idea of trades off between the forceful and fragile stakeholder groups and their interests. We argue that projects are no difference from firms in terms of purpose which is delivering value; they are strategic component of organizations that affect variety of individuals and interest groups and therefore should be managed and aligned with organizational enterprise strategy and principles of managing for stakeholders. The introduced TSIA and SBPMM facilitate such management. They provide a solid foundation for a more ethical and effective project and stakeholder management. They discount power and promote legitimacy as the base for stakeholder-manager relationship. They call for identification, classification, communication, engagement and empowerment of all stakeholders with interest (self or moral), with legitimate claims, and proximity ties, and relationship network. They also call for managements' attention and control for urgency of claims, and suggest stakeholder risk management and control. In harmony with the managing for stakeholders' enterprise strategy and principles (Freeman et al., 2007), the introduced TSIA and SBPMM promote satisfaction of as many as stakeholders simultaneously, call for no trade-off between stakeholders, and actively support communication, engagement, empowerment and commitment of both primary and secondary stakeholders, and suggest constant monitoring and improvement of the processes to lead greater achievement and success. In sum the introduced managing for stakeholders frameworks are expected to facilitate greater success through a more ethical project governance and management.

6. Conclusion and Recommendations

This study examined the direct effect of the six key stakeholder influential attributes on project success. As well as their mediating effects through the five managerial processes. The research results produced two frameworks including TSIA and SBPMM that facilitate managing for stakeholders' principles in project environment. The models are expected to provide community of researchers and practitioners with greater insight in their project and stakeholder management activities. With respect to the limitation of the study we should add that survey studies use mono-method which is based on respondents' perceptions with the possibility of common response bias. This survey study might be the subject of mono-method bias. For the purpose of future studies, we suggest investigating the TSIA and SBPMM through longitudinal research study. This study opens a new window for researchers to move beyond the traditional power-based approach and map the six key influential attributes and analyze their effect through other social theories such as the theories of social conflicts.

Acknowledgements

The authors wish to thank the Project Management Institute (PMI), Association for Project Management (APM), and Australian Institute of Project Management (AIPM) for their valuable support in enabling and assisting us in data collection through their respective professional members.

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Note

Note 1. $S = X2NP(1-P) \div d2(N-1) + X2 P(1-P)$

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Economic Value Added and Stock Market Development in Egypt

Mansoor Maitah¹, Nayif Saleem¹, Karel Malec¹, Mohammed Boubaker² & Shreen Gouda¹

¹ Department of Economics, Faculty of Economics and Management, Czech University of Life Sciences Prague, Czech Republic

² Department of Management, Faculty of Economics and Management, Czech University of Life Sciences Prague, Czech Republic

Correspondence: Mansoor Maitah, Faculty of Economics and Management, Czech University of Life Sciences Prague, Kamycka 129, Prague 6 16921, Czech Republic. E-mail: Maitah@pef.czu.cz

Received: September 13, 2014 Accepted: November 5, 2014 Online Published: December 30, 2014

doi:10.5539/ass.v11n3p126

URL: <http://dx.doi.org/10.5539/ass.v11n3p126>

Abstract

This paper examines the relationship between economic value added and stock prices, and analyzes the benefit of the use of Economic Value Added (EVA) in the creating process of investment policies that can be helpful to get extraordinary returns. The research tests a private data collection of companies traded at Egyptian stock market. To achieve the overall objective the paper is divided as follows: the first part of the study is an analysis of the fields which study the relationship between the scale of the EVA, stock price and dividends. Section two of the paper deals with the literature review while section three presents the study hypotheses and section four deals with the methodology of the study. The last part includes the summary of the research and its results.

Keywords: value added, stock return, investment, interest, assets

1. Introduction

The tool of “economic value added” quantifies of efficient performance is one of the most accepted economic concepts to express the residual income after deducting the cost of capital invested in the company. The concept of residual income can generate the profit for stakeholders. So the company management should use the available resources in such conducive way to get a return of invested capital that is greater than the capital cost, whether (owned or borrowed). In contrast, the concept of accounting profit is based on the difference of the net profit and the cost for interest (for borrowed money). The residual income concept is represented as the value of net operating profit after tax after operation minus the value of the average cost of capital invested on the company. The residual income can be expressed as follows:

$$RI_t = NOPAT_t - \text{Cost of Capital}_t \quad (1)$$

Where:

RI_t Is the residual income on the time t.

$NOPAT_t$ for net operation income after tax and without deducting interest on the same time (t)

Cost of the Capital t Is the cost of the capital calculated as

$$\text{Capital of Capital}_t = WACC \times \text{Capital}$$

where:

WACC Is the weighted average cost of capital (owned or borrowed)

Capital Is the capital invested whiter (owned or borrowed)

According to Stern Stewart & Co, the EVA can be calculated as

$$EVA = \text{Adjusted NOPAT} - \text{Adjusted Cost of Capital} \quad (2)$$

Where:

EVA Is the Economic Value Added.

Adjusted NOPAT as adjusted net operation income after tax and without deducting the interest.

The EVA takes a positive value if the adjusted net operating profit after tax is greater than the value of the adjusted cost of invested capital, in the contrast EVA takes a negative value if the value of the adjusted net operating profit is less than the adjusted cost of the invested capital. Stern Stewart & Co has undertaken several adjustments to the net operating profit accounting to prevent the impact of accounting policies on the profit. The company introduced adjustments to the concept of the invested capital, which is suitable to quantify the average cost of capital. The aim of these adjustments is calculate the net economic profit, not the accounting profit. So the exclusion of certain accounting adjustments, which do not involve cash flows and the capital adjustment, to reflect the assets value invested on the company along with excluding the effect of accounting policies gives the opportunity for comparison between either the results of the performance of different companies or different sections within the same company. It also helps to decrease the possibilities for management to use accounting policies designed to control profitability that are saluting the removal of the impact of these policies. (Stern Stewart & Co) has pointed out that these amendments are fundamental for getting the net operating profit accounting on many of the values, which do not reflect the cash flows, and are influenced by using different accounting policies.

The net EVA has impact on the market value of the company. It could be stated that increasing EVA for any company causes its growing market value. Stern Stewart also provided another measure for the company's performance: the market value added (MVA). This is calculated as:

$$\text{MVA} = \text{MV of the firm} - \text{Capital} \quad (3)$$

Where:

MVA Is the Firm Market Value Added

MV Is the Firm Market Value

Capital Is the capital invested on the firm after making the adjustment suggested by Stern Stewart & Co

There could be observed the positive relationship between the MVA of the company and its net EVA, Therefore, the MVA reflect the net present values of the EVA, which it is expected to achieve in the future, For example, in the case of a predicted steady economy, the value added of the company in the future (with the absence of growth), the MVA, can be calculated as follows (Peterson, 1997):

$$\text{MVA} = \frac{\text{EVA}}{K} \quad (4)$$

Where:

K Is the Require Rate of Return which reflects the cost of the capital

Also, the Stern Stewart Company has undertaken a great marketing campaign for the concept of EVA measurement and the various adjustments that should be done on the net accounting profit in addition to the brand (EVA), The results of this campaign have allowed the company to expand to a larger number of customers, with 300 clients representing facilities and, great business, with many companies around the world. A set of statements for attracting customers (eye –catching statements), were also included in the advertisements for the company. EVA e.g. measure is the key to creating wealth for shareholders, so the true measure of a company's performance is the EVA, not the earnings per share or return on investment or return on equity property. Stewart (1991-1994) said proponents of the measure that any change in the value of the company was due to a change its EVA (Tully, 1993-1994).

In addition, to the claim he can use the EVA changes in the classification of the company's value and its stock returns better than classic accounting standards (Stewart, 1994). The spread of the concept of EVA and a high number of customers (Stern Stewart & Co) to the emergence of many performance metrics of economic competition marketed by different companies, has led the competition to be noted in the newspapers and financial magazines. These called it the war scales between different companies, for example, the scale of Cash Flows Return on Investment rate (CFROI), which are marketed by (HOLT Value Association), the Total Business Return (TBR), which are marketed by (Boston Consulting Group), Shareholders Value Added (SVA) the Company (LEK /Aclar), discounted economic profits for Marakon Associates, and finally Economic Value management KPMG.

The theatrical claims have led the importance of standard EVA in the creation of shareholders' wealth, and the role of EVA in the interpretation of stocks return and changes in the market value of the company, to spread the concept to many publications and books on performance measures of internal and external accounting. There have been calls to disclose the measure of the value added of the business instead of companies disclosing

earnings per share of the profit, and the results of the business and stock performance reports in newspapers and financial magazines (Zarowin, 1995). In spite of mentioned above, there is a logical explanation for the theoretical relationship between the EVA and shares prices and revenues, but where is also criticism on this scale including:

The measurement of EVA reliable on the value is reflected in the historical statements accounts after making various adjustments. It presents the historical events but does not reflect the expectation of the EVA in the future. Therefore, using it to determine the company value and to forecast the expected stock price is not proper, because the future price is connected with future, not past, circumstances. Regardless of the publicity for the EVA, it may convince many researchers to believe that it represents a new theory for all the problems of other measurements. However, does not provide any development of the known concepts for profit economic.

The EVA tool is not practical model that can be helpful for the stocks rating and determining the company value. To calculation of EVA needs adjustment on the numbers on the financial statements'. These adjustments need a set of data, which appears on the series of financial statements In contrast to residual income and can be calculated directly. According to many studies (Biddle et al., 1997-1999), there are no significant differences and effects between the value of each of the residual income derived from Equation (1) and the EVA derived from Equation (2). Therefore, there is no theoretical value to these adjustments, which were proposed by (Stern Stewart & Co) on the accounting numbers to measure the EVA.

In addition to the criticisms on the theory to measure the validity of the use of EVA to interpret the changes in stock price and revenues, many empirical studies show the field of claims of the supporters of the theoretical of measure of EVA. (Biddle et al., 1997, 1999; Velez – Pareja, 2001; Peixoto, 2002)

2. Literature Review

According to the theoretical relationship between the EVA and stock prices and revenues, the high EVA generated by the facility increases its value, and thus is reflected in the high prices of the shares of these established companies. As the case of the validity of these allegations, the theoretical composition of investment portfolios contains the shares of enterprises with high EVA, so we must achieve extraordinary returns compared to all the average market returns and returns on portfolios that contain the shares of enterprises with low EVA.

There are many studies focused on testing causality between prices and earnings indicators of EVA and the remaining income and accounting indicators recognized as dependent variables. One of the leading studies in this area has targeted the testing the relationship between the EVA of all dividends and the value of the entity. The study tested whether the data value-added and value components of this help explain the stock returns and changes in the value of the companies more data from the accounting profits or not. According to the outputs of the research can be said that the profit accounting helped in interpreting the returns stocks better than all the data residual income and the EVA, also the results indicate that profits contribute to the interpretation of accounting earnings and the stock value of the business greater than other economic scales, so this refers to the futility amendments proposed by Stern Stewart & Co.

Biddle et al. (1997) tested the same pre-existing relationships in the period following the appearance of an article (Tully 1993), which pointed out that the use of standard value-added economic is the real key to creating the wealth of shareholders, and showed that they have had an high impact on the popularity of the concept of EVA measure. Research was focused on causality by using the 606 view results and was shown no support to the theory that the allegations refer to the superiority measure that the EVA to the Metrology accounting in the interpretation of changes in stock prices. O'Byrne (1996) tested the relationship between stock returns and between both the EVA and net operating profit after tax accounting. Based on the studies the accounting profits contributed to the interpretation of the stock return to a lesser extent than the EVA, but that the difference between the scales is not a factor (manor reached 33% of the relationship between stock return and EVA). The study concluded that these scales indicate raising the contribution of standard EVA in the interpretation of stock returns for traditional accounting scales. This study was criticized because modifications were carried out when testing the scale of the economic value and he did not make the same adjustments for an analysis of the relationship between returns shares and profit accounting.

Bernstein and Pigler (1997) tested the possibility of using data with the EVA in the composition of investment portfolios that seek normal returns, and that through the formation of investment portfolios based on the data, the EVA of the shares and trade policies is based on buying high-value stocks and selling stocks with a low EVA. The study pointed out that if we assume the theoretical validity of the claim that companies that achieve high EVA claim to raise the wealth of shareholders, the composition of investment portfolios containing companies

that achieve high EVA is expected to get high rate of return compared with the average returns in the stock market. In addition, the average yield that is possible to be achieved by using the investment policies is based on well known accounting indicators. The study of the composition of portfolios among the registered businesses in the New York market was covered by the S & P 500 index for the period from 1987 to 1997. The study's results showed that contrary to allegations, the use of theoretical measures for the EVA as a basis for the selection of business premises within the portfolio did not make any unusual return.

Based on the results of previous studies and the business registered in the stock markets, it is clear that much of the scientific evidence that indicates a lack of health (Almzaghm theory) advocating the superiority of the measure of EVA in explaining the behavior of prices and returns of stocks on the indicators of accounting practices. As indicated in the results of these studies, amendments proposed by the Stern Stewart & Co. are not feasible. On the accounting figures to reach the EVA, saluting contributions to residual income calculated directly from the accounting figures published after the deduction of the cost of capital, expresses the changes in stock prices and returns more than the contribution of the EVA.

3. Study Hypotheses

To achieve the overall objective of the study and based on the balance of the accounting research in the field, we test the relationship between stock price and earnings and the EVA. In this paper, we will test two assumptions. The first one will measure the relationship between the returns on shares of businesses and the EVA generated by this topic installations, and aims to test the validity of the assumption that the companies with high EVA have higher dividends. In other words, the shares with high EVA included to the portfolio represents higher probability to get higher rate of return than it is average at the stock market. The hypothesis can be formulated as follows:

The first hypothesis:

Using the EVA to design the investment policies leads to increasing normal returns on investment compare with market return.

The second hypothesis:

The use EVA investment policies achieves higher average returns than the average returns achieved by the investment strategy using the most common accounting indicators.

3.1 Data and Methodology

Research sample was selected from a group of registered enterprises in the stock market in Egypt. The term of study included three years in the period from the beginning of 2005 to 2007. The study sample included over 40 businesses (23), representing the most active companies according to the official bulletin of the Stock Exchange in Cairo and Alexandria (17). And we can test the major hypotheses for research, and achieve the overall objective using the availability of the following data:

1. Annual financial statements for the year 2005 (to use the data for net accounting profit and the book value of property rights, and to calculate the rate of return on the property rights and the value of long-term loans and costs).
2. The annual dividends to shareholders and the date of distribution.
3. Stock prices daily enterprise group was under study since the beginning of 2005 and 2007 to account for dividends accrued daily and during the period.
4. The daily value for the index to calculate the average market return in the same period of the study.

The following conditions apply to determine the final sample to search:

- Use data from the financial statements of accounting at the beginning of the study period.
- Availability of data on daily closing prices for the businesses under study.
- Use the data from Egypt stock market index, (CASE30).

Table 1. Descriptive analysis of companies under study by the market value of the business (value in million EGP)

Number of views	mean	intermediate	Trimmed mean	Standard error	Standard deviation	Low value	High value	First quarter	Third quarter
40	1588	505	1202	404	2829	8.8	16590	162	1689

The application of the conditions precedent to the exclusion of three companies listed among the companies most active in 2007, but that the date of registration of these companies in the stock market is a relatively recent date. In addition, that there is no series of integrated data on the prices of traded shares during the study period. So, the final sample for the study included 28 companies registered in the stock market, giving a total market value of 31.78 billion pounds. Table 1 describes the companies by the market value of the business.

The trimmed mean can be calculated after deducting the highest and lowest 5% from all views.

There were used following steps to test the causality between EVA and stock return and the first assumption is based on adoption of EVA for private sector to achieve higher returns in comparison with market average:

1. Account the EVA in each stock sample under study and for that over the years of study. Due to the lack of disclosure of the EVA, according to the adjustments proposed by Stern Stewart that rely on the scale of economic profits (residual income), which can be observed from published accounting lists, after the authorities agreed the average cost of capital (using equation 1), and has been calculated on the basis of rate of return without risk, in addition to a premium for risk.

2. Ordering the companies downward according to the earnings per share of the EVA in the beginning of the period. The composition of investment portfolio consists of set of companies that generate the highest EVA per share (the top twenty percents) and the theoretical claim supposed that the investments provide profit to the shareholders, and thereby achieve a high rate of return compared with the average market return during the same period.

The rate is calculated to achieve the expected return on the property rights as follows:

$$(RRR = RFR + \text{Risk premium})$$

Where:

RRR Is the required rate of return achieved on the property rights

RFR Is the free rate of return without risk has been used rate of return on treasury bonds at the beginning of the study period as a basis for the rate of return risk - free.

Risk Premium Is a premium for risk, despite the difference of the premium, according to industry type and size of the facility replaces the analysis, the assumption has been deafening silence as well as one for all the companies of 4%.

3- Calculating the daily returns for all stocks on the sample of the study on basis over the study period (from 01.01.2005 until 31.12.2007), as follows

$$R_{it} = (P_{it} - P_{it-1}) + D_{it} \quad (5)$$

Where:

R_{it} is the share return on the any day (i)

P_{it} is current share price on the end of any day(t)

P_{it-1} is the share price on the previous day (t-1)

D_{it} the profit dividend

4- Calculate the daily return of the stock market on a daily basis over the study period (from the first of January 2005 until thirty-first of December 2007) as follows:

$$R_{mt} = \frac{(M_{it} - M_{it-1})}{M_{it-1}} \quad (6)$$

Where:

R_{mt} The market return on the day (t) and using market index (CASE30) to calculate it

M_{it} The index value on the end of day (t)

M_{it-1} The market index value in the perfuse day (t -1)

5- Collecting the daily returns on a monthly basis per share of the sample and the market index as follows:

$$CR_{it} = \sum_{t=1}^{t=k} R_{it} \quad (7)$$

Where:

CR_{it} Sum of share return on the day (t)

K The total time of study (42 months)

R_{it} The share (i) return on the day (t)

So we estimate the accumulated return of the market index during the study period using data market return instead of the market return.

6 - Compare portfolio returns on stocks with the highest EVA. Average market portfolio returns and, the ability to compare the extent of this portfolio to determine the sectors (segments) in the market securities portfolio, suitable to get higher profit compared to market return.

The test of the second assumption is based on the comparison the returns generated by the investors' strategy including the scale of the EVA, with the revenues of investment policies based on indicators of accounting practices, using earning multiplier indicator, indicating the causality between the worth of shares returns for share of the profit. This is calculated as follows:

$$\frac{P}{E} = \frac{P_t}{EPS} \quad (8)$$

P/E Earnings Multiplier

P_t Share price on the time (t)

The earning multiplier has been calculated for all the shares of enterprises subject to study at the beginning of the study period (1January2005) and the investment policy designed based on the data of earning multiplier by following these steps:

1 - Order the companies in our sample in accordance to the profit multiplier in the beginning of the period. The portfolio consists of the enterprises having minimum profit multiplier. The investment in these companies leads to achieving high investment returns compared with an average market and the rest of the firms with a high value of earning multiplier.

2- Measuring the stock return for all components of the sample under study on a daily basis over the period of study (the first of January 2005 to the thirty-first of December 2007) according to the Equation (5) during the study period, using the equation (7).

3- Compare the stocks portfolio revenue with the lowest earnings multiplier with the market portfolio average returns, to quantify the capacity of them to identify sectors within the portfolio of securities market suitable to achieve extra profit compared with the market yield, In addition, compare the returns on the portfolio returns equity portfolio with high EVA to determine the superiority investment policy based on EVA from investment strategies including common accounting standards.

4. Results

To test the major hypotheses of the study and to achieve the comprehensive aim this paper consists of two parts. The first stage measured the returns achieved by the stock's portfolio with high EVA and analysed the returns contrary to those achieved by the stock market. The aim of this stage was to test the first hypothesis of the study. The revenues have been estimated daily and collected during the study period. Table 2 shows the results of this stage.

1- The stock's portfolio containing higher EVA got return during the observed period (-43.8%), while the market index got -76.3% in the same time. The average annual yield of the aggregate stock's portfolio with high EVA -14.38 percent whiles the average for the market portfolio was (-21%). In spite of achieving a negative return for each of the portfolios, the performance of the stock's portfolio with high EVA was superior to the market performance during the study period.

2- The portfolio containing higher EVA reached -24.5% within the first stage (first year), while the total return for the market index was -43.1%. The market portfolio had a negative return of -82.1%and -76.3% on the retention period of 24 and 36 months, respectively. Administration and sales of portfolio stocks with higher EVA value provided negative revenue of -51.7% and -43.8% for first and second year. So this result supports the stock portfolio with high EVA rather than the market portfolio.

3-The retained earnings for the period of 24 months (the period from 12th month to 36th month) for the market portfolio was -28.5%, and for the portfolio with higher EVA value the output was -19.7%.

The stock portfolio with high EVA, started achieving a positive accumulated profit during the third year of study. The percentage value is +10%, the market index achieved a positive return + 3.6% during the same period.

The results stated above indicates the market index achieved a negative revenue greater than the negative yield made by the stocks' portfolios with high EVA. According to that could be stated that portfolios taking into account the EVA values could bring some benefit for the stakeholders. In the case for the market trend to

increase the yield for the equity portfolio, the EVA return is significantly lower than the market return. It can be explained by these results, the risk for shares with higher EVA plus market risk was lowered therefore, changes in the prices of these stocks and their returns are less than changes in the market index both in the case of a rise or a decline so the return (positive or negative) for the investigator of the shares with high EVA is always less than the market return. The previously stated results are in contrary to the first hypothesis focused on the theory allegations which referred to the use of the EVA to design the investment policies conducive to extraordinary returns compared to market return. The second aim of our study was to compare the return achieved by investment policies based on the index earning multiplier and returns achieved by the investors' strategy including the EVA. The returns were measured by earnings for the stocks portfolio with the lowest earning's multiplier. Common returns on the market portfolio were then compared with the average return on equity portfolio with high EVA. Table 2 shows the results of this step:

1-The stocks portfolio with the lowest earnings' multiplier is the only one that has achieved a positive return on accumulated during the study period, and the percentage is 2.5%, compared to a negative return of -43.8%, for the stocks' portfolio of with high EVA. The benchmark market return reached a negative of -76.3% for the same period. This refers to be outperformed for the stock portfolio with the lowest multiple of earnings to the stock portfolio performance with high EVA and the average market return.

Table 2. Cumulative Holding Period Returns in %. During the study period (stocks portfolio with a high EVA)

Months	Market index CASE	Portfolio of stocks with high EVA	Portfolio of stock with the lowest multiplier of earning
1	2.5	-0.8	4.2
2	4.7	-5.8	3.2
3	-4.5	-7.3	0.6
4	-3.5	-10.8	-3.1
5	15.5	-11.9	-5.3
6	-15.9	-12.7	-7.1
7	-25.3	-18.3	-14.1
8	-38.3	-16.2	-15.3
9	-41.2	-16.7	-8.2
10	-54.2	-24.6	-12.6
11	-48.8	-23.0	-11.8
12	-43.1	-24.50	13.8
13	-42.5	-27.7	-11.6
14	-54.0	-35.7	-15.6
15	-61.9	-40.2	-21.7
16	-53.6	-41.8	-22.9
17	-51.7	-34.5	-18.4
18	-60.5	-32.5	-19.6
19	-71.6	-34	-19.9
20	-53.4	-27.8	-16.4
21	-67.3	-35.2	-13.8
22	-66.4	-40.6	-17.0
23	-73.5	-52	-19.8
24	-82.1	-51.7	-18
25	-86.9	-62.4	-17.7
26	-77.5	-51.7	-15.7
27	-78.9	-44.2	-13.9
28	-81.8	-45.4	-8.1
29	-83.1	-46.6	-3.3
30	-82.2	-47.9	-5.3
31	-84.1	-47.3	-0.1
32	-80.5	-43.2	-0.4
33	-84.1	-43.7	0.0
34	-81.1	-45.4	1.1
35	-79.5	-48.1	1.5
36	-76.3	-43.8	2.5

2- The average return for the aggregate stocks portfolio per year stocks with the lowest earnings multiplier was +1.15%, while the stocks portfolio with higher EVA has a negative average accumulated annual return -2.04%, and the market portfolio reached the average of -3.1%. This findings correspond with the outperformed of the stocks portfolio with the lowest multiple compared with the rest of the portfolios.

3 – The aggregate return of the stocks' portfolio with the lowest revenues multiplier of the ratios was -13.8%, -18% and 2.5% , for a period of 12, 24 and 36 months in a row, This was a better return than the return achieved for each one, the stock portfolio with high EVA and market portfolio over the same period.

4-The stock portfolio with the lowest earnings multiplier started to have a positive earnings return during the 3rd year of the study. The value of this return was 14.7%, while the revenue of the stocks portfolio with high EVA in the same period was +11%, while the market index reached a positive return about 1.6% during the same period. These results indicate that the portfolio based on the earning multiplier index overall provided higher performance of the market portfolio and stock portfolio with high EVA. Therefore, useless investment policies are based on EVA. Finally, the previous results are in the contrary of the 2nd hypothesis of the research. The objective was to prove or reject the veracity of the assumption that the benefit of the investment strategies based on the scale of the EVA providing higher revenue than the strategy using the common tools based on accounting of given company. This also supports the results of a previous studies on the phenomenon of earning multiplier.

5. Conclusion

The EVA as a tool represents the concept of economic profits, which indicates that so as to achieve the value for shareholders; the company must manage the use of the available resources to achieve a return on invested capital greater than the cost of capital, whether owned or Borrowed.

Our research aimed to analyze and study these allegations and to bring an evidence of the usefulness of EVA, to interpret the stock returns. We tried to study and analysis the causality of stock return and EVA, addressed the extent of the benefit of the investment policy relying on the EVA in achieving normal returns compared with the average market and average returns provided by the investment strategy taking into account indicators based on accountancy. The study results showed that the EVA provided a clarification for the stock revenues and it is obvious that the investment strategy focused on the shares with a higher EVA doesn't have to cause the higher revenues compared with the market ones. These results agreed with the previous studies, which tested this relationship in the stock markets and the benefit of the investment policies adopted to measure the EVA compared with the normal (average) market return and normal return achieved by the policies adopted indicators of accounting. The results rejected the assumption of the benefit of using the investment strategies based on the EVA to achieve higher returns compared with strategies using common accounting indicators. The results showed that the investment policies based on the conventional accounting indicators were superior to those policies based on the EVA. In addition, the results showed the possibility of using the investment strategy including accounting indicators to achieving up normal returns compared with the average market return. Our results are consistent with the results of other authors. It could be said that our research represents next evidence which can be viewed in the light of the results of the previous studies, which refers to the lack of veracity of the theory claims relationship between the EVA, stock prices and stocks returns.

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Technology Adoption and Innovation of E-Government in Republic of Iraq

Munadil k.Faaeq¹, Khaled Alqasa² & Ebrahim Mohammed Al-Matari³

¹School of Business Management, Universiti Utara Malaysia, Baghdad University, Malaysia

²School of Business Management, Universiti Utara Malaysia, University of Aden, Malaysia

³Faculty of Business and Economics, Ammran University, Yemen and Othman Yeop Abdullah Graduate School of Business, University Utara Malaysia, Malaysia

Correspondence: Ebrahim Mohammed Al-Matari, Faculty of Business and Economics, Ammran University, Yemen and Othman Yeop Abdullah Graduate School of Business, University Utara Malaysia, Malaysia. E-mail: ibrahim_matri7@yahoo.com

Received: September 19, 2014 Accepted: October 27, 2014 Online Published: December 30, 2014

doi:10.5539/ass.v11n3p135

URL: <http://dx.doi.org/10.5539/ass.v11n3p135>

Abstract

Electronic government (EG) refers to a computer application employed in government activities and operations, where both government and the public are enabled to interact and transact online. The practicability of EG has not been largely explored in the context of Iraq, owing to the conflicting activities it has been experiencing in the past few years. Prior to EG adoption, variables have to be examined such as infrastructure, social factors, security, skills, users' behavior etc. The present study aims at examining the related variables that could potentially bar the EG services adoption in Iraq with the help of the Unified Theory of Acceptance and Use of Technology (UTAUT). Three independent variables are examined namely effort expectancy, performance expectancy, and social influence – the influence of these variables on the EG services uses as the dependent variable is examined. The study proposes a quantitative examination of the EG services usage behavior with data gathered from Iraq. The study findings are then discussed.

Keywords: information system, electronic government, application, unified theory of acceptance and use of technology (UTAUT)

1. Introduction

Electronic government (EG) refers to an electronic application that orients services to the beneficiaries in an expedient and expansive way compared to the traditional services offered by the government. Significant numbers of studies have used UTAUT but no study has employed it to examine the EG adoption among public agencies, particularly in the context of Iraq. Accordingly, the present study adopts this theory to examine EG adoption among Iraqi public agencies.

2. Electronic Government (EG) in Iraq

The general scenario in Iraq is such that the country is facing innumerable problems in the fields of education, sciences, health and e-services (Wall, 1995; Kamugisha et al., 2007; Ismail et al., 2009). Currently, Iraq had just gone through several different, beginning in the 1990s with the Gulf War to the latest skirmishes within the country's different factions. Although the consequences of war is still evident in the country, the government of Iraq is aiming to do some developments in the country's infrastructure under which e-government is one of the top priorities (Wall, 1995; UN & ESCWA, 2007). Specifically, the government plans to enable government-citizen interaction and transactions online in an extensive and expedient manner.

e-Government is expected to transform the traditional access of services into one connected to an online portal where every citizen can log onto anywhere and anytime then require. It is reasonable to state that aside from the infrastructure and financial resources required, the success of the EG project also lies in the resolution of some social issues that can prevent EG adoption in the country. In consistent with the statement of Almutiri (2007), there are distinct factors that influence either the success or the failure of technology implementation, and these factors need determination (Chris, 1957). Accordingly, the present study investigates the factors that drive the success or the failure of EG services adoption in Iraq.

3. Unified Theory of Acceptance and Use of Technology (UTAUT)

A comparison between previously proposed theories and models of user acceptance was studied by Venkatesh et al. (2003) after which, they formulated the Unified Theory of Acceptance and Use of Technology (UTAUT). The theories included in their study included Davis et al.'s (1989) technology acceptance model (TAM), Ajzen's (1991) theory of planned behavior (TPB), Ajzen and Fishbein's (1975) theory of reasoned action (TRA), Taylor and Todd's (1995) combination of TAM and TPB (C-TAM-TPB), Thompson et al.'s (1991) model of PC utilization (MPCU), Roger's (2003) innovation diffusion theory (IDT), Compeau and Higgin's (1995) social cognitive theory (SCT), and finally, Davis et al.'s (1992) motivational model. UTAUT comprise of four predictors of users' behavioral intention and behavior of use; these four factors are performance expectancy, effort expectancy, social influence and facilitating conditions (Venkatesh et al., 2003). Four key factors moderate the relationships between these constructs, behavior intention and behavior of use namely age, gender, voluntariness and experience (Venkatesh et al., 2003). Figure 1 presents the UTAUT model diagram.

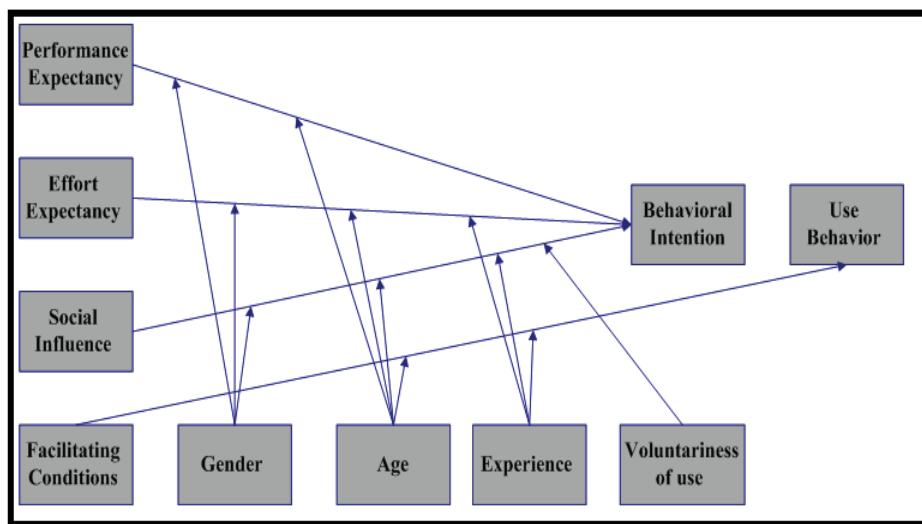


Figure 1. UTAUT Model

This study aims to examine UTAUT in terms of its theoretical perspectives in the context of a developing country, Iraq. The EG adoption is examined while using the UTAUT's theoretical elements in order to establish the examination paradigm as suggested by Venkatesh et al. (2012). In this regard, Alvesson and Karreman (2007) contended that examining theories in novel contexts can lead to opening up new opportunities for the development of new knowledge. UTAUT is the most complex of the innumerable technology adoption and acceptance models owing to its combination of elements from obtained from other models in the hopes of bringing forward a suitable model for the study.

The UTAUT model has been adopted by many studies either partially or wholly and confirmed its validity and reliability in different situations and contexts (e.g. Shao and Siponen, 2011; Slade, Williams and Dwivedi, 2013; Khan et al., 2011). Its employment is therefore justified in the present study.

In the context of developing countries, many studies have investigated the technology use behavior of users and these studies include the works of Al-Awadhi and Morris (2008), Al-Shafi and Weerakkody (2009), Al-Shafi and Weerkoddy, (2010); Nadzar et al. (2011). Specifically, a significant relationship was identified by Venkatesh and Davis (2000) between the successful technology implementation and the behavior of technology use. On a similar finding, Straub (1997) examined the successful implementation of a technology and found it to be proportionate and related to behavioral use. According to Ismail et al. (2009), implementations and technology development is a significant phase.

The UTAUT model is considered to be a universal model used to examine for technology adoption process, particularly when focusing on the user's behavior (Liao and Jr. 2000) as presented in Table 1. The present study is designed to examine EG adoption in the G2C point of view. It focuses on the government terms of EG adoption in terms of transacting with the citizens. e-Government adoption has several benefits to the citizens including renewal of driver's license, payment of summons, Q card (key card), registration and applying for international passports, and death and birth registration (based on the governmental services enumerated by Carter and Belanger, 2004).

Table 1. Studies using UTAUT variable framework

Reference/country	Research using	UTAUT/UTAUT2	Research Focus
1-(Venkatesh, et al. (2003) U.S.	User Acceptance Of Information Technology: Toward A Unified View	UTAUT	Performance Expectancy(PE), effort expectancy (EE), Social Influence(SI), Facilitating Conditions(FC), Behaviour Intention (BI), Use Behaviour (UB), Gender, Age, Experience, Voluntariness of use.
2-Yu-Lung et al. (2007) (Taiwan)	Using UTAUT to explore the behaviour of 3G mobile communication users	UTAUT	PE, EE, SI, FC, Use behaviour, Gender, Age, experience, voluntariness of use, level of education Intention to Use.
3-Chiu and Wang, (2008) (Taiwan)	Understanding Web-based learning continuance intention: The role of subjective task value	UTAUT	PE, EE, SI ,FC, computer self-efficacy, Attainment value, utility value,intrinsic, anxiety, (CI)
4- Liu, G., et al. (2008) (China)	User acceptance of Internet banking in an uncertain and risky environment	UTAUT	Self-efficacy (SF) perceived risk (PR) Locus ofcontrol(C) perceived uncertainty (UC) system quality (SQ) information quality (IQ) service quality(VQ), PE
5-Al-Shafi and Weerakkody, (2009) (Qatar)	Understanding Citizens' Behavioural Intention In The Adoption Of E-Government Services In The State Of Qatar	UTAUT	PE, EE, SI, Behavioural Intention to Use EG, Gender, Age, Internet
6-Wang and Shih, (2009) (Taiwan)	Why do people use information kiosks? A validation of the Unified Theory of Acceptance and Use of Technology	UTAUT	PE, EE, SI, FC, UB, Gender, Age, BI.
7-Al-Shafi and Weerakkody (2010) (Qatar)	Factors Affecting E-Government Adoption In The State Of Qatar	UTAUT	PE, EE, SI, FC, Trust of the Internet, Trust of Intermediary (BI) and Use Behaviour
8-Yahya et al.(2011) (Malaysia)	Determinants of UTAUT in Measuring User Acceptance of E-Syariah Portal in Syariah Courts in Malaysia	UTAUT	PE, EE, SI, BI, Actual Usage(AU)
9-Al-Sobhi et al. (2011) (Saudi Arabia)	The Roles Of Intermediaries In E-Government Adoption: The Case Of Saudi Arabia	UTAUT	PE, EE, SI, FC, Trust of the Internet, Trust of Intermediary, (BI) and Use Behaviour
10-Abdul-Rahman et al. (2011) (Malaysia)	Intention to Use Digital Library based on Modified UTAUT Model: Perspectives of Malaysian Postgraduate Students	UTAUT	Information Quality, PE, EE Service Quality, User Characteristics, Intention to Use Digital Library

4. Research Framework

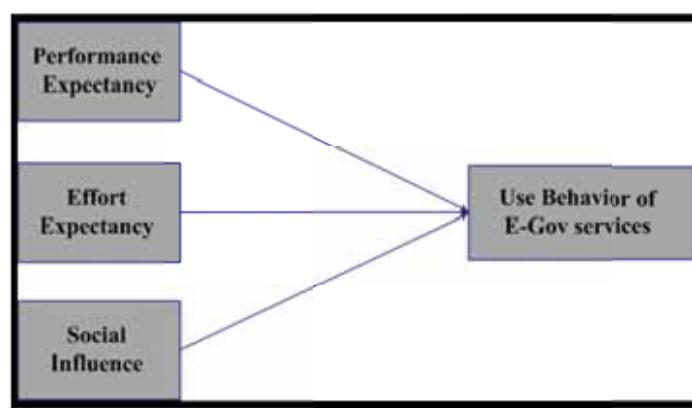


Figure 2. Research framework of EGadoption in Iraq

Researchers applied UTAUT components on a theoretical basis and found it to be successful among technology and innovation usage (e.g. Ally & Gardiner, 2012; Shao & Siponen, 2013). This makes UTAUT as a suitable model to be employed as the study frame for the Iraqi EG services in the current research. Detailed information concerning the study model are provided in this section.

The use of UTAUT in this study is justified by the fact that it is a current model proposed by Venkatesh et al. (2003) in the field of IS and new innovation. The usage behavior of EG services construct was measured with the help of four items adopted from Rahman et al. (2008) and Almajali (2011), PE was measured by six items adopted from Adulwahab and Dahalin (2011) and Venkatesh (2003), EE and SI items were obtained from Adulwahab and Dahalin (2011) and Venkatesh et al. (2003). In addition to this, age, gender, education and experience were not included for model simplification (Maldonado et al., 2011; Wang & Yang, 2005). Figure 2 presents the current study model.

5. Research Hypotheses Development

The UTAUT posits that performance expectancy, effort expectancy and social influence determine behavioral use of EG services in the context of Iraq. With all the variables and hypotheses proposed on the basis of UTAUT, the researcher presents the hypotheses as follows;

H1: Performance expectancy has a positive effect on usage behavior towards EG services.

H2: Effort expectancy has a positive effect on usage behavior towards EG services.

H3: Social influence has a positive effect on usage behavior towards EG services.

6. Research Methodology

6.1 Population and Sampling

This study covers the G2C social and economical government services. For the purpose of this study Iraqi citizens from various demographical levels in three Iraqi regions (south, middle and north) participated in completing the survey, out of which 75 questionnaire were considered as valid responses.

6.2 Sampling Profile

The final study sample comprised staff of public universities including lecturers and administrations. Based on the sampling profile, the sample represents the population under study based on different demographic variables and differences were found among the variables. In particular, the respondents were categorized based on eight demographic variables (age, gender, marital status, current occupation, residential area, education, income and Internet usage experience).

Table 2. Participant's demographic information

Demographic Variable	Category	(N = 75) Frequency	Percentage%
Gender	Male	36	48
	Female	39	52
Age	≤ 22	5	6.7
	23 -35	27	36.0
	36- 45 years	24	32.0
	46-55	16	21.3
	≥56	3	4.0
Marital status	Single	22	29.3
	Married	51	68.0
	Divorced	-	-
	Widowed	2	2.7
Current Occupation	Lecturer	26	24.7
	Manager	14	18.7
	Officer	26	34.7
	Clerks	6	8.0
	Others	3	4.0
Residential Area	City/Urban	54	72.0
	Rural	21	28.0
Education level	PhD	18	24.0
	Master	19	25.3
	Bachelor	26	34.7
	Diploma	9	12.0
	Secondary School	2	2.7
	Read and Write	1	1.3

7. Data Analysis

The PLS modeling was used in the analysis of the obtained data from the sample. The PLS, or Partial Least Squares modeling was proposed by Herman Wold (1982, 1985) (as cited in Lohmoller, 1987, 1989), in the aspects of LVPLS software computation. As such, the software's theoretical developments were related to Wold (1982, 1985), whereas the enhanced validation methods were attributed to Chin (1998 2001) and Chin and Newsted (1999).

The PLS-Graph software consists of the Lohms Loller's program PLSX for units x variables data as its core and it enables options. The PLS modeling has to be employed in the first phase of theoretical development for the assessment and validation of exploratory models. In addition to this, among the many features that are unique, is its prediction-oriented aspect, where the methodology allows researchers to focus on the explanation of endogenous constructs, where all the items are gauged via a seven-point scale.

The PLS path modeling method is extensively employed for the estimation of causal relationships in the field of path models that require the indirect measurements of latent constructs by several indicators. Previous studies (Wold, 1982; Lohmoller, 1989; Chin, 1989; Tenenhaus, Vinzi, Chatelin, & Lauro, 2005) highlighted the basis of methodology for the purpose of evaluating the outcome and they proposed some methodological instances.

7.1 Testing the Measurement Model, Outer Model via PLS Approach

Before the hypotheses were tested, the model in term of measurement model and outer model was examined through PLS-SEM method. The present study made use of a two-stage approach brought forward by Anderson and Gerbing (1988). Figure 3 presents the study model along with its structural dimensions.

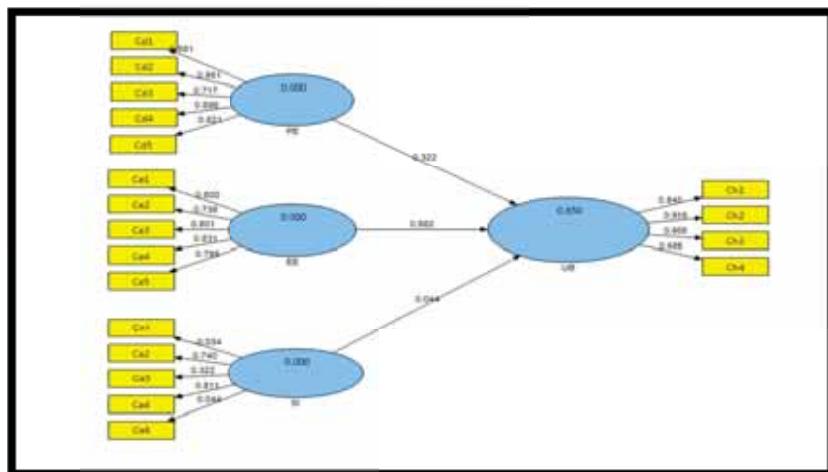


Figure 3. Factor loadings before deletion of items less that loaded less than 0.7

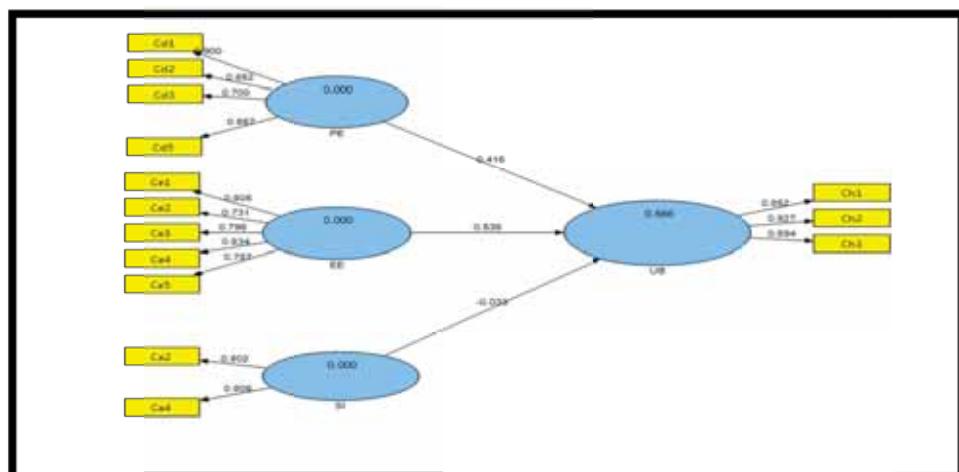


Figure 4. Factor loadings after deletion of items that loaded less than 0.7

7.2 Content Validity

The content validity of a measure refers to the level to which the items measure the concept they are created to measure (Hair et al., 2010). In this regard, the items created to measure a construct should produce higher loading on their construct in comparison to other constructs. In particular, individual item loadings higher than 0.70 are deemed adequate as recommended by Fornell and Larcker (1981). Item loadings are presented in Figures 3 and 4.

The researcher ensured the item loading adequacy by conducting an extensive review of literature to generate items whose validity has already been tested and confirmed. Based on factor analysis, items of constructs and their results are listed in Tables 4 and 5. It is evident from the tables that content validity of items and measures are listed in two ways – first items presenting high loading on their respective constructs are compared to other constructs, and second, significant item loadings on their respective constructs confirms the content validity of measures (see Table 4) as suggested by Chow and Chan, 2008.

Table 4. Significance of factor loadings

	SI	PE	EE	UB
CaSI2	0.802	0.406	0.252	0.295
CaSI4	0.806	0.518	0.236	0.297
CdPE1	0.544	0.900	0.414	0.606
CdPE2	0.550	0.852	0.478	0.570
CdPE3	0.389	0.700	0.434	0.471
CdPE5	0.418	0.857	0.414	0.589
CeEE1	0.215	0.414	0.805	0.556
CeEE2	0.157	0.353	0.731	0.492
CeEE3	0.126	0.327	0.796	0.533
CeEE4	0.395	0.524	0.834	0.694
CeEE5	0.257	0.411	0.787	0.626
ChUB1	0.231	0.571	0.604	0.852
ChUB2	0.410	0.672	0.669	0.927
ChUB3	0.335	0.561	0.709	0.894

Table 5. Results of convergent validity analysis

Construct	Item	Cronbach's Alpha	Factor Loadings	composite Reliability	AVE
Social Influence	CaSI2	0.453	0.802	0.785	0.647
	CaSI4		0.806		
Performance Expectancy	CdPE1	0.847	0.900	0.898	0.690
	CdPE2		0.852		
	CdPE3		0.700		
	CdPE5		0.857		
Effort Expectancy	CeEE1	0.852	0.805	0.893	0.626
	CeEE2		0.731		
	CeEE3		0.796		
	CeEE4		0.834		
	CeEE5		0.787		
Usage Behavior	ChUB1	0.871	0.852	0.921	0.795
	ChUB2		0.927		
	ChUB3		0.894		

7.3 Discriminant Validity of Measures

The next step after confirming the construct validity of the outer model entails the confirmation of the discriminant validity. This is considered as a compulsory phase prior to testing of hypotheses through path analysis. The discriminant validity of measures displays the level to which the items differentiate among constructs – in other words, it shows that the items make use of different non-overlapping constructs. Thus,

although there is correlation among constructs, they are measured with the help of distinct concepts as explained by Compeau et al. (1999). According to him, in cases where the discriminant validity of the measure is confirmed, the variance shared between every constructs and its measures should be greater compared to the variance shared among the constructs.

In this study, the discriminant validity of the measures was confirmed through the method employed by Fornell and Larcker (1981). The square root of average variance extracted (AVE) of the entire constructs positioned at the correlation matrix diagonal elements are presented in Table 6. Discriminant validity is confirmed by the greater value of the diagonal elements in comparison to other elements in the role and column where they are positioned. Following this confirmation, the hypotheses testing results are expected to be valid and reliable.

Table 6. Discriminant validity analysis

	EE	PE	SI	UB
EE	0.791			
PE	0.521	0.831		
SI	0.304	0.575	0.804	
UB	0.742	0.676	0.368	0.892

The statistical significance of the path coefficients was confirmed in this study through the bootstrapping method in the SmartPLS 2.0. The method involves the production of T values of every path coefficient along with the P values as shown in Table 7. The results provide interesting results that extend those of the prior studies regarding e-services.

Table 7. Results of the Inner Structural Model

Hyp. No.	Hypothesis Statement	Path Coefficient	Standard Error	T Value	P Value	Decision
H1	EE → UB	0.535***	0.084	6.391	0.000	Supported
H2	PE → UB	0.416***	0.112	3.707	0.000	Supported
H3	SI → UB	-0.033	0.079	0.422	0.337	Not Supported

*:p<0.1; **:p<0.05; ***:p<0.01

8. Study Findings

In practice, the study findings will contribute to the Iraqi government's decision throughout the implementation and adoption of EG services. Empirically, the findings provide evidence to the Iraqi decision makers, IT practitioner, and relevant entities concerning the EG adoption in Iraq. This is particularly pertinent to the country as over 28 million Iraqi citizens have been waiting for the application of such innovation in the country. Detailed study findings are elaborated in the next sections.

8.1 Effort Expectancy (EE) Has a Positive Influence on Usage Behavior towards E-Services

Effort expectancy refers to the level of ease related to the system use (Venkatesh et al., 2003, 2011 and 2012). On the basis of prior studies, EE is significant in various innovations in different countries (e.g. Abdul-Rahman et al., 2011; Al-Sobhi et al., 2011; Foon & Fah, 2011; Venkatesh et al., 2011; Yahya et al., 2011). Nevertheless, EE has not been examined in a situation characterized by violence and danger. Further research is therefore required to examine the relationship between EE and UB in the context of Iraq. Based on the study findings, EE impacts UB (usage behavior) towards EG services in Iraq as they are considered to be easy to understand and employ. The present study, tested the relationship between the two variables found UB ($\beta = 0.535$, $t=6.391$, $p>0.1$) indicating that EE significantly and positively influences UB and that H1 is supported. This finding is consistent with that of Yu-Lung et al. (2007) who revealed a positive and significant relationship between the two variables.

8.2 Performance Expectancy (PE) Has a Positive Influence on Usage Behavior towards EG Services

Performance expectancy (PE) refers to the level to which an individual is convinced that system use will assist him in attaining life performance (Venkatesh et al., 2003, 2012). PE was examined in various fields in literature and included in several software analysis such as SPSSs, AMOS and PLS, in different developing as well as

developed countries (e.g. Al-Shafi & Weerakkody, 2010; Al-Sobhi et al., 2011; Venkatesh et al., 2003; Venkatesh et al., 2012; Yu-Lung et al., 2007; Yahya et al., 2011).

In this study, the researcher focused on the way in which PE affects UB of EG services among Iraqi users.

To this end, the SEM Analysis results of the relevant hypothesis proposing the relationship between PE and UB showed a significant impact of PE on UB at 0.01 significance level ($\beta= 0.416$, $t= 3.707$, $p<0.01$), indicating support for H2. According to the findings, individual performance in terms of performances and task accomplishments can be enhanced through the use of EG services.

This result is consistent with those reported by Al-Shafi and Weerakkody (2010), Al-Sobhi et al. (2011) and Lawan (2011) who revealed a positive relationship between PE and the other variables.

8.3 Social Influence Has a Positive Influence on UB towards EG Services

Low usage of e-services can be generally attributed to social influence (Al-Majali, 2011) and specifically to Iraq. Prior studies have overlooked the examination of the effects of social influence (family and peers) in the context of Iraq.

In light of the hypotheses developed concerning SI, the SEM analysis results indicate that SI has no effect on UB ($\beta= -0.033$, $t=0.422$, $p>0.1$) towards EG where β was found to have a negative sign (-0.033). This shows that H3 is rejected.

According to prior studies, SI should have a key role in new innovation but in the present study, the relationship between SI and UB was found to be an insignificant negative correlation and thus H3 is not supported.

This particular result indicates that EG service users are not influenced by any group in their use of EG services. This validates the non-significance of including social influence in the assessment of technology, particularly those used by the public as contended by Chiu and Wang (2008) and Al-Sobhi et al., 2011). This result is consistent with those of other studies who reported no significant relation between SI and UB in the context of Saudi Arabia (Al-Sobhi et al., 2011; Alshehri et al., 2012).

9. Conclusion

The present study findings support the contention that mixed findings stem from different countries characterized by different culture, sample sizes, nations, economic, environment and political situations. The main contribution of the study is its examination of the phenomenon in a new environment, namely Iraq. This aspect of the study is particularly significant as UTAUT and usage issues have largely been ignored in this context.

The study findings are expected to contribute to the government bodies in their decisions to adopt EG technology.

10. Suggestions for Future Research

Investigating the usage behavior towards technology among the Middle-Eastern region that is rife with challenges and wars (e.g. in Iraq, Yemen, Egypt and Libya) is a significant undertaking. Accordingly, the present study examines the EG explicitly in a risky environment in terms of Government to Citizen (G2C) services. Future studies could focus on Government to Government, Government to Employee, and Government to Business aspects. It is evident that variables affecting usage behavior and user satisfaction has not yet been largely explored in specific contexts. Hence, the need exists to explore such variables in different contexts – future research could measure e-banking, e-commerce, e-learning, e-system, e-health record, e-ticket, key card, Q card, smart card, visa card, master card, computer/iPad adoption, mobile government adoption, telecenterservices adoption and acceptance in both developed as well as developing countries, with different cultures, and to employ various sample sizes.

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Crowdfunding: Online Charity or a Modern Tool for Innovative Projects Implementation?

Denis A. Profatilov^{1,2}, Olga N. Bykova² & Maria O. Olkhovskaya²

¹ Vitus Bering Kamchatka State University, Petropavlovsk-Kamchatskiy, Russia

² The Russian State Academy of Intellectual Property of Russia, Moscow, Russia

Correspondence: Denis A. Profatilov, Vitus Bering Kamchatka State University, Petropavlovsk-Kamchatskiy, Russia. E-mail: denprofatilov@gmail.com

Received: September 19, 2014 Accepted: October 27, 2014 Online Published: December 30, 2014

doi:10.5539/ass.v11n3p146

URL: <http://dx.doi.org/10.5539/ass.v11n3p146>

Abstract

Crowdfunding is a promising field of financing high-risk innovative projects. The start-up developers raise money needed for their start-up implementation on a crowdfunding-platform by means of the Internet. The investors may also include ordinary citizens who wish to support this or that original idea and contribute to its implementation. The possibility of access to a completely new product (and before the official sales) is the main motive for financing projects.

Keywords: crowdfunding, Kickstarter, backer, innovation, project, investment, implementation

1. Introduction

The technological process embracing general masses has reached incredible dimensions for the last ten years. Modern people cannot imagine their life without a mobile phone, their work without a computer, their computer without access to the Internet. Owing to new communication technologies now it is possible to gain access to any kind of information, to buy and sell various goods by means of one "click", to visualize objects which are located at a considerable distance and so on.

During the current period of development business cannot be considered effective without making use of Internet-technologies: if a company has no official site it will cause a decrease in consumers' loyalty, the use of marketing technologies is extremely limited. The overwhelming majority of companies taking into account the observed tendencies in the plane of increasing dependence of consumers on Internet-technologies stop running their business in a classical way and transfer it into the Net; for example, ordinary shops become Internet-shops, printing editions (newspapers and magazines) are issued with the "online"-prefix. Thus, practically all the sections of economy adapt themselves to the needs of Internet users.

In order to find additional funding beginner-companies, first of all, develop Internet-sites of their projects with the purpose of potential investors' getting all necessary information about the process of project implementation and possible risks. However, not only professional investors have an opportunity to finance projects they are interested in. Modern instruments of implementation and support of various projects by means of Internet-technologies allow any Internet user to become a participant of financing the mentioned projects. This instrument is referred to as "crowdfunding".

2. Defining Crowdfunding

Recently a new tool for fundraising has appeared - crowdfunding, allowing to provide funding for the project, without resorting to outside investors, venture capitals and financial and credit institutions.

Crowdfunding is the practice of funding a project or venture by raising many small amounts of money from a large number of people, typically via the Internet (Oxford Dictionaries, 2014).

Crowdfunding projects can range greatly in both goal and magnitude, from small artistic projects to entrepreneurs seeking hundreds of thousands of dollars in seed capital (Mollick, 2014; Schwienbacher and Larralde, 2010). Crowdfunding draws inspiration from concepts like micro-finance (Morduch, 1999) and crowdsourcing (Poetz and Schreier, 2012), but represents its own unique category of fundraising, facilitated by a

growing number of internet sites devoted to the topic (Mollick, 2014). Some crowdfunding platforms are explicitly designed with philanthropic intentions (Agrawal et al., 2010).

When considering the commonly accepted definition of crowdfunding the issue of its belonging to some group of economic terms should be examined. It is worthwhile, in our opinion, to view crowdfunding as a financial instrument that works by means of collective cooperation of people who voluntarily unite their resources on a crowdfunding-platform in an effort to support other people's or organizations' projects.

Crowdfunding-platforms are specialized websites which serve as intermediaries between people or organizations launching some project (project creators) and people who wish to finance the given project (backers).

3. Analysis

The world crowdfunding-platforms activity analysis reveals that the most successful one is the American site Kickstarter. Kickstarter is a website created in April, 2009 for raising funds in order to implement creative, scientific and manufacturing projects in the framework of crowdfunding. By means of Kickstarter crowdfunding-platform various projects from 15 groups are financed: computer games, film and video, design, technological projects, music, publishing, food, art, fashion, comics, theater, photography, dancing, journalism and crafts.

Project creators indicate the amount of money which they need for the implementation of the project and the period of time during which they are planning to raise this amount. The characteristic feature of fund-raising process on the Kickstarter crowdfunding-platform is the "all or nothing" principle: if a project has not raised 100% of the amount planned for its implementation all collected money is returned to backers and the project will not be implemented. If project creators have managed to get more money than they planned they will receive all collected amount.

The underlying limitation in the activity of the Kickstarter crowdfunding-platform is imposed on starting projects: not all individuals and legal entities can do it. A year ago the Kickstarter geography included only the territories of the USA and Great Britain, but nowadays they were joined by such countries as Canada, Australia, New Zealand and the Netherlands that proves good prospects of this crowdfunding-platform development and shows the possibility of entering new economic zones. But, in spite of geographical limitations, there are examples in practical application when non-residents of the above-mentioned countries launch projects in partnership with the residents.

According to the data of the official Kickstarter website (Table 1) as of the beginning of September, 2014, the platform raised investments for the implementation of 174 267 projects to the total amount of \$1.3B. But only 39.69% (69 167 projects) were successfully funded to the total amount of \$1.124B. The commission of Kickstarter for rendered services is 5 % of the total collected amount, thus, it could gain \$56.21M.

Table 1. Kickstarter stats (2014. Accessed: 06.09.2014)

	Launched projects	Successfully funded projects	Success rate	Total dollars (M)	Successful dollars (M)	Unsuccessful and live dollars (M)
All	174 267	69 167	39,69%	1 300	1 124	176
Games	12 113	3 995	32,98%	269,20	237,86	31,34
Film & Video	39 322	15 233	38,74%	235,60	195,75	39,85
Design	9 735	3 378	34,70%	200,68	176,41	24,27
Technology	7 194	1 825	25,37%	192,96	165,75	27,21
Music	32 460	17 179	52,92%	122,33	110,77	11,56
Publishing	19 419	5 843	30,09%	55,63	46,19	9,44
Food	9 528	2 854	29,95%	52,26	42,50	9,76
Art	13 955	6 200	44,43%	41,61	35,85	5,76
Fashion	7 737	2 021	26,12%	40,62	34,47	6,15
Comics	4 565	2 190	47,97%	31,10	28,29	2,81
Theater	6 831	4 224	61,84%	27,41	24,07	3,34
Photography	5 570	1 752	31,45%	15,27	12,65	2,62
Dance	2 169	1 446	66,67%	7,35	6,81	0,54
Journalism	1 488	416	27,96%	4,57	3,93	0,64
Crafts	2 181	611	28,01%	3,59	2,92	0,67

It was also revealed that the majority of successfully funded projects belong to the categories “Music” and “Film & Video”: 17 179 projects and 15 233 projects, correspondingly. If we analyze the amounts of invested funds we can see that the greatest amount was collected by successfully funded projects of the “Games” category – \$237.86M.

But if we approach the analysis of the statistic data from the standpoint of investment amount per one project it is possible to distinguish the following three categories with the greatest figures which demonstrate a big gap between them and the others:

1. “Technology” – \$90.82K per one project;
2. “Games” – \$59.53K per one project;
3. “Design” – \$52.22K per one project;

Let us compare: the fourth position on this criterion belongs to the ha “Fashion” category – \$17.05K per one project.

The analysis of projects which gained the biggest funding shows that in this context the leading positions are also occupied by technological projects. Thus, the project of Pebble Smartwatch (innovatory watch for wireless communication and information transmission from modern smartphones) got the record amount on the Kickstarter platform – \$10.266M (68 929 backers).

Pebble has become not only the most successful project for the whole period of Kickstarter existence, but it has collected the necessary sum for a surprisingly short period of time. The amount which was initially planned – \$100K – was collected for two hours. And it took them only 28 hours to collect the first million of dollars (Habrahabr, 2012).

If we compare crowdfunding with other tools of project implementation, for example, with venture financing, business-angels, investment funds and others we can notice their similarities in the object of investment (a start-up) and the goal of investment (project execution) (Table 2).

The basic difference between these tools is the planned result of the project implementation. Thus, when start-ups venture financing is used the determinative factors of effectiveness imply the increase in the price of the project after its launch, the profit which it gives and the probability of the fact that the company executing the project may turn into a bigger one with further entering IPO market.

Table 2. Comparative description of crowdfunding and venture financing

Common points	Peculiarities
- object of investment;	- planned result of project execution;
- goal of investment	- participation in the company’s activity after the project execution; - risks in case of unsuccessful project execution.

The main result sought by backers in crowdfunding is not getting profit. When financing projects on crowdfunding-platforms backers get reward connected with the direct output of the declared product. For example, backers that supported the project of creating the innovatory watch Pebble (technological projects), in some definite period of time stated at the start of the project are the first to get this watch. The main factor affecting the backer’s choice is the exclusiveness of the offered product, because it will enter the market only after the commitments to the backers are honoured and will be sold at a higher price. Thus, crowdfunding model serves as a pre-order for this or that product, but the economic efficiency of this model application, all other investment conditions being equal, is much higher than in case of “venture way” application.

The differences between crowdfunding and venture financing also involve the share of participation in the activity of the company after the project implementation. It is evident that the goal of a backer implies getting a single result, that is, after investing money in a successfully financed project and getting the sought reward (the product) the backer stops maintaining contacts with the company. Conversely, in case of venture financing the investors are active after the implementation of the project and continue their activity till the moment of selling their share in the company and increasing the initially invested capital.

The final difference between the above-mentioned tools is a risk which occurs in case of unsuccessful implementation of the project. In the context of crowdfunding backers have a right to return their money before the moment of getting reward and do not bear any financial risks. With venture financing, in case of

unsuccessful implementation of the project, the investors lose all their investments if there are no specially stipulated conditions in the agreement.

In 2013 the USA (JOBS Act, 2012) and Italy (Consob, 2013) adopted laws devoted to the problem of legalization and regulation of start-up companies' using funds raised with the help of crowdfunding. The given laws prove that crowdfunding gains more and more economic power and requires regulation at the legislative level. That presents a corner stone in the aspect of impetuous growth of new projects on crowdfunding-platforms as well as the trust displayed by backers.

Foreign scientists have been studying the given financial instrument since the time of crowdfunding-platforms mass creation. It should be noted that the impetuosity of innovations in this sphere sometimes makes us view critically the interrelationship of the investigations conducted before with the current situation. For example, in the research work of British scientists L. Collins and Y. Pierrakis (2012) crowdfunding is subdivided into four types: Donation Crowdfunding, Reward Crowdfunding, Crowdfunded Lending (financing in the form of a credit from backers with the further return of the invested money to project creators with certain interest) and Equity Crowdfunding (financing with the purpose of investment and future participation in the activity of the company – getting shares, distribution of profit and so on) (Table 3).

Table 3. Form of crowdfunding

	Form of contribution	Form of return	Motivation of funder
Donation Crowdfunding	Donation	Intangible benefits	Intrinsic and social motivation.
Reward Crowdfunding	Donation/Pre-purchase	Rewards but also intangible benefits.	Combination of intrinsic and social motivation and desire for reward.
Crowdfunded Lending	Loan	Repayment of loan with interest. Some socially motivated lending is interest free. Return on investment in time if the business does well. Rewards also offered sometimes.	Combination of intrinsic, social and financial motivation.
Equity Crowdfunding	Investment	Intangible benefits another factor for many investors.	Combination of intrinsic social and financial motivation.

While the first two types of crowdfunding offered by the British scientists are related to the current realities, Crowdfunded Lending and Equity Crowdfunding are now designated by another term. As it has been mentioned above, using crowdfunding as an instrument of financing the backers who pledged in the project do not aim at getting profit. The positions with which the sought result is getting profit from the project financed by a great number of people are united into the notion of "crowdinvesting" (Wikipedia Germany, 2014), that is collective investing money in a project with the purpose of getting commercial profit from its implementation.

Relying upon the experience of the crowdfunding-platform Kickstarter it is possible to state that the crowdfunding model opens up new vistas in the sphere of technological innovative projects implementation. Nowadays 1825 technological projects for the total amount of \$165.75M have been financed on Kickstarter. Thus, it is evident that in the field of innovative projects implementation crowdfunding is one of the most profitable and effective instrument without outside participation of investors and investments which suggest return, without the transfer of share in the innovative company.

The scheme presented in Figure 1 and the following economic effect from placing an innovative project on a crowdfunding-platform and raising funds for its implementation show a real possibility of using this instrument in broad application. In the American scientist Ethan Mollick's (2014) opinion, the success of project financing depends, first and foremost, on the quality of project documentation development, presented video materials, project advertising on the Internet and social networks.

The given process also includes the notion of the so-called “point of no return”: if during the first days of its start-up on a crowdfunding-platform the project has raised not less than 25% of the asked amount, the probability of full financing is 90% (Localwiki, 2010).

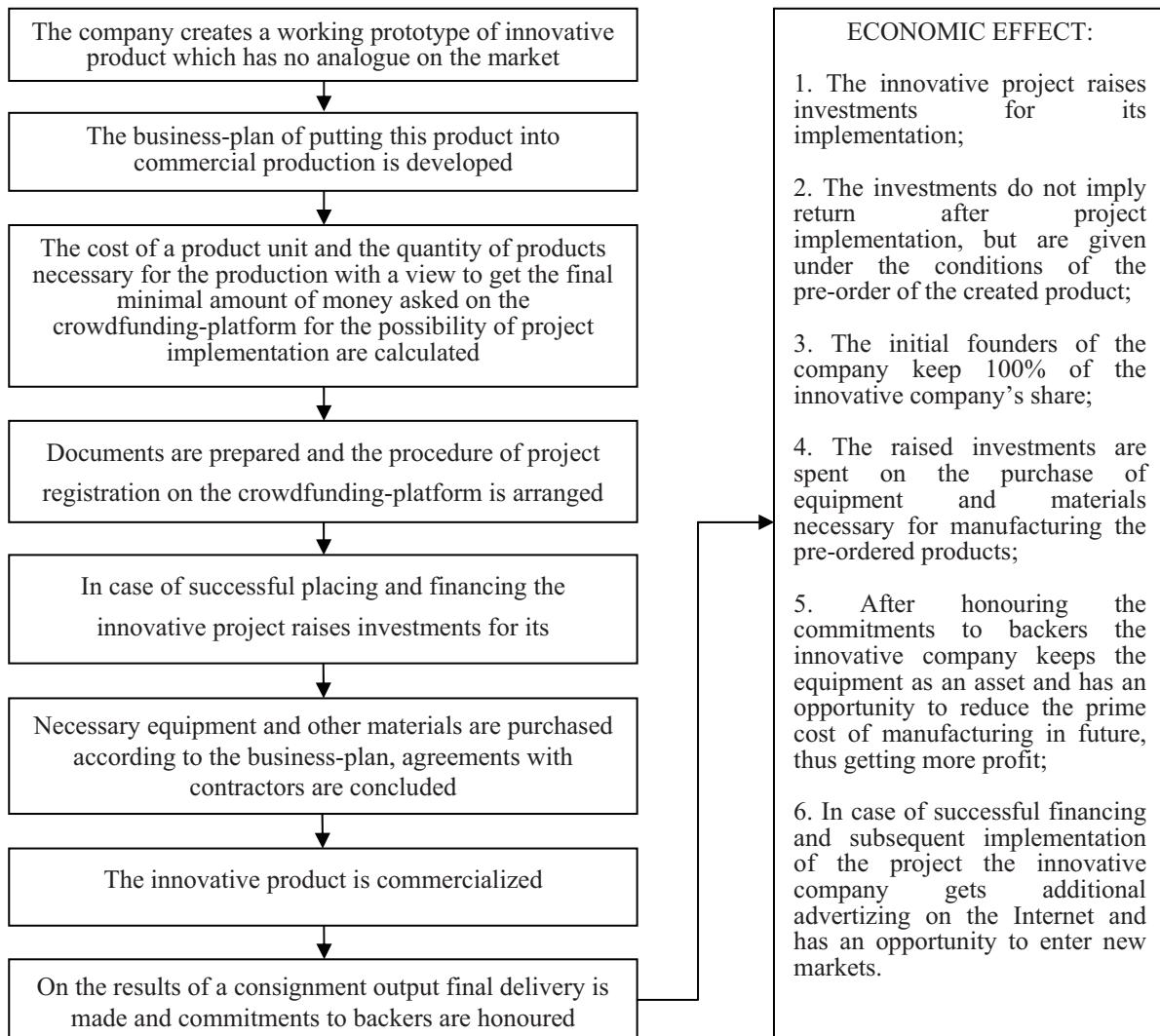


Figure 1. Scheme of innovative technological project implementation by means of crowdfunding

4. Conclusion

There is no doubt that, in many cases, money raised by means of a crowdfunding-platform is not sufficient for the implementation of a big project. There are exceptional situations, when projects raised much greater funds than it had been planned before, but these projects are occasional and provide real breakthroughs and innovations. But the obvious and indisputable advantages of project starting on a crowdfunding-platform are the following:

1. getting initial funds for project implementation without outside investors' participation. Thus, in case of success, project creators eventually get a working company the gross cost of which is a large excess over the figures achieved before the crowdfunding experience;
2. checking the initial demand for an innovative product. I.e., the producer that has launched the project can realize, still before the output of a consignment of products, if the buyer is ready to purchase the product and in what amount;
3. full-scale PR-action on the Internet and in mass media. As a rule, if a project is of innovative character, in demand and, consequently, successfully financed news sites and specialized editions provide information about this project and the output product.

The innovative project on the creation of the Oculus Rift virtual reality headset (Kickstarter. Oculus Rift, 2012) is a vivid example of using the mentioned advantages in practice. The given project was launched on Kickstarter in August, 2012, and raised funds to the amount of \$2.4M whereas the amount of \$250K was planned. The project was supported by 9 522 backers all over the world. After a successful crowdfunding campaign the project raised additional external investments which constituted more than \$85M. And on the 25th of March, 2014, (Time, 2014) the company “Oculus VR” (the creator of the abovementioned project) was purchased by Facebook for \$2B. I.e., it took the company less than two years to increase its cost more than 20 times, and it is placing the innovative project on a crowdfunding-platform that provided the start of this process.

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The Technology of Forming the Students' Research Competence in the Process of Learning a Foreign Language

Olga Vladimirovna Lopatina¹, Guzel Rafkatyevna Fassakhova², Leysan Atlasovna Akhmetova³, Rinat Gabdullovich Gatin³, Alfiya Shaukatovna Yarullina³, Svetlana Radanisovna Nikishina³ & Elmira Robertovna Khairullina⁴

¹ Kazan National Research Technical University named after A.N. Tupolev, Russia

² Kazan State Agrarian University, Russia

³ Kazan Federal University, Russia

⁴ Kazan National Research Technological University, Russia

Correspondence: Olga Vladimirovna Lopatina, Kazan National Research Technical University named after A.N. Tupolev, Kazan, K. Marks Street, 10, Tatarstan, 420111, Russia. E-mail: alfkazan@mail.ru

Received: September 25, 2014 Accepted: December 6, 2014 Online Published: December 30, 2014

doi:10.5539/ass.v11n7p152 URL: <http://dx.doi.org/10.5539/ass.v11n7p152>

Abstract

The research issue appears important as today's system of professional education requires an optimal structure of the academic disciplines intended for the students' research and creative abilities development. In this regard, the purpose of the article is to develop a technique for forming the students' research competence in the process of learning a foreign language. The flagship approaches to the development of this technology have become the research and modular competence-based approaches. The article describes the technology of the students' research competence formation in the process of learning a foreign language, the proposed stages of which are universal and can be also used in the formation of the students' communicative competence, while the submitted steps are particularly aimed at the formation of the students' research competence in the process of learning a foreign language. The materials of this article may be of value to the foreign language teachers while selecting and structuring the foreign language learning curriculum aimed at the formation of the research competence among the students of higher professional schools.

Keywords: research competence, the "Foreign Language" discipline, technology, higher professional school.

1. Introduction

The processes of globalization and integration of Russia into the world educational space lead to the renewal of the national higher professional education that requires high responsibility for the quality of the educational services.

The globalization of education is embodied primarily in increasing academic mobility, the priority of the international research, the extension of the international contacts and joint international projects (Bereznova & Krajewski, 2006; Obukhov, 1999). These changes impose a certain responsibility on teachers and students - the future professionals of postindustrial civilization, the dynamism of which has stipulated the necessity to modernize the education curriculum in order to provide such valuable knowledge that would allow them to keep ahead of the organization renovation in their future professional activity. In this regard the objective of educating a specialist whose training would meet international requirements, and who would be able to solve the urgent problems of post-industrial society to enhance its financial revenue and strengthen its economic position in the international arena appears one of the most important issues among other objectives of the Russian Federation higher schooling (Bim, 2005; Gimiatullin, 1990). This effect can be achieved by targeting future specialists' training at the development of their mobility and competitiveness thus enabling them to maximize their abilities.

The aforementioned circumstances have stipulated the search for solutions of the following problems:

- First, the Russian economy during the last decade has undergone essential changes, but these changes have not yet ended, as the technology renewal in the most advanced sectors of the economy occurs every two or three

years, and therefore the future specialist in the field of economy should be able not only to objectively analyze the current situation, but also to renew and enrich his knowledge while exploring the new fields of activities in order to forecast the economy changes and respond to dynamic and non-linear transformation well-judged (Lopatina, 2009);

- Second, the intellectualization of the economy raises fundamentally new problems in training the specialists in economics, wherefore the future competitive economist should clearly realize the role of the research component in his education as well as the research skills in his future professional activity, as the abundance of the graduates with economic diplomas in the labor market does not solve the problem of the acute shortage in the qualified professionals who are able to creatively solve professional problems by methods of scientific cognition to achieve positive economic reforms in Russia (Lopatina & Ratner, 2011; Masalimova et al., 2014);
- Third, the widening scope of international contacts between Russian and foreign companies, corporations and businesses that need social, professional and academic mobility of the subjects of this sphere imposes new requirements to both the research and foreign language competences of the future specialist in economics capable of building cross-cultural scientific relations, participating in international conferences and symposiums, studying international experience in the field of the acquired specialty in order to choose the correct behavioral strategies to ensure the effectiveness of his cross-cultural communication (Karpov, 2004; Morozova & Fadeev, 2007);
- Fourth, there is the necessity for a structure of the academic disciplines optimal for the development of investigational and creative abilities of the students and which is similar to the structure of a scientific research, as well as the new organizational forms that would involve into the foreign language learning curriculum not only the professionally-oriented educational material, but also philosophical, sociological, economic, psychological ones required for the professional activity of a specialist in economics to enable him to acquire the skills of carrying out a scientific work and implementing the achieved results adapted to the present condition of the society and economy in the process of renovation (Voivoda, 2009).

The aforementioned circumstances make it urgent to find the effective approaches that would involve students into vigorous conscious research activities performed in a foreign language.

2. Materials and Methods

The hypothesis of the study is based on the assumption that the formation of the students' research competence will be effective in the process of learning a foreign language if its technology including analytical-prognostic, motivational-orienting, designing, organizational-methodical, and corrective-implementation stages has been designed and implemented.

To test this hypothesis the following methods have been applied:

- *theoretical*: the analysis of the psychological and educational literature on the problem of the study; specification and generalization, idealization and extrapolation; investigation and generalization of the innovative teaching experience; the subject and curriculum analysis of the national and foreign educational programs, textbooks and manuals in a foreign language;
- *empirical*: the investigation of the experience of the foreign languages university departments; psycho-pedagogical, sociological methods of data collection (teacher observation, questionnaires and interviews, the study of teaching experience, the analysis of the students' and teachers' performance, diagnostic techniques); pedagogical experiment;
- *statistics*: the statistic analysis and interpretation of the research results, its mathematical processing and others.

The experimental work to verify the effectiveness of this technology has been conducted in "Kazan National Research Technical University named after A.N.Tupolev" and "Kazan Federal University." The pilot study involved 197 students of the first and second courses: the experimental group - 101 students, the control group - 96 students.

3. Results

The technology of the students' research competence formation in the process of learning a foreign language is a complex, multi-level object that includes consistent, successive *stages and steps*:

1. The analytical-prognostic stage provides the analysis of the tendencies in the economic education development; the analysis of the requirements of the State Educational Standard of Higher Professional Education to the level of professional competence (including research competence) of the future specialists in economics; the analysis of the modern requirements for the students' proficiency in a foreign language in the

context of increasing academic mobility; clarification and specification of the structural components of the research competence formation in the process of learning a foreign language; the analysis of the national and international experience in using innovative technologies while forming the students' research competence; the study of the employers' opinions on the investigated topic; forecasting the results of the research activity.

2. The motivational-orienting stage involves identifying of the cognitive-motivational potential of the "Foreign Language" discipline, which would contribute to the appearance and development of a sustained interest in research activities in the process of learning a foreign language; formation of a need and skills for active exploration work of a scientific character; exposure to the leading concepts of research activities, various methods of scientific cognition as well as a specific vocabulary in a foreign language.

3. The designing stage involves reviewing the foreign language curriculum aimed at the formation of the research competence of the students in economics; identification of the course external relations through its interdisciplinary connections; the choice and development of the exercises of professional research character for the students' unsupervised work; the development of the check-up assignments to identify the dynamics of the students' research competence formation in the process of a foreign language acquisition.

4. The organizational-methodical stage involves organizing the educational material of the "Foreign Language" discipline using innovative teaching technologies, including such forms and methods of teaching that promote creativity and intellect; wide use of modern telecommunication and computer technologies and tools in the educational process; the innovative forms of classroom teaching, the organization of independent work, research, practices, working over innovative projects.

5. The corrective-implementation stage discusses the contents of the developed foreign language learning curriculum aimed at the formation of the research competence of the students in economics at various levels, particularly at the faculty meetings, seminars, scientific conferences, etc.; identifying the students' level of the research competence in the process of learning a foreign language; identifying the causes and conditions that prevent formation of the research competence of the students of the university economics specialties; the collection and analysis of all incoming information and, if necessary, its further development by the discipline curriculum developers; the development of an implementation algorithm of educational and methodological support for the higher school educational process; the use of educational and methodological support aimed at the formation of the students' research competence in the process of learning a foreign language in higher educational institutions.

The submitted technology of the research competence formation among the the students in economics in the process of learning a foreign language presents the design stages that are universal and can be used while forming the students' communicative competence, and the presented design steps directly aim at the formation of their research competence.

At the ascertaining stage of the experiment the authors have performed the analysis of the regulations, curricula, educational programs, textbooks and manuals of the subject "Foreign Language" written by both national and foreign authors; developed a curriculum for a foreign language study, a study guide for the students, a methodological manual for the teachers aimed at forming the research competence of the students of university economics specialties in the process of learning a foreign language; developed an algorithm of the experimental work, diagnostic techniques for its implementation, a set of criteria (motivational-axiological, cognitive, communicative, procedural-activity, reflexive-analytical) and their performance.

These criteria have been measured within the relevant provisions. The assessment of the cognitive component was carried out according to a specially developed tests that had previously been tested for validity. The motivational-axiological component was estimated according to the developed questionnaire; the procedural-activity component was estimated in the course of the students' participation in the conferences held in a foreign language; the communicative one - by observing the discussions and business games; the reflective - analytical was diagnosed in the course of the research projects, such as "A Foreign Trade contract", "The comparative analysis of the national and foreign investment." The students were offered to analyze the research component of the project and the applicable scope of the acquired skills.

The analysis of the components of the research competence has revealed the divergence in formation of the particular constituents. This has allowed us to adjust the foreign language learning curriculum in order to improve the development of the immature components of the research competence.

To assess the overall level of the research competence development we offered the students to self-assess it within the developed levels and criteria. The individual self-ratings were verified by the teachers-experts. The

students' self-rating figures and the experts' evaluations have corresponded. Table 1 shows the distribution of the students according to the level of the research competence development before the formative phase of the experiment.

Table 1. The distribution of the students according to the level of the research competence formation before the formative stage of the experiment

Groups Levels	Empiric frequencies, person		Total
	Control group	Experimental group	
Passive-reproductive	24	32	61
Active-research	38	34	72
Intensive-creative	24	28	52
Analytical-reflective	5	7	12
Total	96	101	197

With the χ^2 criterion we have proved the uncertainty of the differences in the level of the research competence formation ($\chi^2_{\text{ex}} = 0.88$ at $\chi^2_{\text{con}} = 7,815$ ($\alpha = 0,05$)). This has allowed us to start the forming stage of the experimental work selecting the experimental group at random.

At the forming stage of the experiment we introduced the academic support of the foreign language learning curriculum for the students in economics into the educational process of higher school. The provided academic support aims at the formation of the students' research competence and includes a program, a textbook for the students, a manual for the teachers, which covers the main provisions of the research competence formation among the students of economic specialties in the process of learning a foreign language in higher professional educational institutions, as well as provides guidelines for planning and organization of the educational process.

The submitted in the present research the teaching and methodical support as distinguished from the traditional one includes: 1) the topics concerning the basic provisions on execution of a scientific paper, book reviews, articles, course and diploma projects: "A Report Discussion", "A Report Structure", "A Conference Organization", "The review and article structure and content", "The Research project planning" etc.; 2) the topics functioning in the scientific field of the professional activity of the specialists in economics, namely: "A scientific research in economics", "Scientific cooperation", "Modern tendencies in the development of the economic science and modern technology," etc.; 3) the topics affecting students' grant winning: "A Student's Portfolio", "How to win a grant?", "The Paperwork for international programs and grants," etc.; 4) the topics used in business correspondence and professional communication of the future specialists in economics, in particular: "The Company (legal status, form, type, structure)", "Business and Finance", "Foreign trade contract", "Import-Export", "The Rules of Business Conduct", "Business Correspondence" and others; 5) the topics including national and foreign experience of the economists' professional activities: "The Economist of the Year", "The Foreign Market Leaders", "The World Business News", "The Market News", etc; 6) the themes guiding future economists to study throughout their lives: "The internship abroad", "The Master's program", "The Postgraduate study", "The Doctorate" and others.

4. Discussions

Analysis of psychological and pedagogical literature demonstrates that many Russian researchers describe pedagogical technology by the following features: algorithmics, manageability of pedagogical process, correcting (the possibility of feedback), visualization (the ability to use a variety of teaching tools), economical efficiency (including, on the one hand, strict control of the sacrificial time and mastery of a faculty member, and, on the other hand, the consideration of expired tools) (Bespalko, 1995; Klarin, 1989; Talyzina, 1986; Chernilevsky, 2002; Masalimova et al., 2014).

Analysis of psychological and pedagogical literature shows that different authors identify different stages and phases of pedagogical technology. V.S.Bezrukova highlights the following procedure of a faculty member activity as a technology of pedagogical designing: 1) the analysis of the designing object; 2) the choice of designing form; 3) the theoretical support of designing; 4) the methodological support of designing; 5) the spatiotemporal support of the project; 6) the legal support of the project; 7) the development of the project; 8) the selecting system-forming factor; 9) the establishment of relationships and dependencies of the components; 10) the paper writing; 11) the quality control of the project; 12) the mental experimentation of the project appliance; 13) the expert evaluation of the project (Bezrukova, 1994).

N.Y. Postalyuk highlights the following set of phases of the pedagogical designing technology. They are generalized in units of designers' activity. The analytical unit: the first phase is the analysis of the situation. The conceptually-predictive unit: the second phase is the conceptualization; the third phase is the problem formulation; the fourth phase is the development of project ideal. The unit of constructivization: the fifth phase is the project schematization; the sixth phase is the object constructivization. The goal-setting unit: the seventh phase is the pedagogical design formulation; the eighth phase is the goal-setting. The procedural-technological unit: the ninth phase is the activity planning and programming. The unit of resources provision: the tenth phase is the resources analysis; the eleventh phase is the evaluation of project commercial attractiveness and its competitiveness in the educational market. The project management unit: the twelfth phase is the creation of project management system (Postalyuk, 1997).

It should be noted that the designing foreign language teaching content involves not only the implementation of successive stages and phases of designing activity, but also the use of scientific methods of its selection. Thus, B. S. Gershunsky believes that the research aimed ultimately at the selecting the teaching material must undergo a series of stages: the first is goals substantiation; the second is the prognostic selection of teaching content; the third is the teaching content classification; the fourth is the qualification characteristics, curricula and syllabus development; the fifth is the operational correcting of program documentation (Gershunskii, 1980).

The studies of N.A. Chitalin the technology of teaching content designing also includes five stages: 1) the modeling of specialist professional activity; 2) the array determination of qualities necessary for a successful professional activity and for systematization of knowledge, skills and personal qualities; 3) the teaching content structuring for educational, special and professional; 4) the objective systematization of educational content; 5) the teaching material formation (Chitalin, 1993).

Analysis of the literature allows us to conclude that the technologies of teaching content designing proposed by different scientists are of great interest for our research. However, they are designed without including research competence forming.

5. Conclusion

Therefore, in the submitted technology of forming the students' research competence in the process of learning a foreign language the developed design stages are universal and can be used in the formation of the students' communicative competence, while the design steps are particularly aimed at developing the research competence of the students in the process of learning a foreign language.

The performed experimental work on the implementation of the developed technology stated the improvement of the research competence formation of the students, which generally proves our hypothesis.

6. Recommendations

Basing on the results of the research it seems challenging to consider the issue of the research competence formation of the students of secondary and higher education institutions not only in the process of learning a foreign language, but also while studying other disciplines, as well as fostering methodological culture among the teachers of the "Foreign Language" discipline.

However, projecting these issues has not yet been carried out for the purpose of forming the research competence of the students in the process of learning a foreign language.

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Features of Managers' Personality Psychological Properties Relationship

Guzel Shaukatovna Gabdreeva¹ & Alisa Ramilevna Khalfieva¹

¹ Kazan Federal University, Tatarstan

Correspondence: Guzel Shaukatovna Gabdreeva, Professor of Kazan Federal University, Kremlevskaya Street, 18, 420008, Kazan, Tatarstan. E-mail: khalfieva@inbox.ru

Received: September 26, 2014 Accepted: December 8, 2014 Online Published: December 30, 2014

doi:10.5539/ass.v11n7p158

URL: <http://dx.doi.org/10.5539/ass.v11n7p158>

Abstract

The aim of this article is researching psychological characteristics of Manager's personality. The leading approach of this research is to show close relationship of gender characteristics and significant features of Managers' personality. It has been shown that the most characteristic qualities of effective managers are communication skills, strong-willed qualities and also abilities to self-setting goals and organization of actions aimed at achieving them. Basic contributors indicating personality are: confidence, competitiveness, autonomy, initiative, self-acceptance and organizational skills. The results of research in this article can be used in the process of the managers' professional training.

Keywords: professional activity of manager, comparative and correlation analyses, features, structure and strategic properties of the personality of manager

1. Introduction

In today's fast-paced, competitive world, businesses are continually changing. Most of these organizations are on the hunt for the competitive advantage, or a way to strategically move ahead of the competition in the marketplace. However, earning the competitive advantage takes work; goals must be set, plans must be made, people must be motivated and mobilized, resources have to be gathered and distributed, and objectives have to be monitored and assessed (Shekshni, 2003). That is why the need for professional management personnel dictates the need for preparation of effective managers engaged in various fields of activity. The specificity of their professional activities, defined by the subject-to-subject character makes an actual study of psychological characteristics of managerial activity (Karpov, 2003; Gabdreeva & Khalfieva, 2014). Psychologists has shown that the professional activity of managers of different levels have high tension, cognitive complexity, the need for rapid inclusion in problematic situations and innovation in the workflow, decision making under uncertainty and risk (Makarova, 1981; Meskon, 1991, Knorring, 2001). The psychological characteristics of managerial activities and individual managers have been described. There is no data in the available literature which contains the structure and structural indicators of personality. That is why filling the gap in knowledge was the purpose of this study.

2. Materials and Methods

The study involved the successful managers of their different career level: lower level managers, middle level managers and top level managers. As diagnostic methods were used questionnaires: "Communicative and organizational skills" (Fetiskin, 2002), "Express-diagnosis of personal competitiveness" (Andreev, 2009), "Creative potential of the individual" (Fetiskin, 2002), "Masculinity-femininity" (Bem, 1974), "The Scale of psychological well-being" (Ryff, 1995), "The Level of personal risk preparedness – PSK" (Fetiskin, 2002), "Lightweight multi-factor personality questionnaire – SMOL" (Zaicev, 2004), "Questionnaire psychological resistance to stress – OPUS" (Raspopin, 2009), "Motivation for success and fear of failure" (Fetiskin, 2002), "Strong-Willed personality characteristics" (Chumakov, 2006), "Confidence" (Rudestam, 1990). There are 58 indicators were analyzed at this work.

3. Results

Analysis of all studied parameters showed that the average values beyond the average level of General diagnostic scale has only four indicators: "Communication skills", "Organizational skills", "General psychological stability of the individual to stress" and "Initiative".

So, the indicators of a "typical Respondent, representing the average level of the diagnostic scale for these indicators are: communication and organizational tendencies - from 9 to 12 points; General psychological resistance to stress - 127-152 points; initiative - 4-5 points, whereas in the group of managers these figures are equal to: accounted for 14.45 - communicative tendencies; 14.95 - organizing tendencies; 176.85 - General psychological stability of the individual to stress; 6.30 - initiative. Accordingly, communicative and organizational skills, as well as General personal psychological resistance to stress and initiative are the parameters characterizing the sample of managers.

A study of gender characteristics of managers showed that for a sample of men and the sample of women managers is characterized by the manifestation of androgyny (- 0.12 points in women; - 0.18 points for men). This is the most effective in achieving professional success with a skillful combination of the traits of femininity and masculinity.

The next stage of research carried out correlation analysis. It was noted that diagnosed indicators form a coherent structure, since almost all of them are interconnected. The structure is formed by a large number of links (334), that allows us to speak about the degree of its integration. Selected strategic indicators were indicators that have the highest number of linkages in the structure. This: "Certainty is uncertainty", "Competitiveness", "Autonomy", "Organizational skills", "Initiative", "self-acceptance", "Negative self-esteem, General psychological stability" and "Management of environment".

The indicator with the greatest number of correlations with other indicators (6), is "Certainty-uncertainty." This indicator is positively correlated with indicators of "Initiative", "Openness", "Autonomy", "Organizational propensities", "Communicative tendencies", "Personal competitiveness. This may indicate that the more confident the Respondent feels that he is more proactive, actively seeks to accept new ideas and incorporate them into its sphere of thinking, more self-reliant and independent, able to resist the attempts of society to make them think and act in a certain way, competitive, and he has a better-developed communication and organizational skills.

Significant indicator, also has a large number of interconnections is "Competitiveness" (6). Despite the fact that according to the analysis of average values, the specified parameter from a group of managers is average diagnostic scale, the structure of the indicators it is one of the backbone. "Competitiveness" was identified as the relationship (at the level $p \leq 0,01$) with such indicators as "Confidence-uncertainty", "Determination", "Initiative", "Autonomy", "Communication skills" and "Organizational skills". The analysis of these relationships shows that the higher the Manager desires to achieve the goals in terms of confrontation with seeking the same purpose by other individuals or groups, the greater his confidence, determination, the more he takes the initiative in various activities, the more independent and able to resist the attempts of society to make them think and act in a certain way, self-regulating their own behavior and evaluating themselves according to their personal criteria, as well as sociable, tend to be organizational skills.

The indicator of "Autonomy" also correlates with the six indicators: "Certainty is uncertainty, General psychological resistance to stress, Duration and frequency of occurrence of the stressor", "Determination" and "Perseverance" and "Negative self-esteem" ($p \leq 0,01$ and $p \leq 0,001$). The Manager is more independent and able to resist the attempts of society to make them think and act in a certain way, self-regulating their own behavior and evaluating themselves according to their personal criteria, so it is more self-confident, decisive, persistent, and it has a higher overall psychological resistance to stress, and specifically, to situations, "stressogenic" which is defined and enhanced long-term, repeated, or chronic nature of the negative impact of a stressor, more sustainable, positive self-esteem and semiprivate personality in contrast to the trends of self-abasement and stress dissatisfaction with those or other aspects of themselves.

The indicator "Organizational skills" also has a significant number of correlations (5) with such indicators as: "Certainty is uncertainty", "Competitiveness", "Initiative", "Motivation of success and fear of failure" and "Vitality" ($p \leq 0,01$). This means that the more the Manager exerts its organizational skills, the more confident, energetic, not afraid of the situation the desire to achieve the goals in terms of confrontation with others, likes to take the initiative in their hands, aimed at the achievement of success under any circumstances. It should be recalled that according to the average values in the group of managers, this figure is a bright feature, since it goes beyond the boundaries of the average values of the diagnostic scale.

The following figure with a large number of connections (5) is "Creativity". Indicator initiative correlates with indicators of Communicative tendencies", "Confidence" "insecurity", "Competitiveness", "Organizational skills", "Masculinity-femininity". The higher the initiative, the more the Manager is certain in itself, less is lost in the new environment quickly finds friends, aims to expand the circle of friends, helps family and friends, takes the initiative in communication, able to make decisions in difficult and unusual situations, likes to organize various activities, persistent and driven, but also achieves the objectives in terms of confrontation. With an indicator of "Masculinity-femininity" initiative revealed a negative relationship. This suggests that the stronger the Manager expressed feminine traits, the lower his rate of initiative. Accordingly, the above appear masculine traits, the higher initiative.

The following analyzing parameters "self-acceptance" is correlated with such parameters as "lack of time", "Uncertainty", "General psychological stability of the individual to stress" ($p \leq 0.01$) and the Stability of positive self-worth" ($p \leq 0,001$). These results indicated that the more positive the Manager refers to himself, knows and accepts a variety of sides, including good and bad qualities, appreciates his past, the more he is resistant to situations limit and lack of time, uncertainty, obscurity, deficiency of personal relevant information, positive self-esteem and self-acceptance of the individual in contrast to the tendency to humiliation and stress of dissatisfaction with these or those aspects of the self, and, in General, more psychologically resistant to stress.

Only three, but the strongest positive relationship was revealed in the indicator Stability of self-esteem" with such terms as "Running around", "Autonomy", "self-acceptance" ($p \leq 0,001$). In addition, these indicators are positively correlated with a measure of General psychological stability of the individual to stress" ($p \leq 0,01$). The analysis of these relationships shows that the higher the degree of stability of positive self-worth and self-acceptance personality characterizing the Manager, the higher its overall psychological resistance to stress, the more power and competence in the management of the environment, it has better controls over all external activities more efficiently, uses the most of opportunities that can capture or create the conditions and circumstances that are appropriate to meet personal needs and achieve goals, more independent, more positive refers to itself and its past, accept yourself for who he is.

The next analyzing parameters "Control environment" also has three relationships with other indicators of the structure. So, there is a strong positive relationship with indicators of "lack of time", "the Stability of positive self-worth" ($p \leq 0.001$) and General psychological stability of the individual to stress" ($p \leq 0,01$). This means that the more the Manager has the authority and competence in managing the environment, better controls all external activities, effectively uses the most of opportunities that can capture or create the conditions and circumstances that are appropriate to meet personal needs and achieve goals, the higher his resistance to the situations of the time limit and greater resistance positive self-esteem.

4. Discussions

One of the most developed areas in foreign psychology is the study of individual careers (Shane, 2002). F. J. Dorn (1992) examines professional career due to the nature of identification of a person in the career and beyond, examining the influence of social and psychological factors on the choice of education and profession. M. Woodcock (2002), and D. Francis, studying professional career, divide it into stages associated with age-related changes of human rights. There is great attention to the named authors give psychological and social problems of career growth, as well as the emergence of various crises career. So Santalainen, E. Voutilaine, Th. Nissinen (1993) studied the difficulties and obstacles facing the workers in mid-career, when at some moment, as they put it, the stage of "fermentation". D.E. Super (1990), interprets career as a maturation process that considers the determinants of professional self-determination, development of professional self - concept and stages of career development.

5. Conclusion

Summarizing the study, we can conclude that the most typical sample of managers are organizational and communication skills, ability to self-willed manifestations, individual goal setting and organization of actions aimed at achieving these goals. The main structure-forming characteristics are: self-confidence, competitiveness, autonomy, initiative, self-acceptance and organizational skills. The results of the study can be considered in the process of professional training of managers.

This draws attention to the close relationship of gender characteristics and significant features of the personality of the Manager, in particular initiative. This allows you to define as a scientific problem finding out the gender of the features contributing to the professional effectiveness of a manager, the solution of which is a separate subject for further investigation.

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A Portfolio as an Alternative Means of Presenting the University Student's Achievements

Regina Gennadyevna Sakhieva¹, Suriya Irekovna Gilmanshina², Iskander Rafailevich Gilmanshin², Svetlana Sergeevna Kosmodemyanskaya², Ilsia Rafailevna Akchurina² & Rimma Nadyrovna Sagitova²

¹ Academy of Social Education, Russia

² Kazan Federal University, Russia

Correspondence: Regina Gennadyevna Sakhieva, Academy of Social Education, Kazan, 420039, Russia. E-mail: saxievarg@mail.ru

Received: September 26, 2014 Accepted: December 8, 2014 Online Published: December 30, 2014

doi:10.5539/ass.v11n7p162

URL: <http://dx.doi.org/10.5539/ass.v11n7p162>

Abstract

The article defines the objective, the tasks, the functions of the portfolio as an alternative means of presentation of the students' achievements in higher professional school. Nowadays there is no specified structure of the student portfolio, it may vary according to the targets, direction, educational profile and other factors. The paper considers the development of the structure of the undergraduate student portfolio. It also describes the principles of designing a portfolio, the main advantages and disadvantages of using a student portfolio in the university educational process. The practical relevance of this article reinforces the presented brief practical advice on creation a portfolio.

Keywords: portfolio, alternative means of presentation of the student's achievements, competence

1. Introduction

In the context of a new paradigm of the education development "lifelong education" the most demanded features of the students of higher education are mobility, dynamism, independence, commitment to efficient operation, ability to continuous self-development. These personality traits without doubt can be developed only in conditions of personal activity. To implement the new education strategy it is necessary to apply alternative means of presentation of the educational, research, public and other achievements of the university students (Gilmanshina & Kamasina, 2013). A portfolio can become one of them.

The authors define the portfolio of a higher school student as a technology of determination, recording, storage, systematization, evaluation and presentation of real achievements and results of education, self-education, research, social and other activities of the student during a particular period of time, demonstrating the willingness of the student to self-development and self-realization (Sakhieva, 2011).

The purpose of the design and implementation of a portfolio in higher professional school is to provide significant educational and other achievements of the student, providing the track of his individual progress within its broader educational context, to demonstrate his ability to apply the acquired knowledge and skills in practice.

The portfolio tasks: to support and encourage educational motives of the student; to form the ability to set goals, to plan, to organize and be responsible for his own education and self-education activity; to design and implement the individual trajectory of the student's development; to demonstrate the dynamics of the personal growth and professional development of the student; to develop skills in reflective and assessment activities; to present an integrated assessment of the level of the student's readiness for future professional activities; to form the background for further successful self-actualization and self-realization in society. (Tregubova, Sakhieva, & Masalimova, 2008).

The main functions of the portfolio are: motivational-presentational (to improve motivation for activity, to represent the results of the student's individual trajectory development in dynamics); educational-formative (to acquire new knowledge, skills, and competences, to develop creative activity experience); projective-modeling (to design the student's individual educational path and the model of professional development); reflexive-evaluative (overall integrative assessment of the educational, professional and personal achievements

of the student, the level of his readiness for future professional activity, gaining experience in the organization of reflection and self-assessment).

2. Methodological Framework

The principles of designing a portfolio are:

- Complexity (versatile evaluation by means of various forms of the performance presentation (the documents, works, reviews, expert opinions, etc.);
- Reliability (correspondence of the submitted materials to the true state of affairs);
- Continuity (the submitted documents should reflect the extension of the activity areas, the student's development dynamics);
- Optimality (designing a portfolio is not a goal in itself, it should contribute to the formation and development of universal cultural and professional competences of the student).

3. Results

3.1 The Structure of a Student Portfolio (in Terms of Psycho-Pedagogical Training Areas)

The structure of a student portfolio includes the following sections:

Section 1: General information about the student

- Summary (volume 1 p.)
- Autobiography (volume 1 p.)
- Introduction (in which the student explains what materials are included in the portfolio, and justifies the inclusion of these particular materials as the evidence of universal cultural and professional competencies. Volume - up to 3 p.)

Section 2: The results of the academic activities

- The results of the basic education program acquirement and formation of the universal cultural and professional competencies (a copy of the student's record or rating book, etc.);
- The results of the knowledge checkup;
- The results of the academic competitions;
- The certificates of passing various tests (including Internet-testing), etc.

This section of the portfolio is intended for certain academic disciplines, training courses or educational modules and, moreover, it contains subsections: storages where the students collect the material obtained from the teachers; the textbook and other educational sources, the patterns and work manuals, the evaluation criteria, the sheet of the performed independent work; the worksheets to help to perform unsupervised work; the registered stages of work performing - a sample, a draft, the completed work, the teacher's assessment.

Section 3: Educational and Methodological Activity

- "Cicada quotes" - the quotes of great men about the science and its subject;
- "The bibliography of the studied publications in various disciplines" - the bibliography of publications (books, articles, theses, etc.) in the studied subjects with a brief summary of each publication;
- The materials of various tests, techniques;
- Different training materials;
- Creation of visual and didactic materials in terms of various disciplines, psychological and educational problems;
- Working up a variety of graphic works, charts, tables, drawings in terms of various disciplines and psychological-pedagogical problems;
- Creating educational slide films;
- Miscellaneous materials for training and work practices;
- Developing different practical problem situations and their solutions;
- Developing recommendations, memos for educational psychologists, psychologists, teachers, parents, children, adolescents in terms of various psychological and educational problems;

- Making up vocabularies for different disciplines, subjects and issues;
- Developing remedial development programs;
- Developing personal methods and techniques under the guidance of the supervisor;
- Developing personal models of psycho-pedagogical support of the educational process and the models developed with the supervisor, etc.

This section of the portfolio is also devoted to a certain academic discipline, a training course or an educational module.

At the end of this section it is necessary to choose the most significant educational and methodical work and justify its choice.

Section 4: Research activity

Compulsory work:

- Testing results (a copy of the title page with evaluation, a table of contents);
- Coursework / projects according to the years of education (copy of the cover sheet with evaluation, a table of contents, introduction);
- Graduation thesis (thesis) (a copy of the cover sheet with the evaluation, a table of contents, introduction).

Additional work:

- Reports in different disciplines;
- Speeches / presentations at the scientific conferences, seminars of various levels (faculty, university, national, regional, international, etc.)
- The list of the scientific research publications (filed according to the requirements);
- The works participated in grants competitions, scientific research competitions of various levels;
- The research and development activities as a co-author in the research and experimental work or in a temporary research team.

At the end of this section it is necessary to point out the most significant research work and justify its choice.

Section 5: Extracurricular activities

5.1. The extracurricular activities on the instruction of the group, department, faculty, educational institution:

- Participation in designing the materials collection, the group, department, faculty, institution booklets;
- Creation of a slide film about the group, department, faculty, educational institution;
- Creation and publishing the student newspapers;
- Participation in a psycho-pedagogical group / volunteer movement, etc..;
- Participation in charitable activities;
- Participation in various promotions;
- Participation in sports and recreational activities;
- Participation in career-oriented work and its results;
- Participation in various social activities of the group, department, faculty, institution, etc.

5.2 Extracurricular activities of the city, regional, national, international level:

- Participation in volunteering;
- Participation in various promotions;
- Participation in sports and recreational activities;
- Participation in the activities of various children's centers;
- Participation in the activities of social movements, organizations, funds, etc.;
- The development of social projects, programs, scripts, etc.;
- Activities in the creative groups, sports clubs, etc.;
- Participation in various competitions, festivals, etc. (contest "Student Spring", etc..)

At the end of this section it is necessary to point out the most significant extracurricular activity and justify its choice.

Section 6: External evaluation

- The reviews of the competitive work, individual and group projects, term papers and graduation thesis (theses) made by the scientific supervisor and reviewers;
- The character references of the student presented by the supervisors of various training practices;
- The recommendations of the State Certification Commission for implementation of the graduation thesis results into the educational process of various educational institutions;
- The character reference of the student submitted by the educational institution;
- The Recommendations of the Department and the Faculty Council for entering the Master's or postgraduate program etc.;
- Testimonial letters to the employer, etc.

Section 7: Self-analysis, self-evaluation

- A final student's essay about the acquired competencies, experiences, creative activities in the process of studying in the institution and professional activity (if relevant).

Section 8. Further self-development strategy

In this aspect, the student determines the future plans, further ways of self-improvement, self-development, self-actualization, that is especially important in the context of a new paradigm of the education development "lifelong education".

Applications. The documents confirming the student's achievement

- The copies of the reviews, comments, letters, certificates, diplomas, etc.

3.2 Brief Practical Advice on Creation of a Portfolio

- It is advisable to render the portfolio sections suitable for particular activities;
- Each element of the portfolio should be dated in order to follow the dynamics of the student's development;
- It is desirable to provide the portfolio with the photographs showing its contents;
- It is advisable to use two types of portfolio: a working one, in which all the available materials are collected; a demonstration one in which the materials that reflect the educational, research, social and other student's achievement, progress in his personal and professional development are collected.

4. Discussions

The research on the problem of developing and using a portfolio are being carried out in different directions:

- the analysis of foreign experience of portfolio use in the educational process is represented in the works of V. K. Zagvozdkin (2004), M. Kimball (2002), T. G. Novikova, A. S. Prutchenkov, E. E. Fedotova (2005); J. Strivens (2007);
- portfolio as one of the modern evaluation means of the education results is considered in studies of N. F Efremova (2012), V. I. Zvonnikov (2007), A. P. Cherniavskaya (2008) and others;
- the problem of the formation, development and evaluation of the student's competencies by means of a portfolio is discussed in the scientific writings of H. Keurulaynen (2007), M. S. Mukhina (2009), O. V. Nikiforov (2007), N. M. Savina (2008);
- the use of a portfolio in the professional training of the students in pedagogics are devoted the studies of N. V. Zelenko, A. G. Mogilevskaya (2009), L. S. Kolodkina (2008), A. A. Semenov (2008), E. H. Tazutdinova (2010) and others;
- the implementation of a professional teacher's portfolio in his teaching activities was studied in the writings of L. P. Makarova (2010), M. A. Pinskaya (2009), M. M. Potashnik (2009), L. Pronina (2009).

The problem of designing and using a portfolio as an alternative means of presentation of higher school students' achievements in terms of psycho-pedagogical training areas is the area of theoretical and practical knowledge that has not been thoroughly studied yet.

5. Conclusion

Therefore, the portfolio is an alternative means of presenting the university student's achievements: it reflects the results of an individual educational activity of the student, the level of self-organization, the level of the development of the universal cultural and professional competencies that fully characterizes the student's identity, his information culture, communication characteristics, reflects his consistent and long-term educational results thus compensating the effect of an odd success or failure in the exam.

The authors pay attention to the fact that in the process of working over a portfolio it is not the result of creative endeavor that is important but the process itself, and those skills, competencies and experience that the student acquires in the process of portfolio making. While designing and implementing a portfolio the students obtain such knowledge and skills that build the basis for the formation of universal cultural and professional competencies: general (systematization, generalization, comparison, classification and others); projecting (choice and setting the goals, operations sequencing and assessing, planning, choice of work methods and others); research (the ability to clearly identify the problem, formulate a hypothesis, set the research tasks, pick appropriate methods, identify the ways of solving the research goals, etc.); communication (the ability to work in a team, interact with others, etc.); organizational (ability to conduct business records, find the necessary data, use a variety of ways to work with the information and its sources, etc.); reflexive (the ability to analyze and be engaged in self-reflection over the activities, to compare it with the standards and thereafter improve it and to take the lead to achieve personal progress); the skills of self-control and self-esteem (self-criticism, the ability to evaluate and adjust personal activities, etc.).

The advantages of the portfolio use of in the educational process of higher education institution can be identified as: first, in contrast to the traditional approach, which separates the teaching, learning and assessment, the portfolio combines the three components of the learning process; secondly, it stimulates the students' activity and independence; Third, it mostly allows to present the student's achievements in various activities; Fourth, allows to combine both quantitative and qualitative evaluation of the student's abilities by analyzing a variety of the activities products; Fifth, it is not only the score that is encouraged, but also self-esteem, inter-evaluation of the student, as well as self-examination and self-control; Sixth, it is a form of continuous evaluation in the context of the concept "learning throughout life." The major disadvantages of the portfolio use in the educational process of higher professional schools are: the complexity of the evaluation process; vagueness in defining the scope and criteria for the portfolio evaluating.

The portfolio as a dynamic, flexible, alternative means of presentation of the higher education students achievements can be easily integrated into professional and service system performance and assessing, that allows early formation of the professionally relevant skills and competences of the individual.

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Individual Characteristics of Students in the Course of Professional Development (as Exemplified by the Ulyanovsk Region of Russia)

Svetlana Borisovna Gnedova¹, Anna Valerievna Emelyanenkova¹, Irina Victorovna Mikhailova¹, Anastasiya Sergeevna Sedunova¹, Valentina Borisovna Salakhova¹ & Natalya Gennadevna Enyashina¹

¹ Ulyanovsk State University, Russia

Correspondence: Svetlana Borisovna Gnedova, Ulyanovsk State University, L.Tolstogo Street, 42, 432017, Ulyanovsk, Russia. E-mail: alfkazan@mail.ru

Received: September 27, 2014 Accepted: December 8, 2014 Online Published: December 30, 2014

doi:10.5539/ass.v11n7p168

URL: <http://dx.doi.org/10.5539/ass.v11n7p168>

Abstract

The purpose of the article is to disclose the objective laws of professional and personal development of students through the example of students of institutions of higher education in the Ulyanovsk region. The research has been done within the nomothetic approach. The process of professional development and specific features of students, such as perfectionism and conformism have been described in the article.

Keywords: professional development (professionalization), perfectionism, manipulative professions, individual style, attributive schemes

1. Introduction

In recent years there is a great interest to the investigations connected to the problem solution of personal and professional development, formation of professionalism, professional skill, search for the conditions and factors of increasing efficiency of the personnel activity (Mogilyovkin, 2007). According to the acmeological approach, a professional is considered as the subject of professional activity possessing a high level of professionalism of the personality and activity, having a high professional and social status which has been constantly aimed at developing and self-improving. The psychological essence of the problem of formation, formation of the professional, development of his personality relies on such concept as professionalization.

Professionalization is a formation of specific types of a person's labor activity on the basis of development of the set of its professionally focused characteristics (psychological, physiological, behavioural, working) (Bodrov, 2001). Professional development of the subject of work can be considered in four directions. Firstly, as a process of his socialization – adoption of social norms, transformation of social experience into his own professionally focused sets, interests, values. Secondly, as the personality development that consists in forming a person's professional abilities and motives of work and depends on the content of labor process, conditions of its realization, features of professional career, etc. Thirdly, as a professional self-realization of the individual in his walk of life. It is a professional way, a working career, a career of the personality. Fourthly, as a form of activity of the personality (Druzhinin, 2001).

The success in training of highly competent professionals depends to a great extent on the awareness by each of them of the abilities and the opportunity of effectively moving ahead to perfection heights. As an internal criterion of the professional growth each person has his own ideas about a high degree of conformity with his development (Emelyanenkova, 2005). There are the requirements imposed by a profession, on the one hand, and the highest valuable standards that have been formed on the other hand. This problem consists in correlating individually created standards with the available personal and professional qualities. In other words, socialization takes place in the direction set by a standard. It can be both positively and negatively directed.

One of the important components of educational professional activity of students is the formation of special qualities which will further characterize the identity of a future professional. Plasticity of personal traits also makes the task of correct establishing conditions for the professional growth so important and significant for those who are trained (Emelyanenkova et al., 2008).

2. Materials and Methods

In the course of studies general theoretical and empirical methods have been used, as well as mathematical processing of the research results. Among general theoretical and psychological methods we will note the theoretical analysis of scientific sources on the research subject, and as well as the comparative and comparative analysis of theories on the declared problems. The methods of collecting information are presented most widely: an experiment method; a method of sociometry of Y. Moreno (1999); a polling method; psycho-diagnostic methods, namely: Kettell's 16PF (2000) questionnaire, a scale of self-assessment and level of claims by T. Dembo and S. Y. Rubinstein, A. M. Prikozhan's modification (2007), V. I. Morosanova's multiscale polling technique "Style of behavior self-control" (SSPM) (1998), a technique "multidimensional scale of perfectionism" (P. L. Hewitt, G. L. Flett), in I. I. Gracheva's (2006) Russian-speaking adaptation, a technique "Styles of thinking" by Alekseev - Gromova (Russian-speaking adaptation questionnaire In Q: Harrison A. F. Branson R. M. 1984) (Alekseev & Gromova, 1993), a questionnaire of "A career anchor" by E. Sheyn (in V. E. Vinokurova's adaptation and V. A. Chicker) (2003), a method of semantic differential of Ch. Osgud (I. Solomina's modification) (Solomin, 2000). The choice of statistical information processing methods depended on the objectives at each stage and the project of researches: descriptive statistics, distinction coefficients of - Mann-Whitney's criterion and multifunctional statistical criterion φ^* - Fischer's angular transformation, coefficients of correlation interrelations (Ch. Spirmen), the cluster analysis.

The study was conducted among the students of the following institutions of higher education: Ulyanovsk state university, Ulyanovsk state pedagogical university named after I. N. Ulyanov, the Ulyanovsk highest aviation school of civil aviation (institute), the Ulyanovsk branch of Moscow pedagogical state university. In total, with a different set of techniques, 795 students at the age of 18 - 24 years took part at different investigation phases.

3. Results

Work on psychological portraits within university is conducted with the use of several techniques, but Kettell's questionnaire 16PF has always been the core method. The objective of this research stage was to study the features of a psychological profile of university graduates in professions like "people - people". According to the task, all specialties were divided by us into two groups. The professions relating to the "person- person" type were included in the first, namely: "psychology", "social work", "medical business", "law", "management" - professionals of all these fields of activity have an opportunity or a duty to have influence on people, to change them; that is, to make impact on people, "to manipulate" them. Representatives of all other types of professions were referred to the second group: "person - machinery", "person - sign", "person - nature" and "person - artistic image", namely the graduates of the faculties: mechanic-mathematical, physics and technology, information and telecommunication technologies, ecological, culture and arts, finance and accounting.

Statistically significant distinctions (mathematical data processing was carried out with use of Fischer's angular transformation) were obtained on both basic and on secondary factors of the questionnaire. Specialists of "manipulative" professions are characterized by greater domination, authoritarianism and aggressiveness; social courage, enterprise and impulsiveness; sensitivity, good nature and intuitivism; concentration, intensity and increased motivation; emotionality and difficulties in decision-making because of the abundance of thinking; and as well as a more developed communicative competence. Some of these features and related personal characteristics we will consider in more detail. Firstly, the studies of domination and motivation of the power in connection with professional preferences of testees emphasize the prevalence of expressiveness of a special need and aspiration to the power in a number of the "manipulative" professions relating to the sphere of "person-person". During our dissertation research (Emelyanenkova et al., 2008) the analysis of the power motivation (by means of the author's modified projective technique) on areas of basic education among 470 testees showed the most significant results while comparing the basic economic education and education in the humanities with natural - scientific and technical education in favor of the first group that also leaves us within the hypothesis of "manipulative" professions. Thus, the greatest internal conflict (at levels of 0,01 and 0,001) associated with the equally high aspiration to power but power avoidance was shown by the testees with the basic education in the humanities, both men and women. The striving to power is more marked in testees - men with economic ($p < 0,05$) and humanities education ($p < 0,05$). Highly reliable low figures on motivation of power are characteristic of the people with the basic technical education.

Secondly, in this research significant distinctions in intelligence parameters (factors "B", "M", "Q1") depending on a scope of education and features of professional activity have not been revealed. The hypothesis of significant distinctions in the structural features of intellectual potential of students with different type of professional education has been put forward: the system "person- person" (students of the humanitarian faculty

of Ulyanovsk state university and the system "person -sign" (students of the mechanic-mathematical faculty of USU). The sample group amounted to 94 people, for the complex diagnostics of whom intellectual qualities were used: R. Kettell's "CFIT" (Denisov & Dorofeyev, 1996); "Intelligence structure" R. Amthower (Yasyukova, 2007); "Styles of thinking" Alekseev – Gromova (Russian-speaking adaptation of a questionnaire InQ: Harrison A.F. Brainson R.M. 1984) (Alekseev & Gromova, 1993); "Style self-control of behavior" V. I. Morosanova (1998); motivations of professional and educational activity. No significant distinctions between the sample groups of students with technical and humanitarian education areas were revealed on the levels of expressiveness of such important constituent in the structural and substantial component of intellectual potential as general intelligence. Significant distinctions (Mann-Whitney's criterion) at level $p < 0,01$ were found on a number of style characteristics of intellectual activity, self-regulatory and motivational characteristics. The sample group of people with technical education is distinguished by less marked motivation of their own activity, than in people with education in the humanities; a strong marked analytical style of intellectual activity, that is a tendency to the systematic analysis of problems, negative attitude to the uncertainty, interest to technologies, information search; and also more developed mathematical and spatial abilities. This phenomenon can be explained by the specificity of professional education or peculiarities of professional self-determination which is the result a conscious choice of a specialty on the basis of interests and abilities.

Thirdly, speaking about the communicative block of personal features, we will note that in one of our last reports (Emelyanenkova, 2008) we analyzed a psychological profile of USU graduates of the specialty "Psychology" and compared them with the data on features of communicative behavior in psychologists-consultants who are beginners. The result of the analysis was the statement that as an outcome of higher education training the students -psychologists possess a developed communicative competence. They come into and support necessary social contacts well, possess developed perceptual abilities that are expressed in observation and attention to interlocutors. Nevertheless, there was an obvious lack of study of a psychologist's own emotional problems (that also was confirmed and in the present analysis, on "Q4" factor in particular) which needs to be overcome due to individual or group experience of the psychotherapeutic work which is carried out in the period of university and postgraduate training (Emelyanenkova et al., 2008). Thus, graduates of "manipulative" professions have a number of the personal features distinguishing them from the representatives of other profession groups. There is a posed question about the cause and effect relationship as it is not known to what extent these features had influence on the choice of a profession, and in what measure the training in a certain profession has a forming impact on the peculiarities of personality's traits of a future specialist; that opens up one of the prospects for our further investigations.

The study of career orientations in future specialists of our region, conducted by A. V. Emelyanenkova and T. V. Nikulushkina (2010) became continuation and extension of this project. The type of a career realized by each person is a peculiar answer to a question "Who I am? ". Everyone has a certain set of motives, values which influence his or her choice, past life experience forms a certain system of valuable orientations, social attitudes in relation to a career therefore in the professional plan the subject of activity is considered through the system of its dispositions, valuable orientations, social attitudes, interests, etc. The concepts "career orientations" or the term of "a career anchor", introduced by E. Sheyn corresponds to it in American social psychology. Using "anchors" it is possible to predict, what type of a career will turn out for a person to be the most satisfactory as people try to choose a way of life according to the most important values for them (Misinformation, 2007).

We considered it important to find out, what the students are focused on, what motives they are guided by at the beginning of their work therefore 88 university graduates of Ulyanovsk of various specialties at the age of 18 - 24 years became participants of the study of career orientations. To obtain the most indicative information we compared the sample group of students of the Ulyanovsk region and the all-Russian sample group of the students, presented by V.A. Chicker (2003). By the study results we obtained profiles of career orientations in these two sample groups (see figure 1).

On the chart we can see that the uniform distribution of estimates on all career orientations is characteristic of the all-Russian sample group of students. Thus, the most frequent are the orientations "stability" and "service". Such results can point out about the importance of constancy in professional life for students, necessity of some guarantees, and also that their activity brought benefit to those who are around them. The situation seems to be expedient owing to the lack of experience, and consequently their readiness to sacrifice some moments (for example, time, personal interests, etc.) for the sake of improving professional competences. More rare career orientations "professional competence" are chosen ($\varphi^* = 1,98$; $p < 0,02$), "autonomy ($\varphi^* = 1,92$; $p < 0,02$) and "lifestyles integration ", i.e. to students as future professionals it is important to improve their skills and develop

in the chosen professional area, and also harmoniously combine professional activity with other spheres of their life.

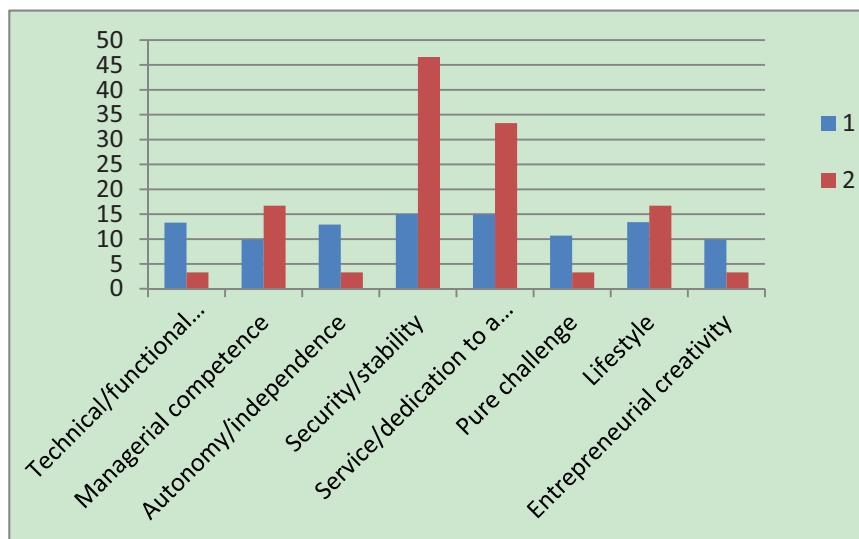


Figure 1. A frequency of elections of career orientations of the personality in students of the all-Russian sample group and sample group of the Ulyanovsk region (%) (1 – the all-Russian sample group of students, 2 – sample group of students in the Ulyanovsk region)

For the sample group of students in Ulyanovsk also the most frequent chosen career orientations are "stability" ($\phi^* = 3,67$; $p < 0,00$) and "service" ($\phi^* = 2,26$; $p < 0,01$), but their frequency is much higher than in the all-Russian sample group. It can be associated with their desire to build a career in their hometown. Besides, severe competitive conditions of labor market in the region force to appreciate constancy to a great extent, than to take risk. And the frequent choice of orientation "lifestyles integration" testifies that the balance between all spheres of life is also necessary for them, i.e. students in the Ulyanovsk region, are most likely to retain also due to the existence of a family, friends, a habitual, stable focus of interest. And the choice of career orientation "management" testifies about an active wish of students to realize themselves, including in their own projects. For more detailed definition of a career orientation specificity of the students in the Ulyanovsk region we analyzed in addition a semantic structure of their professional motivation (Solomin, 2000). According to results of the semantic analysis the most significant specific needs for the students in the Ulyanovsk region were those that are associated with the realization of administrative potential in the future which is in conformity with the general profile of career orientations. We can assume that students nevertheless connect hopes for future self-revelation and realization of their potential with an experience gain, skills. At the same time the specific needs connected with stability of life that fell into the sphere of basic requirements, are fundamental, underlying. They are subjectively recognized as satisfied – students have an internal feeling of security, existence of a very important support (Emelyanenkova & Nikulushkin, 2010).

Therefore, it is possible to state that qualitative distinctions take place in profiles of career orientations among students of the Ulyanovsk region in comparison with a profile of career orientations of the all-Russian sample group.

The third project which is going to be considered now, touched upon one of the possible causes of professionalization peculiarities in students of provincial institutions of higher education and is based on the concept of "perfectionism". The conducted empirical research by A.S. Sedunova (2013), was aimed at identifying the role of perfectionism in the structure of style characteristics of a personality. We assumed the interrelation of perfectionism components with the general level of self-control of a personality, and also with a number of its style characteristics, in particular, with an assessment of productivity of activity and modeling of activity conditions (Sedunova, 2013). 70 senior students of various specialties took part in the study.

Verification of selective data on compliance of selective distribution to normal (One-Sample Kolmogorov-Smirnov Test, SPSS) showed that such compliance can be established for perfectionism indicators. At the same time for regulatory and personal characteristics and a scale "planning" selective distribution differs

from normal values towards the values exceeding a grade point average (negative asymmetry) that allows us to assume about the raised level of development of these style characteristics in the student sample group. The problem of perfectionism was very important for professionals-beginners – a percentage ratio of the sample group is that the one tenth part of students will be in "a risk zone" of developing disadaptive perfectionism, that is in the range below a conditional norm.

The psychological profile of students with various levels of perfectionism was made up. Profiles of average values practically are not crossed, clearly demonstrating a higher level of style characteristics development in a group with high (but not excessive) perfectionism. The main results of the comparative analysis by means of Mann-Whitney's statistical criterion showed that students with high level of perfectionism are distinguished by high flexibility of their behavior, a developed ability to model the conditions of their own activity, including professional, and also a level of general self-control. Representatives of this group are capable of changing "settings" of the self-control system depending on a change of external and internal conditions which they can trace very quickly. At the same time the development of such trait as perfectionism can further lead to "a risk zone", to the development of disadaptation and neurotic symptoms.

Students with low level of general perfectionism are distinguished by the average level of requirement for planning of their own activity, prefer to work spontaneously. They tend to pay more attention to attempts of control over time (that is confirmed by the correlation analysis results – the negative interrelation of perfectionism with the general scale of time-urgent addiction of a technique "An index of time- urgent addiction" by O. L. Shibko was obtained).

Positive interrelations (Ch. Spirmen's coefficient) of general level of self-control and perfectionism oriented to others; and also significant positive correlations of the scale "modeling" with perfectionism components focused on himself and focused on others allow to assume the role of both individual and interpersonal factors. High rates on the scale "modeling" assume an ability to determine significant conditions of achieving the targets in both professional activity and communication activity, to estimate compliance of obtained results to the accepted purposes situationally and in the long term. Thus, the answer to a question as perfectionism and its structural components with style characteristics of self-control are interconnected was given.

One of the brightest projects in the series of our investigations was the study of how much the students of provincial institutions of higher education are inclined to conformal behavior demonstration in professional and life situations, and also attempt to reveal the attributive scheme of this behavior (Mikhaylova, 2011). To achieve the goals set the field and laboratory experiments were developed and carried out by us. 130 students of various institutions of higher education in the Ulyanovsk region of the Russian Federation aged from 19 to 26, out of them 70% of girls and 30% of boys participated in the study.

As a result of the first experiment which was developed in such a way that the false group persuaded a testee to see the object which was beyond of his perception, we found 13% of conformal students. The second experiment was developed in such a way that the false group persuaded a testee to feel a certain taste. Here we obtained the data different from the first experiment: we found already 70% of conformal students.

Further all agreeable testees of the two experiments were interrogated. In the course of data processing of field experiments by us it was found out that slightly more than a half of testees (65% of respondents) show conformal behavior. The obtained results significantly differ from classical experiments (Asch, 1951). We assumed that evidence of a situation has impact on manifestation of conformal behavior. In a situation with visual perception of an object that actually did not exist, the percent of conformal people is lower, than in differentiation of own taste.

Further, our task was to expose a type of attributive process in testees who showed conformal behavior and those testees who showed independent behavior. At that moment the testees did not know yet that they had become the participants of the experiment, they showed in 64% attribution of responsibility and in 36% of cases – causal attribution. As soon as testees learned about the experiment, they revealed only causal attribution of different types (the adverbial – adverbial attribution – 50%, object attribution - 29% of testees, personal attribution - 21%).

In the course of conducting these experiments "noise" was revealed - factors which could affect study results. Also in the course of field experiments we did not have an opportunity of profound studying individual characteristics of students. Therefore we made a decision to conduct laboratory experiments. During laboratory experiments students in the majority of cases (71%) showed conformal behavior.

We studied their self-assessment and level of claims by means of a self-assessment scale and level of claims by T. Dembo and S. Ya. Rubenstein in A. M. Prikhozhan's modification to study individual characteristics of students profoundly (Prikhozhan, 2007). We obtained the following data.

Self-assessment level among the students who have shown conformal behavior and independent behavior, reliably differs only by the criterion of self-confidence (2,322 at φ critical. = 2,31 with φ - Fischer's angular transformation method). The obtained data correspond to the results of other scientists. All other indicators, such as health, mind, character, authority, ability to do something by hands and appearance in students of the two groups do not differ reliably.

The results obtained during laboratory experiments confirm the data of our natural experiments. In a situation with visual perception of really nonexistent object, the percent of conformal people is lower, than in differentiation of their own taste feelings. It is associated with the fact that people are more certain about the visual perception, than of the taste. However this fact does not reduce the extent of trust of respondents to a legend of experimenters: both in the first, and in the second field experiments of 98% of testees believed the words of experimenters.

Further we determined a type of the attributive process by a polling method (Mikhaylova, 2013) in students who had showed conformal behavior and those who had showed independent behavior. All respondents showed causal attribution of a different type. The results obtained testify that in the created situation the students who have shown conformal behavior, show reliably more often an adverbial type of attribution (11,116 at φ critical. = 2,31 with φ - Fischer's angular transformation method). Testees to a great extent try to explain their own behavior by the external causes that are independent of them, to a lesser extent - assume responsibility, explaining the behavior by personal features and objective factors. The students showing independent behavior, demonstrated more personal type of attribution (10,26 at φ critical = 2,31 with φ - Fischer's angular transformation method) and at the same time a fundamental error of attribution. Less often the explanations were created on the object type of attribution, and least of all was explanations on the adverbial type of attribution (1,315 at φ critical. = 2,31 with φ - Fischer's angular transformation method).

We believe that the subject builds the judgment on any true fact. His judgment can be distorted because of the group influence on the subject or, for example, because of the influence of an authoritative personality. In this case two types of such reaction are considered:

- 1) the person subjectively, either starts denying the possibility of his wrongful belief (explains his behavior by circumstances, either by the presence of another person, or his own subjective features).
- 2) the person subjectively, agrees with the possibility that he was mistaken. In this case he also starts explaining his behavior by different types of causal attribution (Kelley, 1972), but from an opposite position.

4. Discussions

1. A comparison of students study results of central (Chicker, 2003) and regional institutions of higher education (Emelyanenkova & Nikulushkin, 2010) was the most topical for modern conditions (Chicker, 2003; Emelyanenkova & Nikulushkina, 2010). Severe competitive constraints of labor market force the students of the Ulyanovsk region to appreciate in a bigger measure stability of a work place and residence when planning a career, and also to integrate lifestyle, to find balance of family and professional interests.

2. In comparison with the results obtained at adaptation of the multidimensional scale of perfectionism by P. Hewitt and G. Flett, the level of perfectionism of graduates differs from the level of the Moscow senior pupils. According to I.I. Gracheva, the level of perfectionism of the majority of testees with a total point within a standard deviation - from 160 to 204 (182 ± 22) can be considered as an average and can be viewed as a conditional "norm". In this study the empirical norm is in limits $171 \pm 23,5$ points, that is from 147,5 to 194,5 points. On the one hand, the average level is lower, than in the original study, on the other hand – the indicator of interindividual variability is higher.

3. Contemporary foreign authors also study general objective laws of formation of causal attribution and self-attribution. So A. Quiamzade (Quiamzade, 2009) from Geneva university, Switzerland and J. P. L'Huillier (Jean-Paul L'Huillier, 2009) from the University of Massachusetts, the USA, studied a situation when strawmen made unusual, beyond the legal framework, actions with capital investments and how these actions were copied by others (Quiamzade & L'Huillier, 2009). Their research, in particular, showed that, as a rule, testees attributed knowledge of special, confidential information to the unknown initiator and followed him as if this knowledge is true. In our pilot study similar results were obtained: students also attributed certain attributes to objects and acted as if this attributing is true. Apparently, it is a universal norm. However, theoretical and then practical

questions arise: how the pattern of attributing is formed and whether it is possible to correct it. In our research we tried to answer these posed questions.

5. Conclusion

As our researches have showed within a series of projects that students of provincial institutions of higher education (the Ulyanovsk region in particular) possess a structure specificity of professional development which is expressed in a number of the following features.

Firstly, graduates of different specialties of the Ulyanovsk region possess a pronounced specificity of motivational, intellectual and communicative features of the personality. There is a question about cause and effect relationships as it is not known to what extent these features had influence on the choice of a profession, and in what measure the training of a certain profession has a forming impact on peculiarities of personality traits of a future specialist; that opens one of the prospects for our further researches.

Secondly, career orientations "stability" and "service" are the most characteristic for the sample group of students in the Ulyanovsk region. It can be associated with a desire to build a career in the hometown, and severe competitive constraints of labor market in the region make them appreciate constancy in a bigger measure, than take risk.

Thirdly, empirical studies confirm the importance of perfectionism for professional development of the personality and interrelation of characteristics of perfectionism with features of personal self-control. It has been revealed that more than 10% of students of regional institutions of higher education are in "a risk zone" of developing disadaptation associated with overestimated indicators of perfectionism and personal uneasiness that it is necessary to consider when developing correction actions. Students - "perfectionists" possess the developed abilities to modeling of external and internal conditions of real activity, and possess significantly more flexible system of self-control, than "non perfectionists". At the same time in "perfectionists" the risk of urgent addiction formation is much lower.

Fourthly, the students of the Ulyanovsk region are distinguished by greater conformity of behavior in a situation of perceptual, instead of visual incentives. In a situation with visual perception of an object which actually did not exist, the percent of agreeable people is lower, than in differentiation of own taste feelings. We believe that it can be connected with late growing –up of the young and their immaturity and lack of confidence in themselves. The students who have shown conformal behavior to a greater extent try to explain their own behavior by external (object type of causal attribution) and to a lesser extent students assume responsibility, explaining the behavior with personal features.

The given results of the research, may be used in adaptation of young professionals, and also in social and regional work with the youth.

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Features of Formation of Students Foreign Language Competence in Self-Learning Activity

Alfiya Minnemukhtarovna Ishmuradova¹, Irina Ilyinichna Leyfa², Gulzida Farshatovna Magadieva¹, Lyubov Pavlovna Yatsevich², Marina Alexandrovna Demyanenko² & Regina Borisovna Khismatullina¹

¹ Kazan Federal University, Russia

² Amur State University, Russia

Correspondence: Alfiya M. Ishmuradova, Kazan Federal University, Naberezhnye Chelny, Suumbike av., 10A, Tatarstan, 423812, Russia. E-mail: alfaishmuradova@mail.ru

Received: September 28, 2014 Accepted: December 8, 2014 Online Published: December 30, 2014

doi:10.5539/ass.v11n7p176

URL: <http://dx.doi.org/10.5539/ass.v11n7p176>

Abstract

This article is aimed to identify characteristics of the formation of students foreign language skills in the process of self-learning activity. It is proved that foreign language competences are formed as a complex of integrated steady students education as subjects of self-learning activity including: language, speech, compensatory, educational and informative, socio-cultural, communicative and projecting competences. The article submissions are of practical value to foreign language teachers in the organization and planning of students educational and self-learning activity aimed to establish and improve their foreign language competence.

Keywords: foreign language competence, self-learning activity, "Foreign Language" discipline, students

1. Introduction

In scientific literature there is a differentiation of competencies, such as: professional, core, communicative, language, foreign language, and other. However, the term of "foreign language competence" has not been fixed in scientific literature yet. The gist, content and conditions of formation of students foreign language competence in technical university is developed insufficiently. In particular, it concerns the questions of formation of foreign language competencies through students self-learning activity in the process of learning foreign language. Moreover, the foreign language competences of students in technical university forming on the basis of self-learning activity are discussed in the structure of various competencies (Khairullina, 2007). For example, in the works of I. L. Bim (2005), I.A. Zimnyaya (2002), F.M. Kadyrova (2008), E.I. Passov (2007), N. A. Katchalov (2013), A. M. Ishmuradova (2008), A. R. Masalimova, G. D. Ikramova, A. R. Shaidullina, G. T. Gubaidullina, N. D. Apraksina (2014), I. V. Bimurzina (2013) and other communicative competence is considered as a kind of foreign language or language competence. At the same time, the term of "language competence" was used in the structure of communicative competence. Thus the level of development of students foreign language competence in technical university allows us to give a qualitative assessment of communicative, subjective behavior of students in self-learning activity. Competence-based approach in foreign language teaching of technical university students on the basis of self-learning activity is considered to improve the quality of professional higher education aimed on the complex formation of foreign language competencies which are a part of universal competences.

2. Materials and Methods

2.1 Research Methods

During the study of this problem we used the following methods: theoretical (analysis of psycho-pedagogical and scientific-methodological literature on the research topic, generalization); empirical (analysis of pedagogical situations, training program documentation, study and synthesis of teaching experience on the research, pedagogical supervision of teachers and students, methods of survey, questionnaire, conversations, interviewing, participant observation, testing, projecting); pedagogical experiment (stating, forming and control stages of experiment); statistical processing methods of the quantitative results of study, expert assessment, self-esteem.

2.2 Experimental Base and Stages

An experimental base of research was Naberezhnye Chelny branch of Kazan Federal University.

The research was carried out in three stages:

On the first stage the state of the problem was examined; analysed psycho-pedagogical literature relevant to the research problem; defined the content of students foreign language competence of technical university, tasks, program and methodology of research.

On the second stage experimental work was carried out: collecting the actual material was organized, the assessment and the analysis of skilled experimental data in dynamics were carried out; methodological recommendations on the formation of students foreign language competence of technical university in self-learning activity were developed; training manual "Self-learning activity of technical university students in English language classes" was prepared.

On the third stage the results of research were analyzed, summarized, and discussed; quantitative and qualitative processing was conducted; theoretical interpretation of the findings and provisions of research were carried out ; specific methodological recommendations on the formation of students foreign language competence of technical university in self-learning activity in the process of mastering the "Foreign language" subject were concretized; the effectiveness of formation of students foreign language competence of technical university in self-learning activity was identified.

3. Results and Discussions

In the process of theory and practice analysis of psycho-pedagogical literature different perspectives on the role of self-learning activity in learning foreign language by students of technical university were explored. They helped to determine the overall sense of self-learning activity as the program of active, creative, independent students participation in different directions, self-learning sessions; self-study; self-control; self-education. The result of students self-learning activity at study foreign language in technical university was course and degree project.

Experimental work consisted of ascertaining, search, creative (formative) and control stages. The following diagnostic tools were used in ascertaining step: the author's technique to identify the level of formation of various foreign language skills of students in technical university on the basis of the technological card of introspection and manifestation of various abilities of foreign language activity; participant observation of foreign language teachers in the process of self-learning activity of students; test card of self-learning activity of students in foreign language study; a modified version of the questionnaire of individual style in students self-learning activity of technical university in foreign language study.

The level assessment of formation of foreign language competence in self-learning activity was carried out on the basis of students self-esteem and teachers monitoring. These diagnostics were processed by calculation of number of foreign language competences which students defined at themselves and supplemented with expert data. Then correlated or integrated index of development of foreign language competence as average value of all competences was calculated. On ascertaining stage of the experiment starting level of development of students foreign language skills of technical university in self-learning activity was detected. As criteria for students self-learning activity in study foreign language in technical university was defined: student's ability to plan foreign language self-learning activity, to organize and evaluate it; the quantity and quality of independent tasks during the work on educational tasks; readiness for self-use of foreign language competence of students in the process of self-learning activity in foreign language study; students ' attitude toward foreign language activity (the presence of cognitive interest and activity in the selection of types, shapes of self-learning activity).

On the basis of synthesis of manifestation in the course of self-learning activity in foreign language study of various foreign-language competences in the ratio with their criteria indicators, three levels characteristics of their formation were defined.

High level presumes the presence of students ability to plan, carry out and correct foreign self-learning activity on the basis of development of the whole complex of foreign language competence: speech, language, compensatory, educational, socio-cultural, communicative projecting. Students implement self-learning activity in full, using the whole complex of foreign language competencies. Students demonstrate conscious interest to foreign language study on the basis of self-learning activity taking into account specifics of Faculty. Students self-organize study activities in situations of foreign languages communication with specific areas of training in technical university. Students are able to make unconventional decisions, show originality of thinking in a foreign language. Foreign language self-learning activity of students is an active, creative, cognitive character.

Students have increased motivation for foreign language self-study. Students are able to self work with educational literature, tables, and they strive to improve all foreign language competence on the basis of self work with any source of information in a foreign language. Students make all independent tasks at high qualitative and quantitative levels. Students actively and effectively participate in student conferences, competitions, grants. Students with high level foreign language competencies are successfully meeting course and diploma projects in foreign language. Students are adequately assess the expression of foreign language competencies, revise and develop self-learning activity in study foreign language taking into account the specifics of the technical university.

The average level involves episodic manifestation of students ability to plan self-learning foreign language activity. The majority of students among foreign language competences have only compensatory on a high level, and the educational-cognitive and communicative project competencies are on the average level. Self-learning activity of students is responsive, situational. Doing the individual works in a foreign language, students carry out the transfer of knowledge only within the same module. It is observed the students unconscious motivation to learn a foreign language. Students work with the educational literature, tables only with the help of the teacher. Students show little interest in the process of formation of foreign language competence in self-learning activity. Students occasionally participate in student's conferences, competitions, fundraising activity. Students complete coursework and degree projects only with the systematic control of the teacher. Self-assessment of foreign language competencies, being formed at students of technical university in self-learning activity, appears at high or low levels.

Low level involves students extremely rare desire for self-learning activities. They do not know how to plan and organize self-learning activity. Among the complex of foreign language competencies only speech and language skills are manifested at an average level, others are at low levels. Foreign self-learning activity of students has passive and copying nature. Students show low motivation to study foreign language. Students may not be able to work with textbooks, tables, do not show interest in the process of formation of foreign language competence in self-learning activity. Students occasionally participate in student's conferences, competitions, grants. Self-esteem of formation of the foreign students of the technical University on the basis of self-learning activities is underestimated (Ishmuradova, 2006).

At a search and creative (forming) stage in experimental group in a certain didactic sequence: creation was carried out training of students in algorithm of self-learning activity in foreign language study; trainings on development of foreign-language competences on the basis of use of various forms of self-learning activity were provided; elective courses. Development and learning by the students of technical universities algorithm of self-learning activity were carried out in the process of foreign language study among students of the experimental groups. In the process of self-learning activity of students of technical university various foreign language competences were shown and formed. In the initial stages of the experiment, the foreign language teachers analyzed and diagnosed manifestation levels of foreign language competence in students self-learning activity. In process of mastering algorithm of self-learning activity students independently diagnosed their manifestation. At this stage in educational process the elective course "The Formation of Foreign-language Competences of Self-learning Activity" was used. The program of a special course provided a combination of theoretical and practical project and modular training in foreign language through the use of various forms and types of self-learning activity. In the process of foreign language study on the basis of self-learning activity subjective involvement of students in this process was considered. In foreign language classes in experimental groups both classroom and extracurricular forms of students self-learning activity were in the spotlight . All tasks for independent work of students in foreign language study were built with a specifics of the faculty of technical university. Students self-learning activity of technical university in foreign language study was aimed at both improving and self-esteem level of formation of foreign language competence, promoting the formation of its self-esteem. Professional orientation of students self-learning activity of technical university in the foreign language classroom is an awareness of the opportunities for further use of foreign language competence in the future professional activity. Particular attention was paid to the independence of students in learning activities as the main source of foreign language skills. Self-learning activity in foreign language classes of technical university has been used in different contexts of professional work and personal needs. The result of this work is the experimental group students realization that they need not only quantitative but also qualitative implementation of self-learning activity in foreign language study as an important term in the formation of a competent professional. The development and testing of educational-methodical manual "Students self-learning activity of technical university in English classes." was the completion and the creative phase of the search. The course provided the combination of theoretical and practice-oriented direction of students self-learning activity

of technical university. This course contributed to the formation of foreign language competence of students of technical university in foreign language study when activated complex of foreign language competencies, changing conditions of self-learning activity.

In the control phase of the experiment 130 students participated. In the experimental group - 64 first-year students, in the control group - 66 people. Experimental and control groups were chosen so that the level of development of students foreign language skills (in the polls, interviews, questionnaires and testing) were approximately the same. Monitoring of formation of foreign language competence was based on the observation of self-observation in the course of self-educational activity of students to perform a variety of tasks. All tasks to identify the initial level of formation of complex foreign language competence of university students have been tested for validity and reliability. The number of students in the control and experimental groups did not differ. Thus, manifestation at students of "average" and "low" levels of foreign-language competences prevailed.

During the stage of the experimental work was carried out comparing the level of forming of foreign language competencies of students of the control and experimental groups of technical university. The experimental results showed that students who study foreign language on the basis of self-learning activity showed interest to the formation of complex foreign-language competencies. Formation of foreign language competencies of the students of technical university in the experimental groups were due to the degree of their self-learning in the process and consideration of the specific areas of training. In the experimental groups in the process of learning foreign language through self-learning activities of students used its various forms and types. Students themselves selected the different forms and types of self-learning activities. In the process of study of foreign language students creatively used different algorithms of self-learning activities. As a result of the experimental work the majority of the students in the experimental group was formed by the need for active, creative learning foreign language based on self- learning activities. All the results of the experimental work are presented in the tables 1 and 2.

Table 1. The ratio of foreign language competencies and criteria indicators formed in students self-learning activity of technical university

Foreign language competencies	Indicators
1. Speech competences	communicative skills in the four basic skills (speaking, listening, reading, writing) the ability to understand authentic foreign language texts the ability to plan verbal and nonverbal behavior with specific communication
2. Language competences	the ability to learn new language features in accordance with the communication the ability to understand the phenomena of studied language, different ways of expressing thoughts the ability to increase the amount of knowledge due to terminology
3. Compensatory competences	the ability to find a way out in conditions of deficiency of language means the ability to compensate insufficiently developed skills to think in a foreign language due to advanced speech skills the ability to compensate shortcomings of oral written speech
4. Educational and informative competences	the ability to improve educational activities for acquisition of a foreign language the ability to use the target language in order to continue education methods of self-study foreign language
5. Socio-cultural competences	the ability to increase the knowledge about the target language country the ability to build a speech behavior considering the core-oriented communication the ability to learn the culture and traditions of the country of studied language
6. Communicative and project competences	the ability to make decisions the ability to define the objectives of the work the ability to evaluate and adjust the plans in a foreign language

Table 2. Dynamics of formation of levels of foreign language competences of students of technical university in self-learning activities EG and CG in the course of the experiment (in%)

Foreign language competencies (FLC)	Group	Levels					
		Low		Medium		High	
		Before Ex	After Ex	Before Ex	After Ex	Before Ex	After Ex
Speech competencies	EG	71	44	21	37	8	19
	CG	70	55	23	33	7	12
Language competencies	EG	66	19	25	53	9	28
	CG	78	48	12	31	10	21
Compensatory competencies	EG	74	44	20	35	6	21
	CG	66	48	28	32	6	20
Learning-cognitive competencies	EG	60	12	28	64	12	24
	CG	72	35	26	59	2	6
Socio-cultural competencies	EG	67	37	29	45	4	18
	CG	84	61	15	30	1	9
Communicative-designing competencies	EG	74	53	26	36	0	11
	CG	72	64	28	32	0	4
Integrative criterion of FLC	EG	68,6	34,8	24,8	45	6,5	20,1
	CG	73,6	51,8	22	36,1	4,3	12

In the control group the value of statistical criterion is less than the table. Therefore, we can conclude about the positive results of experimental work on the formation of foreign-language competencies of students of technical university in self-learning activities.

4. Conclusion

The process of formation of students foreign language competence of technical university successfully implemented in self-learning activity. It is the term and the result of this process. The content of students foreign language competence of technical university is a complex stable formations of the subject of self-learning activity, including language, speech, compensatory, educational, social, cultural and communicative projecting competences.

The efficiency of the process of formation of the complex of students foreign language competence of technical university in self-learning activity is achieved with a systematic diagnosis, promotion, evaluation and correction.

Developed and implemented in the educational process of educational-methodical manual "students self-learning activity of technical university classes in English language" is one of the main tools to increase the level of development of foreign language competence of technical university students of self-learning activity in foreign language study of technical University with specific areas of training.

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Sexual and Reproductive Rights from Qur'anic Perspective: A Quantitative Content Analysis

Roksana Janghorban^{1,2}, Robab Latifnejad Roudsari³, Ali Taghipour⁴ & Mahmoud Abbasi⁵

¹ Student Research Committee, Department of Midwifery, School of Nursing and Midwifery, Mashhad University of Medical Sciences, Mashhad, Iran

² Maternal-Fetal Medicine Research Center, Shiraz University of Medical Sciences, Shiraz, Iran

³ Research Center for Patient Safety, Department of Midwifery, School of Nursing and Midwifery, Mashhad University of Medical Sciences, Mashhad, Iran

⁴ Health Sciences Research Center, Department of Biostatistics and Epidemiology, School of Health, Mashhad University of Medical Sciences, Mashhad, Iran

⁵ Medical Ethics and Law Research Center, Shahid Behshti University of Medical Sciences, Tehran, Iran

Correspondence: Robab Latifnejad Roudsari, Associate Professor in Reproductive Health, Research Centre for Patient Safety,, Department of Midwifery, School of Nursing and Midwifery, Mashhad University of Medical Sciences, Ebne-Sina Street, Mashhad, Iran. Tel: 98-513-859-8016. Fax: 98-513-859-8016. E-mail: LatifnejadR@mums.ac.ir

Received: September 28, 2014 Accepted: November 3, 2014 Online Published: December 30, 2014

doi:10.5539/ass.v11n3p182

URL: <http://dx.doi.org/10.5539/ass.v11n3p182>

Abstract

The Qur'an, as the primary and main source of Islamic rules, provides a rich variety of human rights including women's rights. These rules are not static; they are dynamic and flexible in character. The flexibility of the rules in Islam is intentional, as Islam was revealed for all people and for all millennia. It is an essential aspect of Qur'anic philosophy. Consequently, its jurisprudence must be capable of responding to widely diverse needs and problems. To understand the Islamic stance on sexual and reproductive health rights, it is necessary to search the verses of the Qur'an more carefully. This study has provided an understanding of women's sexual and reproductive rights in Qur'an from a human rights perspective.

This study was conducted using quantitative content analysis of all verses of the Qur'an. After creating a coding scheme of Qur'an's verses, four categories related to the main areas of women's sexual and reproductive rights including sexual relationships, reproductive choice, prohibition of violence against women, and gender equity were determined and their presence and frequency were identified. The MAXqda software, version 2007, was used for organizing and managing the data. Descriptive analysis was used to summarize and describe data.

More than 30 surahs and 93 verses of the Qur'an had various concepts in relation to sexual and reproductive rights. In general, concepts related to the women's sexual and reproductive rights have been appeared 98 times in the Qur'an. The most frequently reported categories were related to sexual relationships (31 times) and reproductive choice (27 times) and the least reported one was prohibition of violence against women (16 times).

This study showed that the concepts related to sexual and reproductive rights have extensively appeared in the Qur'an. Based on Qur'anic perspective, women in addition to autonomy have reproductive and sexual rights in order to actualize of their human capacity.

Keywords: Qur'an, reproductive rights, sexual rights

1. Introduction

Sexual and reproductive rights are one of the basic human rights. The concept of Sexual and Reproductive Health and Rights (SRHR) was first declared as a human right at the International Conference in Population and Development (ICPD), in Cairo, Egypt, 1994 (United Nations Population Information Network [POPIN], 1994). The definition of reproductive health agreed upon by World Health Organization (WHO) also represented sexual health (World Health Organization [WHO], 2004).

WHO has defined sexual health as a condition of physical, emotional, mental, and social well-being with regard to sexuality, not merely the absence of disease, dysfunction or infirmity. Sexual health requires an optimistic and respectful approach to sexuality and sexual relationships, which include the possibility of having pleasurable and safe sexual experiences, free of coercion, discrimination, and violence (WHO, 2004). To attain and maintain sexual health, the sexual rights of each and every individual must be respected, protected, and realized. WHO has also defined sexual rights as human rights that are recognized in both national laws and international human right documents, as well as many other consensus documents. They comprise the notion of an individual's right to the highest possible standard of health with respect to sexuality without bias, discrimination, and violent behavior up to and including access to sexual and reproductive health care services; to appeal for, receive and convey information with regard to sexuality; sexual education; respect for bodily integrity; choice of partner; to choose to become sexually active or not; to mutually consent to take part in the sexual act; marriage by consent; to freely choose whether or not to have children besides the right to decide the suitable time and circumstances in which to do so; and moreover, to engage in a satisfying, secure, and enjoyable sexual life (WHO, 2002).

The Holy Qur'an is a book for guidance of human beings and the primary and main source of Islamic rules (Yousuf & Sharma, 2014). These rules are not static; they are dynamic and flexible in character. The flexibility of the rules in Islam is intentional, as Islam was revealed for all people and for all millennia. It is an essential aspect of Qur'anic philosophy. As a consequence the rules must be capable of meeting diverse needs and challenges (Mwenegoha, 2008). One of the most important needs is concerned with safeguarding the rights of human beings. The Qur'an affirms a rich variety of the fundamental rights that all persons possess (Hashemi & Qureshi, 2014).

Most of the human rights studies from Qur'anic perspectives have focused on right to life, right to respect, right to justice, right to freedom, right to privacy and right to protection from defamation, sarcasm, offensive nicknames, and backbiting (Yousuf & Sharma, 2014; Hassan, 2009). It seems that few studies have been conducted on women's rights especially their sexual and reproductive rights in Qur'an (Omari Mwenegoha, 2008; Hosseini & Esmaeilzadeh, 2013; Ahmad Khan, 2009; Janghorban, Latifnejad Roudsari, Taghipour & Abbasi, 2014). To understand the fullness of the Islamic stance on sexual and reproductive health rights, it is necessary to consider the verses of the Qur'an more carefully. This study has provided an understanding of women's sexual and reproductive rights in Qur'an from a human rights perspective.

2. Methods

This exegetic study was conducted using quantitative content analysis of all verses of the Qur'an in which the presence and frequencies of categories were identified. Content analysis is a rapidly growing technique in the domain of quantitative research. Neuendorf (2002) stated that the method "may be briefly defined as the systematic, objective, quantitative analysis of message characteristics".

Three kinds of units are employed in this content analysis: analyzing unit, context unit, and recording unit (Krippendorff, 1980). The analyzing unit was all 114 surahs of the Holy Qur'an. The context unit was each surah and the recording unit was the idea(s) related to sexual and reproductive rights in each verse. Thus a verse could be coded in multiple separate recording units, with each idea belonging to only one category. The exegetic approach of the study was the thematic approach. In this approach, the authors were focused on seeking the concept of sexual and reproductive rights in Qur'an. At first, the various aspects of the concept were raised according to the main identified categories then the Qur'anic replies to them were sought. Coding of Qur'an verses was carried out in four categories related to the main areas of women's sexual and reproductive rights including sexual relationships, reproductive choice, prohibition of violence against women, and gender equity. For this study two trained coders, including the primary researcher examined the surahs, the verses and phrases. Each coder independently coded the recording units then inter-coder reliability was measured for checking the amount of agreement or consensus between two coders. It was calculated by dividing the number of units placed in the same category by the number of units coded. The agreement between two coders was 87 percent. The MAXqda software, version 2007, was used for organizing and managing the data. Descriptive analysis was used to summarize and describe data.

3. Results

More than 30 (26.3%) surahs and 93 (1.5%) verses of the Qur'an had various concepts about sexual and reproductive rights (Table 1). These chapters consist of 19 (63.3%) "Meccan surahs" and 11(36.7%) "Medinan surahs". Out of 30 chapters, Al-Baqara addressed the most sexual and reproductive rights-related issues in the Qur'an.

In general, concepts related to women's sexual and reproductive rights have been appeared 98 times in the Qur'an (Table 2). The most frequently reported categories were related to sexual relationships (31 times) and reproductive choice (27 times) and the least one was prohibition of violence against women (16 times). Through coding process, subcategories of identified categories were also sought and their frequency was identified. The category of sexual relationships subsumed four subcategories of homosexual acts prohibition, conditions of heterosexual relationship, prohibition of incest, and mutual responsibility. Category of reproductive choice consisted of two subcategories of right to newborn life and prenatal stages. Prohibition of violence against women was divided to marriage and divorce subcategories. The category of gender equity had two subcategories including human identity and gender identity. Out of all subcategories, the subcategory of human identity had the most frequency. In Table 2, details of frequency of the categories and subcategories are shown.

Table1. Frequency distribution of surahs and verses of the Qur'an related to sexual and reproductive rights

Surahs	Verses N (%)	Surahs	Verses N (%)	Surahs	Verses N (%)
Al-Baqara	17 (18.4)	Al-Mu'minun	3 (3.2)	Az-Zukhruf	1 (1.1)
'Ale Imran	1 (1.1)	An-Nour	10 (10.8)	Al-'Ahqaf	1 (1.1)
An-Nisa'	14 (15.1)	An-Naml	2 (2.1)	An-Najm	3 (3.2)
Al-Ma'idah	2 (2.1)	Ash-Shu'ara	1 (1.1)	Al-Hadid	3 (3.2)
Al-An'am	2 (2.1)	Al-'Ankabut	2 (2.1)	Al-Mumtahanah	1 (1.1)
Al-A'raf	3 (3.2)	Ar-Rum	1 (1.1)	At-Talaq	4 (4.3)
At-Tawbah	2 (2.1)	Luqman	1 (1.1)	Nouh	1 (1.1)
An-Nahl	3 (3.2)	Al-'Ahzab	5 (5.4)	Al-Muddathir	1 (1.1)
Al-'Isra'	2 (2.1)	Ghafir	1 (1.1)	At-Takwir	2 (2.1)
Al-Haj	1 (1.1)	Ash-Shuraa	2 (2.1)	Al-Buruj	1 (1.1)

Table 2. Frequency distribution of categories and subcategories related to sexual and reproductive rights

Categories	Subcategories	N (%)
Sexual relationships	Homosexual acts prohibition	7 (7.1)
	Conditions of heterosexual relationship	9 (9.2)
	Prohibition of incest	2 (2.0)
	Mutual responsibility	13 (13.3)
Reproductive choice	Right to newborn life	9 (9.2)
	Prenatal stages	13 (13.3)
	Right to choose family planning method	5 (5.1)
Prohibition of violence against women	Marriage	2 (2.0)
	Divorce	14 (14.3)
Gender equity	Human identity	21 (21.4)
	Gender identity	3 (3.1)

4. Discussion

The extension of the concepts related to sexual and reproductive rights is visible throughout the Qur'an including both Meccan and Medinan surahs. The Meccan surahs are comprised of the chronologically earlier chapters of the Qur'an that were made known some time before the prophet Muhammed and his followers migrated from Mecca to Medina. The Medinan surahs are the revelations that followed their move to the city of Medinah.

The Qur'an affirms mutual responsibility for couples in their conjugal life. In the Qur'an this relationship is clarified as having two major qualities: love (passion, friendship, companionship), and compassion (understanding, reconciliation, tolerance, forgiveness) with the overall intention of serenity in the marriage (Omran, 1992). It is clear that their mutual responsibility, especially in the sexual relationship, could fulfill peace and satisfaction in their marital life. The Qur'an explains what this means:

"...and one of Allah's signs is, that He has created wives for you from yourselves, that you may live in harmony together, and has ordained Love and Mercy between you." (30:21 Surah Ar-Rum)

The Qur'an protects the family from breakdown by forbidding all types of sexual relations outside marriage including incest, adultery, and homosexual relationships (Qur'an 4:21,22 Surah An-Nisa', 7:80,81 Surah

Al-A'raf, and 24: 2-9 Surah An-Nour). Marital commitment could guarantee trust and stability between couples. A relationship with strong commitment provides a greater sense of security and sexual satisfaction (Christopher & Spercher, 2000). The Qur'an pays special attention to marital commitment and reprimands adultery in some verses such as:

"And do not approach committing adultery, it is an indecent and shameful act which leads to an evil way." (17:32 Surah Al-'Isra')

Additionally, the Qur'an provides women and men the right to sexual health by prohibiting anything believed to be harmful. One of the issues is prohibition of having sex within menstrual cycle. Although the biological sex throughout the menstrual period is possible, in most cultures it is a risky act (Barnard A, Spencer, 2009). Medical knowledge confirms the Qur'anic perspective due to the increased risk of sexually transmitted infections during the menstruation (Koray & Sevgi, 1996). Using condom in a sexual relationship throughout menstruation period could decrease the risk of sexually transmitted infections but could not completely prevent from the transmission of the infections. The risk does not limit to women, as having sexual contact during menstruation could encounter men to blood due to some sexual activities except vaginal intercourse and the issue could transmit these infections. Kalichman and Simbayi (2004) in their study confirmed this issue. The Holy Qur'an says:

"They ask you concerning women's course. Say: It is a discomfort, so keep away from women in their courses, and do not approach them until they have purified themselves. When they are clean, approach them as Allah has commanded you. Truly, God loves those who constantly seek Him and loves those who keep themselves pure and clean." (2:222 Surah Al-Baqara)

On the other hand, the Holy Qur'an has so many verses that point out the different aspects of reproductive rights and reproductive choices. First, it supports the right to life and prohibits Muslims from infanticide which was a pre-Islamic practice motivated by financial problems and gender consideration (Qur'an 17:31 Surah Al-Isra and 6:151 Surah Al-An'am).

Although the Qur'an encourages life, it does not oppose the right to choose contraception (Omari Mwenegoha, 2008). Indeed, the Qur'anic verses refer to prenatal stages (Qur'an 22:5 Surah Al-Haj, 23:13,14 Surah Al-Mu'minun, 7:189 Surah Al-A'raf, 29:29 Surah Al-'Ankabut, and 53:46 Surah An-Najm), right to life, and contraception. However, the Qur'an indirectly addresses population control issues. Breastfeeding as a natural contraception method has been introduced in some verses (Qur'an 2:233 Surah Al-Baqara, 31:14 Surah Luqman, and 46:15 Surah Al-'Ahqaf). The Holy Qur'an says:

"The mothers shall provide breastfeeding to their children for two whole years, (that is) for the mother who desires to. However, the cost of the mother's food and clothing must be borne by the father of the child on a reasonable basis.... If both parents choose not to continue and mutually decide on weaning, after due consultation, there is no sin on them. If a foster-mother is chosen for your children there is no blame on you, provided you pay (her) what you agreed, on equitable terms. But fear Allah and know that He sees what you do." (2:233, Surah Al-Baqara)

Also, the Qur'an supports the concept of reproductive rights and autonomy. Some verses show that each person has responsibility of his or her actions (Qur'an 74:38 Surah Al-Muddathir, and 52: 21 Surah At-Tur). Although the Qur'an describes God as the sustainer of all creations, it does not make individuals free from accepting responsibility for their survival and well-being. It notes that human beings have the right to freedom of choice. All these ideas support individual's responsibility where reproductive choice is considered.

Although the Universal Declaration of Human Rights in 1948 was a landmark in recognition of the right to marry free from discrimination, coercion, and violence and full consent (United Nations, 1948), this issue was considered many centuries ago in the Qur'an. The issue of marriageable age is a very important factor which provides an opportunity for a woman to exercise her reproductive rights (Svanemyr, Chandra-Mouli, Sigurdson Christiansen & Mbizvo, 2012). For a person to fully and freely consent to marriage, she/he should be at of legal age; that is, the age by which an individual acquires the physical, intellectual, psychological and emotional state to determine the importance and magnitude of the concept of marriage. The Holy Qur'an explains what the age of majority means:

"And try orphans (with regard to their intellect) until they reach marriageable age; at this point if sound judgment is observed in them, return their possessions to them. Do not waste them and hastily use them, fearing that they should grow up. If one (amongst guardians) is rich, let him take no wages, but if he is poor, allow him

to take what is just and reasonable (according to his work). And when properties are returned to them, there should be some witnesses present; and Allah is sufficient in taking account." (4:6 Surah An-Nisa')

Additionally, the Glorious Qur'an prohibits violence against women not only in marriage but also in divorce (Qur'an 2:228,229,236 Surah Al-Baqara, 33:49 Surah Al-'Ahzab, and 65: 1,2,4,6 Surah At-Talaq). For example, in Surah Al-Baqara, it implies that when you have divorced your wife, you must respectfully separate from her and you should never intend violating her rights (Qur'an 2:231 Surah Al-Baqara).

Gender equality is recognized as a cornerstone of development and a key to achieving the Millennium Development Goals (United Nations Population Fund [UNFPA], 2014). According to the Qur'an, women and men are equal in human identity and are created from a single soul (Qur'an 4:1 Surah An-Nisa', 7:189 Surah Al-A'raf). Women are entitled to equal opportunities with men in order to fulfill their human potentials. The Qur'an clarifies in numerous verses that the reward in life after death and closeness to God is not dependent upon sex, but upon faith and deeds, regardless of whether they are of a woman or a man (Qur'an 3:195 Surah 'Ale Imran, 4:32, 124 Surah An-Nisa', 9:72 Surah At-Tawbah, 16:97 Surah An-Nahl, 33:35,73 Surah Al-'Ahzab, and 40:40 Surah Ghafir).

On the other hand, the Holy Qur'an affirms the difference in gender identity. (Qur'an 46:15 Surah Al-'Ahqaf, 4:7,11,12 Surah An-Nisa'). It prohibits gender discrimination and puts emphasis on equity. Equity is different from being exactly the same because natural differences between women and men rule out the possibility of infinite equality (Aghajani, 2010; Roudgar, 2010). The Qur'an is not against the equality of men and women in human identity, but it does not agree with the identicalness of their rights according to gender identity.

5. Conclusion

The concept of sexual and reproductive rights and autonomy was extensively recognized by the Qur'an long before regional and international human rights declarations and conventions addressed to it.

Acknowledgment

This article has been extracted from a PhD thesis in Reproductive Health in relation to Iranian women's sexual and reproductive health rights and was funded by the Vice Chancellor for Research, Mashhad University of Medical Sciences, Mashhad, Iran (grant number: 910141). Authors acknowledge the financial support of this university.

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Key Talent Engagement & Retention – A Case of Software Industry

Preethi Rani¹ & Bhanushree Reddy¹

¹ VIT Business School, Vellore, India

Correspondence: Preethi Rani, VIT Business School, Vellore, India. E-mail: preethi_d76@yahoo.com

Received: October 6, 2014 Accepted: October 27, 2014 Online Published: December 30, 2014

doi:10.5539/ass.v11n3p188

URL: <http://dx.doi.org/10.5539/ass.v11n3p188>

Abstract

Employees are key to any industry and software industry is an employee intensive industry thereby attracting and retaining the employees, especially key talented work force becomes challenging in the competitive dynamic environment. This paper attempts to assess the organization as outstanding organization and evaluate the opportunities provided within the organization to engage talent and also understand the reasons why Key talent stay within the organization, attempt has been made to relook at the key Talent engagement drivers in the organization, understand the areas of concern and develop an action plan to have great retention strategies.

Keywords: employee retention, talent engagement, key talent, strategies

1. Introduction

IT / ITES (Information Technology / Information Technology Enabled Services) Industries are hitting the headlines more often in business literature. There are more number of IT and ITES companies setting their offshore unit and development centers in India. Due to this high rebellion in India in the IT Industry, there are huge job opportunities available and we should make ourselves well suited for the openings. But on the other hand, if we see the current attrition rate being is very high, it is really a tough challenge to retain an employee.

This paper provides insights about Talent engagement, attrition, retention, and strategies to retain employees in the organization.

Retaining an employee is a challenge, which is posed to the HR Managers in today's scenario and it is very important to retain an employee to achieve a long term success of any business. Retaining best employee provides the edge through customer satisfaction, increase in product sales, Organization health will be good, effective succession strategy can be planned. Industry experts say that losing an employee at the tactical level will cost 100% of his salary and losing a strategic level employee will cost much more than that. In today's scenario, employee retention has become primary business concern and is a business challenge for the HR managers. HR managers are under critical pressure to design strategies for retaining an employee. The IT and ITES industry had a overwhelming boom right from 1995 and in the year 2000, it had faced a recession period, but now the industry has become a buzz word in the media's and it has a tremendous growth rate.

As per the survey conducted by NASSCOM in 2008 the IT / ITES has been forecasted to have a market size of \$ 2325 Billion with a CAGR growth of 7.7 %. In the total market size, IT Industry is estimated to have \$ 702 billion and ITES is estimated to have a revenue growth of \$ 1199 billion globally. In this total estimated revenue, India's revenue in IT & ITES industry would be to the tune of \$ 41.56 billion in 2008 and expected to have 200% growth. IT / ITES sectors in India are expected to employ around one million people by 2008, but the challenge is to find quality human resources. According to survey by Delloite, Junior management level faces highest level of attrition in the ITeS sector at 34%. Pharmaceutical, Healthcare & Life Sciences faces highest overall attrition at 22%. This is followed by ITeS and Media & Advertising at 16%, Manufacturing and Energy & Resources faced lowest overall attrition at 8%

A HR manager in the IT/ITES sector should understand that attrition and retention are two sides of the same coin. Some organization works on talent management strategies to achieve the employee retention. Organizations should feel that employee retention is equal responsibility for all relevant departments to ensure retention of best talented personnel. Talent Management solutions integrates executives, management and employees into one system, provides information to all employees and their managers, will have a better communication of objectives and expectation from an employee and explain to employee as to how it is going to help them in their

careers. Talent management solution helps to retain the talents, Increase the employee morale, Increase the employee s' congenial climate and Increase the productivity.

2. Review of Literature

Talent Engagement is one of the key elements for any organization as they need to ensure that the organization keeps up its engagement and more of the employees at middle level to ensure enhanced, effective productivity and efficient performance. Though every organization utilizes various tools to boost the morale and engagement of the employee levels but yet HR and Internal Communications team have very limited tools to measure the impact of the morale and engagement of the employee. The concept of talent engagement crudely defined as 'going the extra mile' has attracted a lot of attention in the industry. It has become a new management mantra. Reily and Brown (2008) noted that the terms job satisfaction, motivation and commitment are generally being replaced now in business by 'engagement' because it appears to have more descriptive force and face validity. It is often loosely as a notion which embraces pretty well everything the organization is seeking to do with regard to the contribution and behaviour of its employees in terms of job performance, discretionary effort, organizational citizenship and commitment. Maslach (2001, p. 74) referred engagement as 'a positive fulfilling work related state of mind that is characterized by vigour, dedication and absorption.' Macey (2009) defines 'engagement is an individual's purpose and focused energy, evident to others in the display of personal initiative, adaptability, effort and persistence directed towards organizational goals.'

On the basis of their research, MacLeod and Clarke (2009) define as 'The way talent engagement operates can take many forms.' Erickson (2005) described the job as the key antecedent of the state of engagement. Balain and Sparrow (2009) defines as 'the individual's involvement and satisfaction with as well as enthusiasm for work'. Robinson (2004) emphasised the organizational aspect of engagement and referred as positive attitude held by employee towards organization and its values.

2.1 Components of Engagement

Commitment is the strength of individual's identification with and involvement in an organization. Organizational citizenship behaviour as defined by Organ (1988) is employee behaviour that goes above and beyond the call of duty, that is discretionary and not explicitly recognized by the employing organization's formal reward system, and that contributes to organizational effectiveness. Motivation is the force that energizes, directs and sustains behaviour. It can be intrinsic, i.e. behaviour is affected by factors which may arise from the work itself and are self generated or extrinsic, which occurs when things are done to or for people to motivate them. The motivation element in engagement is intrinsic. As Macey et al (2009) observed that when the work itself is meaningful it is also said to have intrinsic motivation. This means that it is not the pay or recognition that yields positive feelings of engagement but the work itself, engaged employees feel that their jobs are an important part of what they are.

The institute of employment studies has modelled the components of engagement as depicted below.

Table 1. Components of engagement

Antecedents of Engagement	Types of Talent engagement	Consequences
Enriched and challenging jobs	Job engagement	Job satisfaction
Quality of employee - organization relationship (Perceived Organizational support)	Organizational engagement	Organizational Commitment
Quality of employee- Supervisor relationship (perceived supervisor support)		Level of intention to quit
Rewards & recognition		Organizational citizenship behaviour
Fairness of processes that allocate resources or resolve disputes		
What is considered just or right in the allocation of goods in the society (distributive justice)		

2.2 Facets of Engagement

Alfes (2010) see engagement as having three core facets Intellectual engagement – thinking hard about the job and how to do better ; Affective engagement – feeling positively about doing a good job; and the Social Engagement – actively taking opportunity to discuss work related improvements with others at work.

2.3 Drivers of Employee Engagement

Great Places to Work refers employee engagement as employees trust and pride with the organization and the key levers are respect, credibility, fairness, work contribution, team work, learning, career progression and sense of belongingness as family.

MacLeod and Clarke (2009) listed the engagement drivers as strong and transparent leadership, organizational culture, engaging managers, training and development programs, and employees should feel that they are able to voice their ideas and be listened to, creating a belief among employees that the organization lives its values and that exposed behavioural norms are adhered to, resulting in trust and sense of integrity.

Research conducted by the Institute for employment studies (Robinson , 2004) led to conclusion that an engaged employee will be willing to ‘go the extra mile’, Believes in and identifies with the organization, Wants to work to make things better, Understands the business context and the bigger picture, Respects and help colleagues.

2.4 Enhancing Engagement

Job engagement can be enhanced through good job design, learning and development programmes and improving the quality of leadership provided by managers. In addition, rewards in the broadest sense, i.e. non financial and financial can play a part. It was suggested by David Guest (2009) that organizational engagement can be enhanced through effective leadership of strong, positive culture that ensures that enactment of organizational values through strong management that supports employees work and well being; through careful design of systems and jobs to enable employees to contribute through full use of their knowledge and skills; through effective employee voice; and through provision of appropriate resources, tools and information to perform effectively.

Employee Retention is a biggest challenge for the employee intrinsic industry like software industry and to retain the talent with the organization a well strategies need to be planned and executed. According to Nasscom study by 2008 IT / ITES industry is predicted to employ about 1.1 million people and it is looked ahead as the next huge employment initiator. But on the ever-increasing demand and supply gap of professionals, it is going to be a hard-hitting task for the HR managers to identify right kind of people and quality professionals. The IT / ITES sector in India has about 30-35 percent of attrition rate approximately but when compared to the US (around 70 percent) it is far less.

2.5 Cost of Attrition

Attrition is defined as the action or process of gradually reducing the strength or effectiveness of someone or something through sustained attack or pressure. We can say that A reduction in the number of employees through retirement, resignation or death. It is very important and vital to know the cost allied with attrition. If we could understand the financial implications and cost associated with attrition then we can formulate effective and efficient retention strategy. The importance of the cost implied due to a person leaving a organization some of those are Cost Per Person, Recruitment Costs, Training Costs, Lost Productivity Costs, New Hire Costs.(“Cost of Employee Turnover” by William G. Bliss, “High Attrition Rate: A Big Challenge” by Sanjeev Sharma)

The Cost per Person includes cost involved in the backfilling of a position, because the position is vacant, we have to calculate the cost associated during the period of lost productivity at a minimum of 50% of the person's compensation and benefits if it is a few weeks. If it is vacant for a longer duration then calculate 100% of the person's compensation and benefits, cost of conducting an exit interview, Time of the person conducting the exit interview, Administrative costs of stopping pay-roll, benefit deductions, benefit enrolments, cost of the manager, who works in the transition period till a person is replaced, cost of training the employee who is leaving and training provided to the new recruited employee, cost implied on departmental productivity, Cost of lost knowledge, and cost of skills and contacts that the person leaving is taking with them.

The Recruitment Costs includes the Advertisements cost, Agency cost, Employee referral cost, Web portal posting cost, cost of the internal recruiter's time ,cost of developing and implementing a sourcing strategy, cost of the various candidate pre-employment tests , cost of pre-assessing the candidates, cost of background verification, cost of conducting interviews, cost of making employment offer. cost of on-boarding process, administrative cost during the on-boarding process like pay-roll creation, system allocation, network allocation , space allocation, security password allocations, identification cards, telephone lines, e-mail account creations etc; Calculate the cost of a manager's who spends his time to develop a trust and confidence among the new employees.

The Training Costs includes the cost of orientation, cost of induction programs, cost of person conducting the orientation and material cost, Training cost (Trainer cost and material cost), cost of loss of productivity during the training period. A person joins in an organization takes a time to learn the job, policies, procedures and practices of the company; hence he will not be fully productive and so we have to calculate the cost productivity cost from the point of training to the employee is being fully productive. Cost of transition after training to be fully productive which generally takes about 20 weeks' time to be fully productive and calculate the cost of mistakes the new employee makes during the period.

2.6 Tackling Attrition Head-On

To tackle the attrition the some of the companies have provided the following lucrative options to the employees, collaborating with institutes like BITS Pilani and the Symbiosis Institute of Management to provide distance learning programme for employees, six – month sabbatical to work with an NGO of their choice, scholarships of up to Rs. 50,000 to employees who want to enrol in distance learning programmes, multiple career paths with an option of technical professionals opting for different career options like project management, technical track or business development, succession planning for its employees and provides lots of training to its employees, domain trainings abroad or at customer places.

In general Around 60 – 65 percent of the call centre agents leave within one month of their joining when they recognize that the offerings by the organization are not in line with their expectations. Around 20 percent of the software engineer and trainee software engineers leave within one or two months of their joining when they realize that the offerings by the organization are not in line with their expectation. The mindset of the employee is to work with a larger corporation rather than working for a small company which is developing in nature. To seize this inclination of attrition organization looks ahead to various alternative like rewarding, flexible working hours, stronger succession planning etc.

In NASSCOM Summit which was held in recent times, HR specialist had a brain-storming session on various approaches to deal with the tremendous attrition rate they also discussed on how to deal this in more scientific and analytical approach. Compensation alone is not adequate to retain employees, but management also needs to consider other aspects like secure career, benefits, perks and communication. To control the attrition battle, we should start focusing on various ways to retain the employees and how to improve the organization climate, ambience, atmosphere, training, recognition and regarding and employee. Companies have to go in for a varied workforce. Diversity in turn results in innovation and success. The 80:20 rule also applies to recruitment, since studies showed that 80 percent of the company's profit comes from the efforts and work of 20 percent of the employees. So IT/ITES need to focus on roles, which have the most significant impact. According to experts in the industry age should not be an obstruction for training employees and could, in fact, fetch in more firmness to the company. Experts from the industry also feel that the cost of attrition is about 1.5 times of the annual salary of an individual who leaves the organization.

2.7 Moving towards Tier II Cities

Due to the high demand and supply gap and scaling attrition numbers, many organizations have started setting up their operation in Tier II cities or B class cities like Chandigarh, Bhopal, Lucknow, Dehradun, Baroda, Indore, Noida, Gurgaon, Bhubaneshwar, Coimbatore, Trichy, Madurai, etc; to catch the attention of talents. Today there is a transformation in terms of employee profile, the organizations have started looking out for employee who is giving more important for their career as a whole and who will bring constancy to the organization they don't look for people who just see their salary as a pocket money. Most of the employees of IT/ITES industry would be of middle and lower-middle income group, who are willing to put their maximum efforts, work hard, high dedication full commitment with a strong sense of responsibility towards their employers. The organization might face a scale up in training costs since this segment of people would lack in basic communication skills but the imperative effort put down would be a real worth.

2.8 Educating about Career Opportunities

It is essential for an organization to clearly define the career opportunities to their employees because generally in the ITES industry there is a misconception among the people that it is just an agent work who keeps on talking to people on the phone and there is no growth opportunities but in reality there is more to it. According to Saravana, Senior consultant Unisys, there is an immense opportunity for professionals and he believes that opportunities to grow are immense; it is up to the individuals to show the interest to get trained and be as a multi tasking person. He also added that the organization is ready to provide training to individual if he shows a real interest. So it is very important to an organization to make clear about the individuals growth in the company and

today organizations are expanding in different verticals and growth opportunities are immense. In ITES industry the future growth would mostly from KPO, Transaction processing and Data management.

2.9 Government Initiatives

A new project has been commenced by Nasscom with various private players, training institutes and academia in Andhra Pradesh, Karnataka, and Kerala, for preparing an "employable" IT / ITES workforce. "People FIRST" is an initiative by Kerala Government the plan is to create a readily available employable manpower for the IT / ITES industry. The IT secretary of Kerala said that such a kind of program will open up huge employment opportunities in a range of disciplines in the IT / ITES sector. The programme was launched in the year 2004 and the training program has also commence subsequently this program was quite successful and after seeing the success of the program other states like Tamil Nadu, Maharashtra and West Bengal are also looking for implementing such an option.

3. Research Methodology

3.1 Objective

The objective of the study is to understand and analyze why employees stay in the organization which are employee intensive industry. The study primarily focuses on understanding the aspects of talent engagement and reasons why Key talent stay within the organization and also attempt to relook at the key talent engagement drivers in the organization, understand the areas of concern and develop an action plan to have great retention

3.2 Need of the Study

- To make organizations an outstanding employer and provide employees challenging career opportunities and growth potential
- Understand from Key talent what makes their stay meaningful within the organization
- Relook at the Key talent engagement drivers in the organization and understand the areas of concern and develop action plan to have great retention
- The current study focuses on identifying the various strategies to retain employees and understanding the key talent engagement drivers with in the software company

3.3 Scope of the Study

The current study is to gain insight on key talent engagement practices and understand the reasons why employees stay within the software organizations and to suggest appropriate strategies for better sustainable talent engagement practices and retention strategies, recommend the talent engagement drivers, Increase employee retention in the IT / ITES industry and control the attrition and also recommend strategies to control the attrition and to increase the retention rate via talent engagement.

3.4 Data Collection Method

A sample of 400 respondents is randomly selected from the strata of key talent for the study. All the respondents selected are Key talent within the organization and their performance has exceeded the expectations. Study is administered through questionnaire, focus group discussions and telephonic discussions. All the questions in the questionnaire are rated on 5 point likert scale with 5 rating as Strongly Agree, Agree – 4, Undecided – 3, Disagree – 2, Strongly Disagree -1. For all the questions were the ratings are relatively low subjective responses are also elicited and analysed.

The Key sections of the Questionnaire are About Job, Growth Opportunities, Direct Supervision, Team Work, Performance Management, Accomplishments, L & D, Work / Life Balance, Retention, Motivation, and Overall feedback

3.5 Data Analysis & Interpretation

The critical analysis of the data collected is explained below with reference to critical questions asked under each subsection of questionnaire

Employees have expressed very positively on their job alignment with Company's mission. They are well connected with the Organization. Employees feel a need for better training to deliver on their jobs. 50% of the employees interviewed felt that they could contribute better to the organization. The subjective responses revealed that the top the 4 reasons the employees provide for not taking up the training programs to enhance the delivery in the projects / task assigned are Project pressures take precedence over training, Domain specific training is not given, No formal training on a new project, Planning of Training needs to be improved ,

Employees feel underutilized in the jobs and feel that they lack confidence to take up the new roles, though they are experienced opportunities are not provided , long gestational period of projects.

Table 2. Survey set: job

Survey Set – Job	Total
I understand how my job aligns with the Company's mission	4.55
I feel like I am a part of the Company	4.54
I have the tools and resources I need to do my job	4.32
I feel valued as an employee	4.25
How meaningful is your work	4.24
I have the training I need to do my job	3.95
I feel underutilized in my job	2.51
How challenging is your job	3.79
My skills and abilities are fully utilized in my current job	3.68

Table 3. Survey set - growth & training

Survey Set – Growth & Training	Total
My job gives me the opportunity to learn	4.17
I am aware of the advancement opportunities that exist in the Company for me	3.78
How many opportunities do you have to get promoted where you work?	3.00
I have the opportunity to further develop my skills and abilities	4.02
Employees receive the training necessary to do their jobs	3.86
Training opportunities are fairly allocated across employees or work units.	3.89
Supervisors/team leaders support employee efforts to learn outside the job	3.86

For the above responses we can infer that employees have few opportunities for growth and advancement and employees wanting to contribute in a bigger way are looking for training to get them ready for newer roles. Employees are conveying that they are aware that opportunities are few; and that road map for their growth is not being detailed and there are fewer opportunities for improving their skills & abilities. The subjective responses for the above set indicates that road map is not clear and there is no transparency & visibility with weightage of 7% followed by , Time phasing of promotion is too rigid , Aware opportunities are few, Organizational Policies / Changes / Issues affect growth opportunities. Employees feel that Project Pressures take precedence over Training and there are no discussions that took place to identify the training needs and there is no transparency on Nominations and Approval process. They also feel that budget plays a critical role.

Table 4. Survey set – performance management

Survey Set – Performance Management	Total
Performance Evaluation System in organization helps in making an objective assessment of your contribution / accomplishment	3.91

Employees perceive that there is scope for improvement in performance development and the areas are Objectivity of the performance development system, Employees would like to have Supervisor help them identify right / realizable goals and support in their achievement, Majority perceive that Bell Curve Normalization is not right; good performance is not yielding commensurate rewards / recognition, Subjectivity and inconsistencies, Inconsistency in awarding ratings during performance evaluation process.

Table 5. Survey set - rewards & recognition

Survey Set – Rewards & Recognition	Total
I receive the right amount of recognition for my work	3.75
Which of the following best describes how senior management in your organization views employee recognition programs	2.27
Individuals appreciate the personal contributions of their peers	4.16

Most employees perceive that management views R&R as an Investment

Table 6. Survey set- motivation & retention

Survey Set – Motivation & Retention	Total
How proud are you of your employer's brand	4.16
To what extent do you agree with the following statement: I would recommend this company as a good place to work	4.24
As overall, how would you rate organization to work for	4.21
How likely are you to look for another job outside the company	3.03

Employees are proud of the brand and rate it high, despite of these employees looked for a change in the past or are looking for a change going forward. Overall 57% of Employees surveyed have either looked for another job in the past or are actively looking for one currently. Low compensation, lack of job satisfaction, lack of growth opportunities and appraisal were the top 4 reasons for looking for a change.

Table 7. Survey set - supervisor

Survey Set - Supervisor	Total
It is clear to me what my supervisor expects of me regarding my job performance	4.35
How often do the tasks assigned to you by your supervisor help you grow professionally?	3.88
My supervisor enables me to perform at my best	4.13
My supervisor evaluates my work performance on a regular basis	3.76
How improved is your performance after getting feedback from your supervisor about your work	3.90
My supervisor promotes an atmosphere of teamwork	4.22

Supervisor gets opportunities to work on new tasks (depriving us of first exposure), Some work is low end; documentation and such NVA do not help me grow professionally, For some work is not allotted by direct supervisor; there is no alignment between direct and matrix supervisor, Supervisor pushes us to work against deadlines without addressing how we achieve them.

Table 8. Survey set -team work

Survey Set – Team work	Total
People in my department communicate sufficiently with one another	4.39
It is easy to get along with my colleagues	4.55
My department encourages teamwork	4.44
The morale in my department is high	4.06
How much do your opinions about work matter to your coworkers	4.22

Survey reveals that team work is by and large encouraged; Employees get along well with each other and have good communication among them.

4. Conclusion

The conclusion of the analysis done with the data collected reveals the following that most training on a new project is on the job and there are formal training programs which are limited by pace and to an extent self-study, Training need Analysis, planning, timing & effectiveness of training needs to be improved substantially, project pressures take precedence over training and there is a need for specialized training, especially when role changes, travel budgets and availability of trainers are major issues. Employees feel that growth opportunities are few, road map is not clear; no transparency & visibility, time-phasing of promotion is too rigid, and always receive the inputs from supervisor as they are not ready, some opportunities exist, people from outside are occasionally picked; supervisor may desist from encouraging an associate as it can create conflict with peers in the team. Unless new technology comes in, new opportunities for growth would be limited. Internal Job posting needs to be improved and on-site opportunities should be encouraged. The opportunities to leverage skills across roles should be encouraged, Changes in designations (Tech Lead, Team Lead) affect chance, They are expected to do more on current role to be eligible for next role (and, later denied, because either because I do not have adequate years of experience or training for the next role). Growth opportunities are more for people-managers than for those in technical roles. Manager-specific, location-specific bias exists and when manager changes the growth opportunities get affected. Working on a long-gestation project reduces chances for growth, niche nature of work affects chances for growth, chances in specific departments are fewer, as you move up, may have to wait longer for next promotion or may grow up to a level and stop thereafter.

Training is being approached mechanically and the quality & quantity of training is coming down and the programs are not meeting employee's specific requirements and not in sync with project requirements. There is a need for both latest technical and behavioral training programs with transparent training nomination approval process. All the irrelevant trainings which are being covered under mandatory trainings need to be phased out. Organizations should explore more options in getting good university associations for the employees who want to continue their education.

Supervisors need to be trained on team management skills. They should continuously partner with HR to frame goals, learning plan, competency development programs for the team members. HR should get involved in to the people management portfolio of managers to maintain the harmony in the teams as well all the issues in the teams are addressed appropriately. The morale of the teams needs to be improved by effective communication, work life balance, employee friendly policies or practices, and providing better opportunities within the company.

The critical observations are

Observation 1: Training Function (planning for relevance, deployment, effectiveness) to be reviewed critically with a view to improve productivity thereby enabling employees to look for opportunities of enhanced contribution.

Observation 2: Employees have few opportunities for growth and advancement but they are yearning to contribute in a bigger way, and are looking for training to get them ready for newer roles however the road map for their growth is not detailed.

Observation 3: 23% of respondents feel that there is inconsistency in performance appraisal process.

Observation 4: There seems a case for improving communication as to how Management values R&R.

The overall employee engagement model is combination of several elements which are cited as model below



In general the Engagement Equation = My career + My recognition + My desire to work for the best + My connection to the company + My performance, my pay ,my work, however for the key talent or top performers in the organization the degree of these elements are high in the equation.

At work place employees seek the following

Trust and integrity – how well managers communicate and 'walk the talk'.

Nature of the job – Is it mentally stimulating day-to-day?

Line of sight between employee performance and company performance – Does the employee understand how their work contributes to the company's performance?

Career Growth opportunities – Are there future opportunities for growth?

Pride about the company – How much self-esteem does the employee feel by being associated with their company?

Coworkers/team members – significantly influence one's level of engagement

Employee development – Is the company making an effort to develop the employee's skills?

Relationship with one's manager – Does the employee value his or her relationship with his or her manager?

If the organizations address what employee needs then a path can be laid for effective employee engagement in general and key talent in particular thereby organization can be benefited by the value add work that employee creates and delivers and also retain such a key talent within the organization and also have effective strategies to enhance the retention and thereby reduce the attrition percentage which in turn controls the cost to the company.

5. Limitations and Future Research

The paper attempts to understand from employee point of view what makes them stay within the organizations and organizations to understand the key drivers to engage the talent and retain the talent. The limitation of the study is, it focuses on only key talent who has exceeded the expectations in their performance and the sample selected is small to generalize the outcomes to the industry and to all employees irrespective of their performance.

An attempt can be made to replicate the study on a larger sample size and sample should be picked irrespective of the performance ratings so that holistically we can have a generic framework on engagement initiatives against the retention.

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Exploring the Factors for Effective Sustainability Reporting: A Survey of Indian Chemical Industry

Pradip Kumar Mitra¹, Vijay Agrawal² & Aurobindo Ghosh³

¹ Vivekanand Education Society Institute of Management Studies and Research, Mumbai, India

² Birla Institute of Technology, Mesra, Ranchi, India

³ ICFAI University, Vadodara, Gujarat, India

Correspondence: Pradip Kumar Mitra, Vivekanand Education Society Institute of Management Studies and Research, Hashubhai Advani Memorial Complex, 495-497, Collector's Colony, Chembur, Mumbai, India. Tel: 91-909-907-3959. E-mail: debolina456@yahoo.co.in

Received: October 9, 2014 Accepted: November 6, 2014 Online Published: December 30, 2014

doi:10.5539/ass.v11n3p197

URL: <http://dx.doi.org/10.5539/ass.v11n3p197>

Abstract

Sustainability reporting is nowadays considered to be an important tool to showcase the environmental social and economic performance of an organization. Although different frameworks for reporting are available the adoption of reporting are still less in numbers in India. The research paper aims at understanding the perception and awareness about sustainability reporting that prevails across the chemical industry in India and also tries to find the major drivers and impediments of effective sustainability reporting as perceived by the industry participants through empirical analysis. The paper also tries to identify the major factors on which the industry wants to report their sustainable performance through exploratory factor analysis. A survey was carried out in Gujarat and Maharashtra the two chemical industries infested states of India among the decision makers of different chemical firms responsible for firm's reporting of both financial and non-financial performance. The research shows that sustainability as a concept is welcome by the industry but as a reporting process it has failed to reach the desired level of reporting due to its complexity and therefore non acceptance. The research identifies the different factors on which the industry wants to report and also finds the most important drivers and the major problems of sustainability reporting.

Keywords: chemical industry, economic aspect, financial aspect, human aspect, natural aspect, social aspect, sustainable development, sustainability reporting, triple bottom line

1. Introduction

1.1 Background of the Study

Reporting on sustainable performance has become a global trend that insists companies to disclose their performance on economic, environment and social areas (GRI Guidelines, 2002). The most popular reporting framework on sustainability called Global Reporting Initiative (GRI) is being increasingly used across the world (Brown, Martin, & Teodorina, 2007). Large companies are currently producing their reports as per GRI framework but SMEs have failed to respond to this reporting standard across the world. A sustainable development as a concept given by World Commission for Environment and Development (WCED) makes it necessary to protect the human civilization while the progress continues. The definition of sustainable development as proposed by WCED in 1987 says "Sustainable Development means meeting the needs of the present without compromising the ability of future generations to meet their own needs" (World Commission on Environment and Development, 1987). A sustainable society is a society which balances with the natural world from generation to generation without depleting its resource base by exceeding sustainable yields and never produces pollutants in excess of nature's capacity to absorb them (Wright, 2007a).

Indian Chemical industry has become a major driver for economic growth of the country and has made a major contribution towards social and economic development. In the last three decades the industry has grown tremendously specially in small scale sector with a wide range of products in its credit. Manufacturing of chemical products passes through a number of stages with variety of unit processes and operations and these results in production of process wastes of varying quality and quantity. So generation of chemical pollutants and

untreated effluents has seriously disturbed the ecology in its surroundings leading to massive social and environmental hazards. So internally and externally a growing concern has emerged that the survival of chemical industry for a longer term will depend upon its progress towards economic, social and environmental sustainability (Chemistry Leadership Council, 2005). Chemical industry as a potential growth driver to Indian Economy should address sustainability issue for its long term sustainable growth.

Carter and Rogers (2008) were the pioneers to describe the term sustainability which is a three legged tool integrating People, Planet and Profit popularly known as Triple Bottom Line (TBL). Triple Bottom Line as a term was first introduced by Elkington in 1997 which states that Companies have an extended responsibility for environment and society. As an extension to this a sustainability report has emerged as a special corporate communication instrument that depicts the corporate values, principles and performance in all aspects of sustainability for the stakeholders (Cahyandito & Ebinger, 2005). Through the sustainable development reports companies must provide a clear picture to internal and external stakeholders of the corporate position and also the activities carried out for environmental, social and economic development (WBCSD, 2002). Taking a note of this the number of sustainability reporting has started increasing over the years. Substantial increase in the number of companies publishing reports on its environmental and social front was found after the first separate environmental report was published in 1989 (Kolk, 2004a). Differentiation in the reporting in terms of countries and sectors was noticed but there was a continuous rise in the number of reporting with a clear inclination for the inclusion of societal and financial issues (Kolk, 2004b). In a recent international survey it was seen that most investors and financial research and rating agencies are finding these reports very useful for their professional work (Pleon, 2005). Global reporting output per year has grown tremendously from almost zero in 1992 to an expected 4000 reports in 2010 (Wensen, Wijnand, Johanna, & Jutta, 2011).

1.2 Importance of Sustainability Reporting for Indian Chemical Industry

In India the sustainability reporting for chemical industry is yet to take pace. Only a handful of 14 companies from chemical industry are producing sustainability reports (Shekharan, 2012). The sustainability reporting is a voluntary disclosure and not a mandatory affair in India at present (Reddy, 2005). The industry is having 100% FDI (Foreign Direct Investment) approval and mostly dominated by Small and Medium Scale Enterprises (SMEs). These enterprises comply with some environmental laws and regulations available in the state. More number of SMEs put pressure for more environmental performance so owners must develop a frame of mind to understand the circumstances that influence promoting a successful implementation of organisational changes that promotes superior environmental performance among SMEs (Cordano, Marshall, & Silverman, 2010). Being a voluntary disclosure at present a consensus and a common framework has become necessary for the industry decision makers. Initiatives taken voluntarily can promote different industry and firm specific innovations which will help achieve the goal of environmental performance (Koski & May, 2006).

The Indian Chemical industry is playing a crucial role in the Indian Economy (Department of Chemicals and Petrochemicals, 2008). The industry contributes to the Indian GDP about 6.7 % which is 10% of total exports also (KPMG Chemtech Foundation, 2013). As per the Tata Strategic Management Group (TSMG) and Federation of Indian Chamber of Commerce and Industry (FICCI) the estimated size is at around US\$ 83 billion in 2010 approx., which is equivalent to 2.5% of World Chemical Industry (FICCI & TSMG, 2010). The approximate investment made in Indian Chemical Business is US\$ 60 billion and 1 million employees are working in this segment. Contribution made by Indian chemical industry is approximately 13% to 14% of total exports and 8% to 9% of total imports. Further volume wise this industry ranks 12th in the world and 3rd in Asia (Planning Commission, 2010a). A remarkable development has been witnessed that the industry is growing as an innovative industry. The per capita consumption of chemical products in India is 1/10th of the world average (Planning Commission, 2010b).

As per the report of Indian Chemical Industry in XIIth Five Year Plan the levels of pollutions have reached alarming proportions in most of the chemical industry clusters in India. There are some instances where some Indian Chemical Companies are doing well in the area of non-financial performance. But the non-compliant attitude of many companies as well as ineffective enforcement efforts in some clusters have led to large scale damage to the environment as the report suggested. According to Ministry of Environment and Forests, experience of industrially developed nations indicates that a 1% increase in GDP (Gross Domestic Product) leads to 1 to 3 % increase in generation of hazardous waste (TSMG, 2012a). As per the report prepared by Tata Strategic Management Group in India on Industrial Hazardous Waste Management, India's hazardous waste inventory increased from 0.6 million tons in 1989 to an estimated 6 million tons in 2003, 7.8 million in 2008 and 9.1 million tons in 2011 alone, but this increase in hazardous waste volumes has not been accompanied by a commensurate increase in treatment and disposal facilities (TSMG, 2012b). Bhopal disaster is commonly known

as Bhopal Gas Tragedy which is considered as the world's worst industrial disaster. Union Carbide India Limited (UCIL) a pesticide plant was the source of this disaster occurred on the night of 2-3 December 1984. As reported by Department of Chemicals and Petrochemicals in 2013 over 5 lakh people were affected by methyl isocyanate gas and other chemicals. The toxic substance made its way to the city when leaked and created havoc which made a death toll of 3787 as the report suggests. (Department of Chemicals and Petro Chemicals, 2013).

The above facts direct to the point that Chemical Industry is an inevitable organ for the economic growth of the country but at huge cost of deteriorating health, natural resources and welfare of society. A growing identification of sustainability is aimed towards a long human wellbeing and sustainability reporting practices will pave the way for the same (Wright, 2007b). Although sustainability reporting practices has taken pace in Indian Financial Reporting System but lot more to come especially in front of Chemical industry.

Empirical research was conducted to understand the different organisational contextual factors that might influence the nature and extent of corporate social reporting (Adams, 2002a). It was argued that although it was noticed that reporting process, attitude of participants and corporate culture play an important role in determining the accountability through corporate disclosure, theories related to social and environmental reporting were developed without engaging organizations that produces sustainability reports. Adams in 1998 carried out interviews with three British companies and four German companies and found that decision making and reporting process depends on country of origin, corporate size and corporate culture (Adams & Patty, 2007a). In late 1997 an interview was conducted in 27 Irish public limited companies to understand managerial perceptions and motives for corporate social disclosure by O'Dwyer (2002). Larrinaga and Paez (2001) conducted case studies in nine Spanish organisations through 15 semi structured interview to know the motives of disclosure of environmental information and perception of corporate environmental performance Adams (2004) pointed that increased size and increased awareness of the impacts of companies on the environment and local communities leads to greater corporate accountability. The above discussion leads to a point that understanding perceptions, awareness and motivations for sustainability reporting is practiced in other countries also and those studies contributed on theorising the concept for better performance.

1.3 Identification of Different Aspects and Variables for Sustainability Reporting

Through literature review and different available published reports on sustainability performances five major aspects were identified which a sustainability reporting addressed to as Human Aspect, Social Aspect, Natural Aspect, Economic Aspect and Financial Aspect. Further under those important aspects different factors were also identified which forms an integral part covering those aspects. As described by United Nations Development Program human aspect deals with human development through equity, empowerment and sustainability where people's choice can be expanded (UNDP, 2013). Seven variables were placed for survey are described below:

Development of employee: Encourage professional and technical development through continuous education and training for all employees and motivate them towards sustainable development issues which have got relevance with clients and business. The employees should be capable to use their talents and share their knowledge to find more sustainable solutions for the development of society.

Healthy People: It means creating healthy people in the society through reduction of carbon emission and protection of natural resources and environment. Helping communities to fight severe natural calamities and promoting healthy lifestyles will be the prime focus.

Educated Population: As education and sustainability are inextricably linked it always remains as a central theme for sustainable development. It means creating educated population by providing basic education to them and then reorienting the existing education in such a way so that public understanding and awareness is created to form a sustainable society.

Youth and Leadership: It means promoting the youth by making them leaders or change agents for the sustainable development of society by creating opportunities through some projects where they can work and show their innovation and leadership skills.

Active Volunteering: It means as an organization it must work in volunteer capacity to promote the cause for human development like donation to hospitals, schools, churches and temples and other charitable institution.

Artisan and Entrepreneurship: It means that organization will foster for economic and community development by promoting small cottage industries like pottery, design work, small cooperative farming etc. in rural areas.

Stakeholder Accountability: Organization will create a sense of trust among stakeholders through transparent delivery of development and cooperation by improving their quality and effectiveness in delivering the development results.

Social aspects cover the social dimensions through which the companies exhibit their performances towards society's betterment through literacy improvement, arrangement of safe drinking water, opening up hospitals, improve sanitation facilities, carrying out relief efforts, building roads and hospitals (CAG Report No.9 on PSU, 2007). Under the social aspect six major variables were placed for discussion and survey.

Stakeholder Engagement: Through stakeholder engagement process the organization will include the stakeholders in the decision making process through dialogue so as to understand the stakeholders better for effective decision making and stakeholder accountability.

Enhancing Capacity: It is a conceptual approach to development that focuses on removing the obstacles of inhibited people and NGOs etc. by realizing their developmental goals and enhancing their abilities to perform for measurable and sustainable results.

Building Community: Organization will promote and develop small book clubs, arrange mass festival, create a chain of distribution and establish cooperative culture etc.

Creating Educational Institution: Organization will provide assistance to create institutions for promoting higher education on sustainability issues which in turn will blend the campus education with community development.

Forming Network: Organization will create facilities like online community service and training centre. This will help resolve the different social issues through online discussions and participations.

Improving Health Care and Sanitation: It means improving health care by creating small dispensary to provide basic medical facilities and to provide healthy drinking water at rural and industrial area. Maintaining a hygienic excreta and providing basic sanitation facilities can be arranged by the organisation which will create a clean and healthful living environment both at home and neighborhood of users.

Supply Chain at Base of Pyramid: Organization will involve poor communities in production process including the management of critical supply chain.

Natural aspects deals with preservation of ecosystem and natural environment as the entire human existence is dependent on it. Ecosystems support human life and economies with a range of different goods and services which should not be stressed by the dual demands of increasing population like depletion of water supplies, degrading agricultural soils, cutting of forests (Wright, 2007c). Five major variables under the natural aspect were placed for survey.

Biodiversity Restoration: Organization will help restoring eco system on earth by taking care and maintaining the natural environment where it will be allowed to regenerate and flourish. It means organization will support native plants and animals to live naturally in the area.

Greening Supply Chain: Organization will bring new technology through innovation which will improve the supply chain process by enhancing productivity with lesser cost and reduced usage of scarce resources.

Management of Scarce Resources: This means that organization will bring new innovation in extracting and processing of raw materials and scarce resources.

Environmental Conservation: Environmental conservation can be promoted by an organization by paying farmers and foresters to provide protective vegetation near water supplies, purchasing lands around reservoirs, enforcing limits on growth and controlling the contamination of water and agricultural land.

Wildlife Protection: Organizations can protect wild life by providing incentives to local communities to utilize wild life as a form of land use to ensure ecological preservation and sustainable economic development. They can help different NGOs which are trying to implement effective community based natural resource management.

Economic aspects is understood as a long term proposition where most companies try to increase their ability to contribute to their local community, society and whole planet in the long run along with their immediate financial performance (Doane & Mac Gillivray, 2001). Four major variables were placed for discussion and survey.

Improve Employability: Organization will work hand in hand with universities to create illuminating pathways for the students through innovative learning. With industry guidance universities will play a decisive role in shaping future capabilities to address sustainable development.

Regional Development: Through this process the organization will try to understand the regional needs and work for the economic growth of the region without creating negative impact on environment. A collaborative and streamlined activity with regional stakeholders will be the most crucial way to perform better.

Price Stabilization: Through this process organization will substantially reduce the effect of the business cycle on profit of chemical companies through various risk reduction measures and will create a strong link between input cost and output price.

Employment Generation: Providing new opportunities for employment and creating adequate number of quality jobs for the country's youth.

Financial aspects deal with value creation for the shareholders and generation of livelihood to contribute in a strategic way where prime focus is put on the development of brand equity, reputation, human capital and alliances (Fiksel, Low, & Thomas, 2004). Three major variables were placed for survey.

Income Enhancement: Organization will try to increase the income by reducing the cost and risks through pollution prevention, reducing wastages and lower consumption of raw material. The product manufactured through this process will be eco-efficient and will generate more revenue for the firm through enhanced sales.

Enhancing Shareholders' Value: Reduction of wastage through efficient internal operation and achieving product stewardship through eco efficient process should be a priority. This will in turn send a very positive message to the external stakeholders who will enhance the legitimacy and reputation of the organization.

Livelihood Generation: Organizations will try to secure the basic needs of the workers like food water shelter and clothing.

1.4 Formulation of Objective of Research

The objective was to understand whether these aspects play any pre dominant role in sustainability reporting for Indian Chemical Industry as perceived by industry decision makers.

The objective of the research is formulated.

Objective I: To identify the important factors to be reported through sustainability reporting as perceived by Indian Chemical Industry through exploratory factor analysis.

Objective II: Understanding the perception and awareness of the various aspects of sustainability reporting at various categories of chemical industry in India.

Objective III: Researcher is interested to identify the most important drivers and major problems of sustainability reporting through empirical analysis with special reference to Indian Chemical Industry.

2. Research Methodology

2.1 Identifying the Drivers and Problems Placed for Discussion

The objective of research was to understand the awareness and perceptions about sustainability reporting for Indian Chemical Industry and finding the most important driver and problem of sustainability reporting. Six drivers were identified after examining the GRI Framework available and in consultations with the industry practitioners as i) Economics and business ii) People and population iii) Enabling technology iv) Regulation v) Environmental crisis vi) Global inequality. Drivers were then placed in the questionnaire to know how industry is going to rank them as an important driver for sustainability reporting. The selection of the problems for discussion was formulated on the back drop of the report "The State of Sustainability Reporting in Australia 2005" prepared by Centre for Australian Ethical Research in collaboration with KPMG (CAER, 2005). Adams & Patty (2007b) through their action research on the basis of Kurt Lewin's integrated model of planned change listed out some impediments for sustainability reporting. These two reports formed the basis for formulating problems in the questionnaire of this research. The formulated problems were further discussed with practicing Indian counterpart to make it more aligned and relevant towards Indian context. The following problems were placed in the questionnaire.

Lack of legal framework

Lack of best practice guidance

Lack of leadership and innovation in sustainable development reporting

Absence of external motivation and enforcement mechanism

Lack of awareness and understanding among stakeholders

Lack of awareness and understanding of implications at the top management level

2.2 Research Process Followed

The research was conducted by survey through questionnaire. Expert review was taken from 10 experts for changes after designing the draft questionnaire. Reliability test was conducted after modifying the questionnaire through a pilot survey of 40 respondents. Cronbach's Alpha score was more than 0.70 sufficient to justify the reliability of the questionnaire. Actual survey was then initiated by floating the questionnaire across the different category of chemical industry in Gujarat and Maharashtra. Chemical Industry as a sector can be categorised into different categories in terms of production of different items like dyes and pigments, pharmaceuticals, fertiliser and pesticides, petrochemical and other organic and inorganic chemicals. The hypothesis were formulated and tested. Different non-parametric tests Chi Square Test, Kruskal-Wallis Test, Spearman's rank correlation and Kendal's Tau Test were applied for testing the hypothesis. Exploratory factor analysis was carried out to identify the factors on which the industry decision makers are keen to report on.

2.3 Sample Size and Sampling Procedure

The research was conducted mainly at Gujarat a state of India as it is the highest contributor in Indian Chemical Industry in terms of output (53%) and performance followed by Maharashtra (9%) (Planning Commission, 2010c). Gujarat is a major hub of diversified chemical industry having 7000 large and medium scale units and 31000 small scale units (KPMG, 2007). So these two states become well representation for sample. The survey was carried out for a period of eight months. Responses were received from 520 respondents mainly the decision makers of financial reporting from the top management of the firm. The responses were then bifurcated in different categories of chemical firm as per their produced output.

The table below shows the different categories of chemical organization from which responses were received. The respondents were asked to provide information regarding the category of their organisation.

Table 1A. Frequency distribution of different chemical industry

Industry	Frequency	Percent	Cumulative Percent
Petrochemicals	19	3.7	3.7
Fertilizer & Pesticides	34	6.5	10.2
Pharma	52	10	20.2
Dyes & Pigments	238	45.8	66
Organic	77	14.8	80.8
Inorganic	96	18.5	99.2
Others	4	0.8	100
Total	520	100	

Gross monthly turnover (In Lakh): The respondents were asked regarding the gross monthly turnover of their organisation. Majority (59.1 percent) of the organisations have their gross monthly turnover between 25-500 lakh. 17.7 percent of the organisations are having their gross monthly turnover more than 1000 lakh. 17.7 percent of the organisations are having their gross monthly turnover between 500-1000 lakh. 5.4 percent of the organisations are having gross monthly turnover between 5- 25 lakh.

Table 1B. Turnover wise frequency distribution

Turnover (In Lakh)	Frequency	Percent	Cumulative Percent
5-25	28	5.4	5.4
25-500	308	59.2	64.6
500-1000	92	17.7	82.3
More than 1000	92	17.7	100
Total	520	100	

3. Hypothesis Formulation, Testing & Results

3.1 Framing of Hypothesis and Testing

Hypothesis 1

H₀: Knowledge about Sustainability Reporting aspects and Category of an Organisation are independent of each other. The hypothesis was framed to understand if there is any significant difference that can be

observed regarding the knowledge of sustainability reporting process across different category of the chemical industry. The cross tabulation (Table 3A & 3B) between the observed and expected frequency and Pearson Chi-Square calculated value at 5 degree of freedom suggests null hypothesis to be rejected. Hence it can be concluded that **Knowledge about Sustainability Reporting aspects and Category of an Organisation are not independent of each other.** Inference can be drawn that there is significant difference of knowledge about sustainability reporting aspects across different category of chemical firms. From total counts one can say most of the respondents do not have the knowledge about sustainability reporting process.

Hypothesis 2

H_0 : Belief about Sustainability Reporting aspects and Category of an Organisation are independent of each other. The respondents were asked whether their organization believes about sustainability reporting. From the cross tabulation (Refer Table 4A & 4B) showing observed and expected frequencies and The Pearson Chi-Square calculated value at 5 degree of freedom of 16.411 suggests that null hypothesis is rejected. Hence it can be concluded that **Belief about Sustainability Reporting aspects and Category of an Organisation are not independent of each other.** So the belief on sustainability was not found same across different categories of the organization. But in total it suggests that 91.5% respondents believe about sustainability reporting.

Hypothesis 3

H_0 : Perception about Sustainability Reporting as a part of framework of Corporate Governance process and Category of an Organisation are independent of each other. The cross tabulation (Refer table 5A & 5B) and the Pearson Chi-Square calculated value at 5 degree of freedom as 28.176 shows that the null hypothesis is rejected. Hence it can be concluded that Perception about Sustainability Reporting as a part of framework of Corporate Governance process and Category of an Organisation are not independent of each other. So it can be inferred that perception about sustainability reporting as a part of framework of corporate governance is not uniformly accepted across the different category of chemical firms. Over all it was found a substantial number of respondents (74.2%) perceive sustainability reporting as a part of framework of corporate governance.

Hypothesis 4

H_0 : Agreement with the proposition that a Sustainable Report should disclose both favourable and unfavourable results and Category of an Organisation are independent of each other. From the cross tabulation (Refer table 6A & 6B)) and the Chi-Square calculated value at 5 degree of freedom of 28.176 the null hypothesis is rejected. So we can say that Agreement with the proposition that a Sustainable Report should disclose both favourable and unfavourable results and Category of an Organisation are not independent of each other. Hence inference can be drawn that across different category of chemical industry there is significant difference to agree on the proposition that sustainable report should disclose both favourable and unfavourable results. Majority (91.7%) of the respondents were of the opinion that sustainability report should disclose both favourable and unfavourable results.

Hypothesis 5

H_0 : Perception about issues relating to Sustainable Development and Reporting are relevant in the Indian context and Category of an Organisation are independent of each other.

Questions were asked whether the respondents perceive that sustainable development and reporting are relevant in Indian context or not. From the cross tabulation (Refer Table 7A) of observed and expected frequencies and the Pearson Chi-Square calculated value at 5 degree of freedom at 34.051 the null hypothesis is rejected. Hence it can be concluded that **Perception about issues relating to Sustainable Development and Reporting are relevant in the Indian context and category of an Organisation are not independent of each other.** Hence it implies that there is significant differences in the perception about relevance of sustainable development and reporting in Indian context across the different categories of chemical firms.

3.2 Factor Analysis

Factor Analysis was performed to identify the factors which play a predominant role in the Sustainability Reporting. The KMO value of 0.934 suggests that there is adequate number of factors that can be extracted and again the significant value of Bartlett's Test of Sphericity is 0.000 which is < 0.001 .So, the sample inter correlation matrix did not come from a population in which the inter correlation matrix is an identity matrix. (Table 15)

Total Variance Explained: There were five factors extracted by using the method of principle component analysis and rotation method of Varimax with Kaiser Normalization with criteria Eigen value more than one (Refer Table 16 and 17) . The result of factor analysis is shown below.

Table2: Result of Factor Analysis

Factor	Variables	No of Items	Cronbach's Alpha
1	Income Enhancement		
	Livelihood Generation		
	Improve Employability		
	Enhancing Shareholder Value	7	0.959
	Price Stabilization		
	Regional Development		
	Employment Generation		
2	Biodiversity Restoration		
	Environmental Conservation		
	Healthy people		
	Greening Supply Chains		
	Management of Scarce Resources	10	0.936
	Wildlife Protection		
	Development of Employees		
	Active Volunteering		
	Stakeholder Accountability		
	Educated population		
3	Creating Educational and Charitable Institutions		
	Community Development		
	Enhancing Capacity	5	0.906
	Supply chain as a base of pyramid		
	Forming Networks		
4	Youth & Leadership		
	Artisan & Entrepreneurship Development	3	0.8
	Stakeholder Accountability		
5	Improving Health care and sanitation	1	N.A

3.3 Formulation of Hypothesis and Testing Related to Factors

3.3.1 Hypothesis 6

Ho: There is no significant difference in playing a predominant role by major factors in Sustainability Reporting at different categories of organisation.

To measure the hypothesis non parametric test was necessary. So test of normality was conducted on five major factors identified for reporting.

3.3.2 Test of Normality

The Factor scores of different identified aspects of reporting were tested for Normality. Hypothesis

H₀: The Distribution is normally distributed.

H₁: The Distribution is not normally distributed.

All five factors are not found normally distributed at 5 per cent level of significance. Hence it would be appropriate to perform non-parametric test on these different factors (Refer Table 8).

The non-parametric test- Kruskal-Wallis test has been performed and the result is shown below. The result shows the mean rank of different categories of organisations. In the table (9A & 9B), the calculated Chi-Square, degree of freedom, and significant value is given. Factor 1, 2, 3 and 5 are found significant at 5 % level of significance and Factor 4 is not found significant at 5 % level of significance. Hence it can be concluded that for Factor 1, 2, 3 and 5 there is a significant difference in playing a predominant role in Sustainability Reporting at different categories of organisation. And for Factor 4 there is no significant difference in playing a predominant role in Sustainability Reporting at different categories of organisation.

3.3.3 Hypothesis 7

Ho: There is no significant difference in playing a predominant role by different factors in Sustainability Reporting at different categories of gross monthly turnover.

The non-parametric test- Kruskal Wallis test has been performed and the result (Refer Table 10A & 10B) shows the mean rank of different categories of gross monthly turnover for five major factors of reporting. In the table,

the calculated Chi-Square, degree of freedom, and significant value is given. Factor 1, 3 and 5 are found significant at 5 % level of significance and Factor 2 and 4 are not found significant at 5 % level of significance. Hence it can be concluded that for Factor 1, 3 and 5 there is a significant difference in playing a predominant role in Sustainability Reporting at different categories of gross monthly turnover. And for Factor 2 and 4 there is no significant difference in playing a predominant role in Sustainability Reporting at different categories of gross monthly turnover. From mean rank, it can be concluded that Factor 1 plays more important role in the organisations having gross monthly turnover more than 1000 lakhs whereas Factor 3 plays more important role in the organisations having gross monthly turnover of 5- 25 lakhs.

4. Discussion & Conclusion

The conduct and outcome of the study came out with some meaningful insights on the current status of sustainability reporting in Indian Chemical Industry. The empirical evidence from the research revealed an interesting finding that respondents are not very much aware of the different aspects of sustainability reporting process but they sincerely believe that sustainability reporting should be an integral part of corporate governance in India. This shows that if a consensus can be achieved how to report the sustainable performances through discussions with the stakeholders specifically at small and medium enterprises level more meaningful framework can be created which might be well accepted by the industry. Across the different categories of chemical firms significant difference was found in perception and belief towards sustainability reporting. But in totality there was found a positive frame of mind towards the importance and acceptance of sustainability reporting as a framework for corporate governance.

4.1 Result of Factor Analysis

The exploratory factor analysis suggests that the most important factor is factor 1 which explains 51 percent of the total variance, followed by factor 2, 3, 4 and 5. The five factors explain 76 percent of the total variance. Again the five factors are found reliable through reliability analysis. Factor 1 includes all the variables decided under the economic and financial aspects. Factor 2 includes all the major variables identified under natural aspects and human aspects followed by factor 3 which is dominated by the variables identified under social aspects. Factor 4 and 5 deals with some of the variables mentioned in human and social aspects. While analysing on basis of turnover economic and financial aspect (Factor1) were found playing more important role in companies having high turnover and social aspect (Factor 3) was found playing major role in companies having lower turnover.

4.2 Most Important Drivers

The research focused on the identification of most prominent driver for sustainability reporting as perceived by the industry. At the same time the most important problems for sustainability reporting were also tried to be identified with the ranking of nature of problems across the board. The descriptive statistics of different drivers for sustainable development is given in Table 11 shows that most important driver is economics and business followed by people and population. Global inequality came out as the least important driver. The drivers are presented in ascending order of their mean.

The researchers are interested to identify the relationship between Drivers of Sustainable Development and gross monthly turnover. Drivers of Sustainable Development are measured on 5 point scale where 1 is most important driver and 5 is the least important driver. The turnover is measured on 4 different categories. The Spearman's Rank Correlation and Kendall's Tau correlation is applied and the result is shown in Table 12.

All correlations are found negative indicating that as the gross monthly turnover of the organisation increases, the importance of drivers of sustainable development in the organisation also increases (Because 1 is most important). None of the correlation coefficient was found significant.

4.3 Most Important Problems

The descriptive statistics as presented in table 13 shows the most important problem for implementing the sustainability reporting in organisation. The most important factor is lack of legal framework followed by lack of best practice guidance. The factors are presented in ascending order of their mean.

The researcher is interested to identify the relationship between Problems related to sustainability reporting and turnover of an organisation. Major problems for effective sustainability reporting in organisation are measured on 5 point scale where 1 is most important and 5 are the least important measures. The turnover is measured on 4 different categories. The spearman's rank correlation and Kendall's tau correlation is applied and the result is shown in table 14. All correlations are found positive and significant at 1 % level of significance. Hence it can be concluded that as the gross monthly turnover of an organisation increases, the problems for effective

sustainability reporting in organisation decreases. So it can be said that as the turnover increases, the organisations become more and more aware regarding the legal framework, best practices and also become more aware regarding the understanding amongst stakeholders and implications at the top management level.

4.4 Conclusion

Responding to the adversities that may have been created for the industry participants because of its complexities in implementation, majority of the respondents advocated for a simpler framework which can be accommodated at the SME level. Although there is a sustainability framework developed by GRI but they failed to attract the SME segment of Indian Chemical Industry. Many respondents expressed their inability to understand the complexities of Sustainability Reporting as framed by GRI (Global Reporting Initiative). Majority of the respondents also agreed to accommodate sustainable development as a principle in their mission statement. Most important driver of sustainable development was found to be economy and business followed by people and population. The major problem in implementation of effective sustainability reporting is the absence of legal framework followed by lack of best practice guidance. Although research finds a positive environment and strong industry acceptance of sustainability reporting but lack of awareness about sustainability reporting process as well as absence of a simplified framework of law and practices may deter the growth of sustainability reporting process in Indian Chemical Industry. So the development of a consensus based simplified framework is the need of the hour. A further research can be focused on some innovative initiatives to develop a simplified framework will create some new beginning in the years to come.

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Appendix

Table 3A: Category wise knowledge about sustainability reporting aspects
Does your company "Know About Sustainability Reporting Aspects?" Cross tabulation

		<i>Does your company know about Sustainability Reporting Aspects?</i>		Total
		Yes	No	
Category	Petrochemicals	Count	18	1
	Petrochemicals	Expected Count	4	15
	Petrochemicals	% within Category	94.70%	53.0%
	Fertilizer & Pesticides	Count	18	16
	Fertilizer & Pesticides	Expected Count	7.1	26.9
	Fertilizer & Pesticides	% within Category	52.90%	47.10%
	Pharma	Count	8	44
	Pharma	Expected Count	10.9	41.1
	Pharma	% within Category	15.40%	84.60%
	Dyes & Pigments	Count	38	200
Total	Dyes & Pigments	Expected Count	49.8	188.2
	Dyes & Pigments	% within Category	16.00%	84.00%
	Organic	Count	13	64
	Organic	Expected Count	16.1	60.9
	Organic	% within Category	16.90%	83.10%
	Inorganic	Count	13	83
	Inorganic	Expected Count	20.1	75.9
	Inorganic	% within Category	13.50%	86.50%
		Count	108	408
		Expected Count	108	408
		% within Category	20.90%	79.10%
		Total	516	516

Table 4A: Category wise belief about Sustainability Reporting aspects
*Category * Does your company believe on sustainability reporting? Crosstabulation*

		<i>Does your company believe on sustainability reporting?</i>		Total
		Yes	No	
Category	Petrochemicals	Count	17	2
	Petrochemicals	Expected Count	17.4	1.6
	Petrochemicals	% within Category	89.50%	10.50%
	Fertilizer & Pesticides	Count	32	2
	Fertilizer & Pesticides	Expected Count	31.1	2.9
	Fertilizer & Pesticides	% within Category	94.10%	5.90%
	Pharma	Count	51	1
	Pharma	Expected Count	47.6	4.4
	Pharma	% within Category	98.10%	1.90%
	Dyes & Pigments	Count	207	31
Total	Dyes & Pigments	Expected Count	217.7	20.3
	Dyes & Pigments	% within Category	87.00%	13.00%
	Organic	Count	70	7
	Organic	Expected Count	70.4	6.6
	Organic	% within Category	90.90%	9.10%
	Inorganic	Count	95	1
	Inorganic	Expected Count	87.8	8.2
	Inorganic	% within Category	99.00%	1.00%
		Count	472	44
		Expected Count	472	44
		% within Category	91.50%	8.50%
		Total	516	516

Table 3B: Chi-Square Tests and Symmetric Measures

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	92.031*	5	0
Symmetric Measures	Value	Approx. Sig.	
Nominal by Nominal	0.422	0	0.422

Table 4B: Chi-Square Tests and Symmetric measures

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	16.411*	5	0.006
Symmetric Measures	Value	Approx. Sig.	
Nominal by Phi	0.178		0.006
Nominal Cramer's V	0.178		0.006

Table 5A: Category wise perception about Sustainability Reporting as a part of framework of Corporate Governance process
*Category * Should Sustainability Reporting be a part of framework of Corporate Governance process? Crosstabulation*

		<i>Should Sustainability Reporting be a part of framework of Corporate Governance process?</i>		Total
		Yes	No	
Category	Petrochemicals	Count	14	5
	Petrochemicals	Expected Count	14.1	4.9
	Petrochemicals	% within Category	73.70%	26.30%
	Fertilizer & Pesticides	Count	29	5
	Fertilizer & Pesticides	Expected Count	25.2	8.8
	Fertilizer & Pesticides	% within Category	85.30%	14.70%
	Pharma	Count	44	8
	Pharma	Expected Count	38.6	13.4
	Pharma	% within Category	84.60%	15.40%
	Dyes & Pigments	Count	151	87
Total	Dyes & Pigments	Expected Count	176.7	61.3
	Dyes & Pigments	% within Category	63.40%	36.60%
	Organic	Count	63	14
	Organic	Expected Count	57.2	19.8
	Organic	% within Category	81.80%	18.20%
	Inorganic	Count	82	14
	Inorganic	Expected Count	71.3	24.7
	Inorganic	% within Category	85.40%	14.60%
		Count	383	133
		Expected Count	383	133
		% within Category	74.20%	25.80%
		Total	516	516

Table 6A: Category wise agreement with proposition that Sustainability reporting should disclose both favourable and unfavourable results
*Category * Do you agree with the proposition that a Sustainable Report should disclose both favorable and unfavorable results? Crosstabulation*

		<i>Do you agree with the proposition that a Sustainable Report should disclose both favorable and unfavorable results?</i>		Total
		Yes	No	
Category	Petrochemicals	Count	12	7
	Petrochemicals	Expected Count	17.4	1.6
	Petrochemicals	% within Category	63.20%	36.80%
	Fertilizer & Pesticides	Count	32	2
	Fertilizer & Pesticides	Expected Count	31.2	2.8
	Fertilizer & Pesticides	% within Category	94.10%	5.90%
	Pharma	Count	50	2
	Pharma	Expected Count	47.7	4.3
	Pharma	% within Category	96.20%	3.80%
	Dyes & Pigments	Count	223	15
Total	Dyes & Pigments	Expected Count	218.2	19.8
	Dyes & Pigments	% within Category	93.70%	6.30%
	Organic	Count	66	11
	Organic	Expected Count	70.6	6.4
	Organic	% within Category	85.70%	14.30%
	Inorganic	Count	90	6
	Inorganic	Expected Count	88	8
	Inorganic	% within Category	93.80%	6.20%
		Count	473	43
		Expected Count	473	43
		% within Category	91.70%	8.30%
		Total	516	516

Table 5B: Chi-Square Tests and Symmetric measures

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	28.176a	5	0.000
Symmetric Measures	Approx. Sig.		
Nominal by Phi	0.234		0.000
Nominal Cramer's V	0.234		0.000

Table 6B: Chi-Square Tests and Symmetric measures

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	27.155a	5	0.000
Symmetric Measures	Approx. Sig.		
Nominal by Phi	0.23		0.000
Nominal Cramer's V	0.23		0.000

Table 7A: Category wise perception about issues relating to sustainable Development and Reporting are relevant in Indian Context

		Do you consider issues relating to Sustainable Development and Reporting are relevant in the Indian context?			Total
		Yes	No		
Category	Petrochemicals	Count	10	9	19
	Petrochemicals	Expected Count	16.4	2.6	19
	Petrochemicals	% within Category	52.60%	47.40%	100.00%
	Fertilizer & Pesticides	Count	32	2	34
	Fertilizer & Pesticides	Expected Count	29.4	4.6	34
	Fertilizer & Pesticides	% within Category	94.10%	5.90%	100.00%
	Pharma	Count	47	5	52
	Pharma	Expected Count	44.9	7.1	52
	Pharma	% within Category	90.40%	9.60%	100.00%
	Dyes & Pigments	Count	199	39	238
Category	Dyes & Pigments	Expected Count	205.7	32.3	238
	Dyes & Pigments	% within Category	83.60%	16.40%	100.00%
	Organic	Count	64	13	77
	Organic	Expected Count	66.6	10.4	77
	Organic	% within Category	83.10%	16.90%	100.00%
	Inorganic	Count	94	2	96
	Inorganic	Expected Count	83	13	96
	Inorganic	% within Category	97.90%	2.10%	100.00%
	Total	Count	446	70	516
	Total	Expected Count	446	70	516
Total	Total	% within Category	86.40%	13.60%	100.00%

Table 9A: Kruskal-Wallis Test report and rankings category wise

Ranks			
Category	N	Mean Rank	
Factor 1	Petrochemicals	19	238.47
	Fertilizer & Pesticides	28	261.82
	Pharma	44	252.95
	Dyes & Pigments	210	194.47
	Organic	68	204.6
	Inorganic	46	186.46
Factor 2	Total	415	
	Petrochemicals	19	238.32
	Fertilizer & Pesticides	28	239.21
	Pharma	44	149.86
	Dyes & Pigments	210	212.94
	Organic	68	212.83
Factor 3	Inorganic	46	202.41
	Total	415	
	Petrochemicals	19	236.68
	Fertilizer & Pesticides	28	252.29
	Pharma	44	147.27
	Dyes & Pigments	210	219.93
Factor 4	Organic	68	216.15
	Inorganic	46	160.78
	Total	415	
	Petrochemicals	19	144.63
	Fertilizer & Pesticides	28	213.79
	Pharma	44	205.09
Factor 5	Dyes & Pigments	210	212.26
	Organic	68	218.73
	Inorganic	46	198.13
	Total	415	
	Petrochemicals	19	326.95
	Fertilizer & Pesticides	28	217.5
Factor 5	Pharma	44	209.18
	Dyes & Pigments	210	186.43
	Organic	68	213.23
	Inorganic	46	242.72
	Total	415	

Table 6B: Chi-Square Tests and Symmetric measures

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	27.155a	5	0.000
Symmetric Measures	Approx. Sig.		
Nominal by Phi	0.23		0.000
Nominal Cramer's V	0.23		0.000

Table 7B: Chi-Square Tests and Symmetric measures

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	34.051a	5	0.000
Symmetric Measures	Approx. Sig.		
Nominal by Phi	0.257		0.000
Nominal Cramer's V	0.257		0.000

Table 8: Tests of Normality

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	Df	Sig.	Statistic	Df	Sig.
Factor 1	0.141	419	0	0.91	419	0
Factor 2	0.168	419	0	0.856	419	0
Factor 3	0.151	419	0	0.839	419	0
Factor 4	0.108	419	0	0.946	419	0
Factor 5	0.236	419	0	0.712	419	0

a. Lilliefors Significance Correction

Table 9B: Test Statistics^{a,b}

	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5
Chi-Square	17.276	14.029	25.731	6.522	29.676
Df	5	5	5	5	5
Asymp. Sig.	0.004	0.015	0	0.259	0

a. Kruskal Wallis Test

b. Grouping Variable: Category

Table 10 A: Report of Kruskal Wallis test and ranks

	Gross monthly turnover - In Lakhs	N	Mean Rank
Factor 1	5-25	27	226.91
	25-500	233	196.29
	500-1000	74	174.29
	More than 1000	85	273.31
	Total	419	
	5-25	27	256.13
Factor 2	25-500	233	203.25
	500-1000	74	219.44
	More than 1000	85	205.64
	Total	419	
	5-25	27	274.46
	25-500	233	190.12
Factor 3	500-1000	74	221.95
	More than 1000	85	233.6
	Total	419	
	5-25	27	238.35
	25-500	233	206.72
	500-1000	74	204.82
Factor 4	More than 1000	85	214.51
	Total	419	
	5-25	27	142.5
	25-500	233	211.1
	500-1000	74	215.2
	More than 1000	85	223.89
Factor 5	Total	419	

Table 10 B: Test Statistics^{a,b}

	Factor 1	Factor 2	Factor 3	Factor 4	Factor 5
Chi-Square	33.214	5.208	17.896	1.907	9.674
Df	3	3	3	3	3
Asymp. Sig.	0	0.157	0	0.592	0.022

a. Kruskal Wallis Test

b. Grouping Variable: Gross monthly turnover - In Lakhs

Table11: Descriptive statistics of drivers of sustainability reporting

Drivers	N	Minimum	Maximum	Mean	Std. Deviation
Economics& business	520	1	5	1.4192	0.70861
People and population	520	1	5	1.4288	0.75439
Enabling technology	520	1	5	1.45	0.77373
Regulation	520	1	4	1.4635	0.72034
Environmental crisis	520	1	5	1.4981	0.81649
Global inequality	520	1	5	1.5904	0.88419

Table 12: Result of Spearman rank correlation for drivers of sustainable development

Category :Gross monthly turnover - In Lakhs		
Economic & business	Pearson Correlation	-0.011
	Sig. (2-tailed)	0.836
People and population	Pearson Correlation	-0.077
	Sig. (2-tailed)	0.138
Enabling technology	Pearson Correlation	-0.053
	Sig. (2-tailed)	0.313
Environmental crisis	Pearson Correlation	-0.023
	Sig. (2-tailed)	0.659
Global inequality	Pearson Correlation	-0.041
	Sig. (2-tailed)	0.434
Regulation	Pearson Correlation	-0.07
	Sig. (2-tailed)	0.182

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

Table 13: Descriptive Statistics Related to Different Aspect of Problem

Factors	Min.	Max.	Mean	Std. Dev
Lack of legal framework	1	5	1.4635	0.91583
Lack of best practice guidance	1	5	1.4769	0.9694
Lack of leadership and innovation in Sustainable Development & Reporting	1	5	1.5096	0.93317
Absence of external motivation and enforcement mechanism	1	5	1.5154	0.97747
Lack of awareness and understanding amongst stakeholders	1	5	1.5904	1.05691
Lack of awareness & understanding of implications at the top management level	1	5	1.6019	1.06132

Table 14A: Rank Correlation report on the problems of Sustainability Reporting

Correlations								
	Gross Turn over - In Lakhs	Lack of legal frame work	Lack of best practice guidance	Lack of leadership and innovation in Sustainable Development & Reporting	Absence of external motivation and enforcement mechanism	Lack of awareness and understanding amongst stakeholders	Lack of awareness & understanding of implications at the top management level	
Gross monthly turnover - In Lakhs	Correlation Coefficient Sig. (2-tailed)	1 .001	.136** 0	.169** 0	.143** 0	.153** 0	.124** 0	.123** 0
	N	520	520	520	520	520	520	520
Lack of legal framework	Correlation Coefficient Sig. (2-tailed)	.136** 0.001	1 .001	.824** 0	.691** 0	.712** 0	.654** 0	.668** 0
	N	520	520	520	520	520	520	520
Lack of best practice guidance	Correlation Coefficient Sig. (2-tailed)	.169** 0	.824** 0	1 .001	.774** 0	.779** 0	.722** 0	.773** 0
	N	520	520	520	520	520	520	520
Kendall's tau_b	Correlation Coefficient Sig. (2-tailed)	.143** 0	.691** 0	.774** 0	1 .001	.795** 0	.713** 0	.748** 0
	N	520	520	520	520	520	520	520
Absence of external motivation and enforcement mechanism	Correlation Coefficient Sig. (2-tailed)	.153** 0	.712** 0	.779** 0	.795** 0	1 .001	.753** 0	.733** 0
	N	520	520	520	520	520	520	520
Lack of awareness and understanding amongst stakeholders	Correlation Coefficient Sig. (2-tailed)	.124** 0.002	.654** 0	.722** 0	.713** 0	.753** 0	1 .001	.848** 0
	N	520	520	520	520	520	520	520
Lack of awareness & understanding of implications at the top management level	Correlation Coefficient Sig. (2-tailed)	.123** 0.002	.668** 0	.773** 0	.748** 0	.733** 0	.848** 0	1 .001
	N	520	520	520	520	520	520	520

Table 14B: Rank Correlation report on the problems of Sustainability reporting

Correlations								
	Gross Turn over - In Lakhs	Lack of legal frame work	Lack of best practice guidance	Lack of leadership and innovation in Sustainable Development & Reporting	Absence of external motivation and enforcement mechanism	Lack of awareness and understanding amongst stakeholders	Lack of awareness & understanding of implications at the top management level	
Gross monthly turnover - In Lakhs	Correlation Coefficient Sig. (2-tailed)	1 .001	.148** 0	.185** 0	.157** 0	.169** 0	.137** 0	.136** 0
	N	520	520	520	520	520	520	520
Lack of legal framework	Correlation Coefficient Sig. (2-tailed)	.148** 0.001	1 .001	.854** 0	.730** 0	.753** 0	.689** 0	.701** 0
	N	520	520	520	520	520	520	520
Lack of best practice guidance	Correlation Coefficient Sig. (2-tailed)	.185** 0	.854** 0	1 .001	.815** 0	.823** 0	.760** 0	.807** 0
	N	520	520	520	520	520	520	520
Spearmann's rho	Correlation Coefficient Sig. (2-tailed)	.157** 0	.730** 0	.815** 0	1 .001	.829** 0	.760** 0	.795** 0
	N	520	520	520	520	520	520	520
Absence of external motivation and enforcement mechanism	Correlation Coefficient Sig. (2-tailed)	.169** 0	.753** 0	.823** 0	.829** 0	1 .001	.793** 0	.774** 0
	N	520	520	520	520	520	520	520
Lack of awareness and understanding amongst stakeholders	Correlation Coefficient Sig. (2-tailed)	.137** 0.002	.689** 0	.760** 0	.760** 0	.793** 0	1 .001	.869** 0
	N	520	520	520	520	520	520	520
Lack of awareness & understanding of implications at the top management level	Correlation Coefficient Sig. (2-tailed)	.136** 0.002	.701** 0	.807** 0	.795** 0	.774** 0	.869** 0	1 .001
	N	520	520	520	520	520	520	520

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

Table 15. KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	0.934
Approx. Chi-Square	10897.363
df	325
Sig.	0

Df-degree of freedom

Table 16: Total Variance Explained

Component	Initial Eigen Values			Extraction			Rotation	
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance
1	13.42	51.625	51.625	13.423	51.625	51.625	6.282	23.971
2	2.45	9.445	61.07	2.456	9.445	61.07	5.836	22.466
3	1.58	6.091	67.161	1.584	6.091	67.161	4.193	16.128
4	1.36	5.237	72.398	1.362	5.237	72.398	2.426	9.333
5	1.1	4.255	76.653	1.106	4.255	76.653	1.242	4.776
6	0.906	3.483	80.136					
7	0.656	2.522	82.658					
8	0.583	2.244	84.902					
9	0.5	1.923	86.825					
10	0.398	1.53	88.355					
11	0.367	1.41	89.765					
12	0.323	1.243	91.008					
13	0.308	1.184	92.192					
14	0.255	0.981	93.173					
15	0.237	0.911	94.084					
16	0.197	0.757	94.841					
17	0.191	0.734	95.575					
18	0.185	0.712	96.287					
19	0.171	0.656	96.943					
20	0.163	0.628	97.571					
21	0.14	0.539	98.11					
22	0.129	0.496	98.606					
23	0.112	0.43	99.036					
24	0.102	0.394	99.43					
25	0.082	0.315	99.745					
26	0.066	0.255	100					

Extraction Method: Principal Component Analysis

Table 17: Rotated Component Matrix^a

	Component				
	1	2	3	4	5
Income Enhancement	0.866				
Livelihood Generation	0.839				
Improve Employability	0.816				
Enhancing Shareholder Value	0.815				
Price Stabilization	0.813				
Regional Development	0.804				
Employment Generation	0.786				
Biodiversity Restoration		0.78			
Environmental Conservation		0.779			
Healthy people		0.747			
Greening Supply Chains		0.735			
Management of Scarce Resources		0.708			
Wildlife Protection		0.7			
Development of Employees		0.677			
Active Volunteering		0.607			
Stakeholder Accountability		0.547			
Educated population		0.535			
Creating Educational and Charitable Institutions			0.83		
Community Development			0.823		
Enhancing Capacity			0.792		
Supply chain as a base of pyramid			0.683		
Forming Networks			0.68		
Youth & Leadership				0.804	
Artisan & Entrepreneurship Development				0.742	
Stakeholder Engagement				0.679	
Improving Health care and sanitation					0.892

a. Rotation converged in 8 iterations.

Shifts in the Meaning of Sovereignty and Applicability of the Concept for Analysis of Contemporary World Politics

Dmitry Gennadievich Baluev¹

¹ Lobachevsky State University of Nizhni Novgorod –National Research University, Russia

Correspondence: Dmitry Gennadievich Baluev, Lobachevsky State University of Nizhni Novgorod –National Research University, 603950, pr. Gagarina, 23, Nizhny Novgorod, Russia. E-mail: pr@unn.ru

Received: July 30, 2014 Accepted: September 30, 2014 Online Published: December 30, 2014

doi:10.5539/ass.v11n3p212

URL: <http://dx.doi.org/10.5539/ass.v11n3p212>

Abstract

This paper deals with changing meaning of sovereignty in context of globalization. It touches upon dialectic relations between sovereignty and globalization. Attitudes towards sovereignty of different non-state actors of contemporary world politics and different states are special interest for the author. The main aim of the article is in analyzing how the changes in technology associated with globalization and creation of civil rights protection rules result in emergence of new political structures and new rules that will replace the rules and structures associated with sovereignty, examines the growing role of new actors in world politics in a multipolar world and uncertainty.

Keywords: sovereignty, international relations theory, world politics, foreign policy

1. Introduction

According to numerous authors, the current epoch is associated with the terms “*post-realism*” and “*post-positivism*” (Smith, Booth, & Zalewski (Eds.), 1996). International relations were historically viewed through the prism of the state. Such approach was also dominating during the second half of the twentieth century. However, despite all efforts to become a “timeless truth” (Buzan, 1996), realism is associated with a specific historical context. According to G. Youngs, realistic tradition in international relations, its principles and orientation can be fully understood only when placed in the context of the time when they were formed. It was the time of wreckage of inter-war hopes for world peace through the League of Nations and the beginning of World War II (Youngs, 1999). Studies on sovereign state creation often interpret outside involvement in domestic politics as a force against which nationalist forces mobilize (Chong, 2011). The realism consolidation time was at the cold war epoch. Changing primary units of analysis is the feature of the *new era*. The evolution rides the line of the state monopoly crisis. Technological, economic, political and cultural changes in international relations are so important that some authors even offer to change the discipline name. For example J. Rosenau, proposed to replace the term “*international relations*” by “*post-international policy*” (Rosenau, 1989). G. Youngs speaks about international relations evolution to *global relations* (Youngs, 1999).

Nowadays the use of classical geopolitical approach to international relations analysis is becoming less popular. It is stated that in the era of globalization, national boundaries become irrelevant. Most of the post-industrial states have departed from territorial expansion as *self-sufficient* political objective. Instead, they focused on economic and technological development. Such events as NATO military action in Kosovo, Libyan campaign or talks about intervention in Syria also undermine the principles of territorial sovereignty and the inviolability of borders.

Another problem is that the very notion of sovereignty is western-centered. As Timo Kivimäki has pointed out, “The theory of international anarchy can possibly be supported by European, but not by East Asian, experiences. Supranational control over states seemed acceptable to Europeans; they had suffered under conflicts caused by expansive nationalism, and thus integration was greeted as a commonly accepted remedy and the foundation of a peaceful, commonly accepted normative order in Western Europe. However, since the Asian experience was different, a sense of ownership could not be infused into their normative order by simply copying the European recipe based on European experience.” (Kivimäki, 2012).

Nowadays it makes sense to consider sovereignty only in dialectic correlation with interdependence. Only the contradictions between them give the sovereignty an inherent meaning. Preservation of sovereignty means the ability to achieve objectives despite the interdependence pressures or even using them (Tsygankov, 2000).

2. Materials and Methods

There is a popular question: whether the system of sovereignty is just a relic of the past? Will the changes in technology associated with globalization and creation of civil rights protection rules result in emergence of new political structures and new rules that will replace the rules and structures associated with sovereignty? Let's try to give an approximate answer to this question.

If the sovereignty rules would be replaced by other rules, this can only happen through an evolutionary process where key actors come to the conclusion that choice of new rules and institutions will benefit them. It is unlikely that in the near future key actors will make such choice, taking into account the benefits of maintaining status quo, governments' ability not to pay attention to claims in the areas where they have little influence, and the fact that sovereignty can coexist with other institutional forms (but not be replaced by them) (Baluev & Novoselov, 2010). The so-called "gray zones" are appearing in world politics where traditional meanings of political concepts could become opposite.

Table 1. Differences between axiomatic truths outside gray zones and reality in gray zones

"True" outside of Gray Zones	May be true in Gray Zones
Democracy is the best of existing political regimes	Democratic rhetoric is a tool to influence traditional actors in world politics
Elections are the only legitimate way of coming to power	Elections cause instability,
Use of chemical weapons is criminal	Use of chemical weapons, forbidden after the First World War in order to weaken the military-political potential of Germany, whose chemical industry had a greater potential than chemical industries of victorious powers - sometimes more justified, selective and humane tool than use of numerous conventional weapons nowadays considered legitimate;
Drug production is by its nature a threat to international security	Fight against drug production is like the alcohol "Prohibition" in the U.S. a source of corruption and a pretext for interfering in internal affairs of countries, whose economy depends on it, and whose cultural traditions do not contradict this type of activity;
Organized criminal groups are the cause of anarchy and instability	Organized criminal groups in the context of weak state institutions serve as social structure performing important social functions and their existence is not contrary to interests of large population segments
Arms trade, being a necessary evil, should be implemented only within the frameworks once and forever fixed by existing international regimes	Arms traffic within a "Gray Zone" should be carried out according to rules different from ones of the rest of the existing world system

Nevertheless, even the evolutionary changes in the sovereignty nature lead to revision of the state role as the main actor in world politics and rethinking the concepts of "foreign policy" and "national interest". International law has been also adapting to the new environment. While globalization does not make governments outdated, many analysts have concluded that power distribution in international system framework becomes more diffused (Lake, 1999). In the current environment, the state is not always the *exclusive* unit of analysis. However, the state uniqueness was a theoretical model, based on the Westphalian interpretation of international relations. States continue to be the *main* actors in the international system. Other actors' (including transnational corporations and international organizations) performance is largely determined by decisions taken by governments. All states share a minimum agenda of preserving territorial and political integrity. The specific strategy pursued by a state is determined by structural factors - power distribution in the world system and the place of the state in this distribution.

3. Results

The state monopoly is also prejudiced externally. Sovereignty itself is no longer a guarantee of international legitimacy (Held, McGrew, Goldblat, & Parraton, 1999). Military force was the basis for evolution of institutional forms of modern sovereign nation-state. Independent ability to defend the territory by military means was the basis of the modern concept of sovereign state. The current military globalization also puts national sovereignty and autonomy into question.

Other states, international organizations, private actors, such as NGOs, movements for civil rights or companies occasionally try to deny the state monopoly for organized violence. As consequence, attempts to consider rebel

movements' claims as legitimate and to conduct a dialogue with them. An example is the international recognition of the Palestinian state. Such actions violate the principle of non-interference in internal affairs of other states.

The idea of privatization of the foreign policy is even more radical than privatization of some elements of the defense policy. In the Western political tradition the foreign policy was the most honorable part of the policy. It was aimed to protect public interests defined by *raison d'état*. Privatization means lobbying for foreign governments and private companies and using private channels for negotiations on resolving conflicts (South Africa and Mozambique).

Global forces "from above" (economic, technological, and cultural) are forcing states, even strong states, to review the concept of sovereignty. The maneuver space for weak states is significantly limited by their internal conditions and by more powerful states. Moreover, many states are facing the challenges of the "from below" as groups that define themselves as people or even nations, demand greater rights to self-determination.

States (even insufficient ones) have not become outdated institutions. They are still quite influential and important sources of power in the world system. However, they have increasingly become "empty" or "defective" institutions (Strange, 2000).

Along with reduction in political leaders' ability to control situation in their countries, globalization also reduces their willingness to accept responsibility. While states remain sovereign, a number of their leaders prefer delegating some of their powers "to the above" – to international institutions because of the need for new rules for global transactions management and global threats notwithstanding. The power authorization are also transferred "to the below", to local groups and individuals, who use new information technologies, receive information directly from its sources and become newsmakers themselves (Baluev, 2013). The power also escapes to a wide range of non-governmental organizations - from corporations to environmental organizations. Within the states pluralism is becoming the norm. Pressure groups in one country may cooperate with similar groups in other countries. Because of this, the role of main political actors is transferred to global policy networks constituting alliances of government agencies, international organizations, corporations, non-governmental organizations and other community groups (Reinicke, & Wolfgang, 2000). A characteristic feature of modern development is the transition to a new stage of the formation of an innovative society, to build an economy based on the generation, distribution, transfer and use of knowledge (Avralev & Efimova, 2014). Ability to adapt capacity to the constantly changing environment is becoming the leading trend, the main source of material prosperity of civil society (Avralev & Efimova, 2013). Information technology allows these networks to grow and exert an influence that is disproportionately large compared to their sizes (Wilhelm, 2000).

4. Discussion

The new system of power relations is characterized by pluralism of sources of power. The nation-state is one of these sources (Castells, 1998). The old mechanism – international relations of national governments – is increasingly losing its relevance, and the present configuration of power in the world becomes the attribute of the other, more influential institutions.

The fundamental change in the nature of interstate rivalry means that in the past states fought for control over territory and resources located in their territories. Currently, states are increasingly competing for market shares in the world economy. In this rivalry territory is no longer a basis for social wealth production. Natural resources can help in this rivalry, and their lack worsens the situation in the state. However, such aspects are no longer major determinants.

The states are now competing for capital-raising to carry out their development programs. Markets transnationalization has further strengthened the position of global corporations. It enhanced the need for states to be attractive for corporations. There is a disproportion. Some states are much more successful than others in use of their powers and resources in relationships with corporations. At the same time the "diplomatic relations between states and corporations" are increasingly prevalent over interstate diplomatic relations (Underhill & Geoffrey, 2000). Development of higher education, strengthening international ties between leading educational centers is a powerful tool for the implementation of public policy (Avralev & Efimova, 2013). As a consequence of such to a greater degree economic competitive states nature and behavior have changed. Industrial and trade policies are more important than defense and foreign policy. States are increasingly looking for trade partners, not military allies. Some of these partners are other states. Other partners are foreign companies. The state has to share authorities in economy and social life with other entities, including not only transnational corporations, banks, accounting and law firms, international institutions, but also NGOs. Inside the state powers are increasingly divided between the central government and local authorities.

Traditional subjects of social interaction – nation-states – are losing control of the situation, and new subject – the “world community” – is far from being formed. The emerging problems have crossed national borders. But in political and economic terms, the world is still based on etatist principle.

The new environment changes the very concept of *national interests* and their place in the foreign policy-making process. Interests are not prescriptions; they are created through social interactions. Domestic policy can play an important, often decisive role in setting national objectives and interests (Thurman & Efimova, 2014). However, domestic politics and local conditions cannot explain a number of declared interests and political decisions.

State interests are defined in the context of internationally recognized rules and understanding of what is acceptable. This context itself is changing by lapse of time. The change in internationally recognized rules and values cause changing state interests, and states behavior (Finnemore, 1996). Newly powerful states are beginning to advance their own ideas and agendas for global order. Old international system could give way to a more contested and fragmented system of blocs, spheres of influence, mercantilist networks, and regional rivalries (Ikenberry & John, 2011).

In addition, the state is increasingly trying to apply its own laws to citizens and events taking place outside its borders. In the field of criminal law, the United States and several other countries try to apply their own laws to processes abroad (for example, terrorism and drug traffic), based on consequences of such processes for themselves. The drift to judicial extritoriality can be retraced in antitrust, commercial and finance law. Growing extraterritorial application of national laws reflects globalization, as it is a new way of intergovernmental cooperation. Individuals and groups were recognized as subjects of international law on the basis of agreements such as the Charters of the Nuremberg and Tokyo Military Tribunals (1945), the Universal Declaration of Civil Rights (1949), the International Covenant on Civil and Political Rights (1966) and the European Convention on Human Rights (1950) (Held, McGrew, Goldblat, & Parraton, 1999).

According to the traditional principles of the Westphalian system, civil rights are strictly an internal affair of the states. However, since the prohibition of piracy in the eighteenth century and slave trade in the nineteenth century, this principle has become diffused. Some authors are even proposing that “true” subjects of international law are really human individuals not sovereign states (Waldron, 2011). The phenomenon of humanitarian intervention may serve as reflection of reducing the role of states (especially insufficient ones). Humanitarian intervention could be recognized if it is approved by the UN. The conflict in Kosovo has established new rules for humanitarian intervention.

Now we can even see an emergence of a “fragile ideological coalition with members of both the human rights and hard security communities advocating for more robust sovereignty-limiting doctrines” (Brooks, 2012.).

These tendencies lead to push pack from some of newly rising states. The BRICS form a coalition of sovereign state defenders. While they do not seek to form an anti-Western political coalition based on a counter-proposal or radically different vision of the world, they are concerned with maintaining their independence of judgment and national action in a world that is increasingly economically and socially interdependent (LAÏDI, 2011). Most of them are exponents of the pro-sovereignty, anti-interventionist approach to international politics. They emphasize inclusive cooperation among developing countries and are disinclined to confront autocratic leaders (Carothers & Youngs, 2011).

5. Conclusion

As we can see, classical Westphalian meaning of sovereignty is not sufficient any more for valid analysis of international politics. The term retains its heuristic value, but its meaning is in the process of constant modification. Different societal forces from the spread of social media mediated information interactions to rise of migration flows (Rykhtik, 2012) are contributing to this process. Influential new actors of world politics however are more inclined to use sovereignty principles when it fits them, not abandon sovereignty altogether. In addition most of newly industrialized states are exponents of the pro-sovereignty, anti-interventionist approach to international politics. (Sergounin, 1996) All this draws a conclusion that sovereignty strengthening can gain a new momentum, but the meaning of the sovereignty under the new conditions will differ from traditional Westphalian one.

The Western way of life and western state model are only attractive as long as they are perceived to be desirable and preferable to other alternatives. Should the capitalist democratic world system enter a pronounced downturn, this may no longer be the case. In South East Asia economic development has only strengthened authoritarian forces.

Opposition to western cosmopolitan values are strong in East Asia due to existence of the so-called ‘Asian values’ which put state (in Shintoism), society or family (Confucianism) or even religion (Buddhism) over the self. That provides a valid justification for enhancing state power at the expense of human security in a traditional western sense. The same is the case in many other parts of the world. Sometimes there are real foundations for such a divergence in values. Sometimes it is artificially created. State sponsored social constructs like ‘traditional values’ including prevalence of the state over the individual freedoms, so-called ‘moral conservatism’ which includes negligence to individual freedoms (both from fear and from wants) and which postulates state sovereignty and state value as a “sacred values” embedded into the Russian’s psyche (in spite of the fact that the majority of population views as centuries before the state as a major source of threats to their security) are now developing in growing scale in Russia.

East Asia as well as Eurasia (that is a larger part of the world territorially and in population) is remaining a state-centric environment, resistant to concepts of universalism and collective security, where most countries strongly defend traditional concepts of national sovereignty and resist foreign intervention into internal affairs of states. In East Asia this is in part a result of post-colonial state building. In Russia it is an inheritance of long struggle for state survival in face of external enemies. So, we can easily identify non-western (and sometimes even anti-western) traditions with regard to interrelations between states and their citizens.

However under the present conditions the only good governance possible is limited governance. The only good state is small or weak (comparing to non-state regulative mechanisms) state. As an East Asian cases have shown us sometimes it is better to have big but “weak” state which is intentionally leaves social welfare to people (social welfare system in the Kingdom of Thailand is a good example of this) than to have the state strong enough to confiscate its population social welfare savings in pension funds for its own current consumption (the case of Russia which is undergoing pension reform aimed now at confiscation of people’s welfare).

Only such an approach could allow for symbiotic (as opposing to parasitic) relations between people (and society) and states, between state security and human security. Good governance is not always (or better to say, rarely) the state governance. Sometimes could be viewed as a process that is not coinciding with government (or sometimes is opposing it). So, non-state (or even anti-state) mechanisms of governance and good governance for the promotion of human security should be explored more in a future research of transformation of state.

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Comparative Advantages and Limitations of Qualitative Strategy of Comparison as Applied to Russian Cases of Perestroika Period's Representation in History Textbooks

Alexander Ivanovich Gorylev¹, Natalia Damirovna Tregubova² & Sergiy Vladimirovich Kurbatov³

¹ Lobachevsky State University of Nizhni Novgorod, Nizhny Novgorod, Russia

² Saint Petersburg State University, St.Petersburg, Russia

³ University of Uppsala (Sweden), Uppsala, Sweden

Correspondence: Alexander Ivanovich Gorylev, Lobachevsky State University of Nizhni Novgorod, 603950, pr. Gagarina, 23, Nizhny Novgorod, Russia. E-mail: pr@unn.ru

Received: July 30, 2014 Accepted: September 30, 2014 Online Published: December 30, 2014

doi:10.5539/ass.v11n3p218 URL: <http://dx.doi.org/10.5539/ass.v11n3p218>

Abstract

The paper is devoted to the analyses of the results of the comparative research of perestroika period representations in Russian textbooks on history. Research design and research results are discussed in a framework of distinction between qualitative and quantitative strategies of comparison. The basic features of qualitative strategy, its strong and weak points are outlined based on the materials of the research. Three discourses of representation of perestroika period in Russian textbooks are identified. The aim of this paper is to discuss comparative advantages and limitations of qualitative strategy of comparison as applied to our study of perestroika period representations in Russian textbooks on history.

Keywords: comparative research, case-oriented strategy, variable-oriented strategy, textbook research, post-Soviet nation-building, "domino principle" discourse, "national-awakening" discourse, "feudal macchiavellism" discourse, perestroika period

1. Introduction

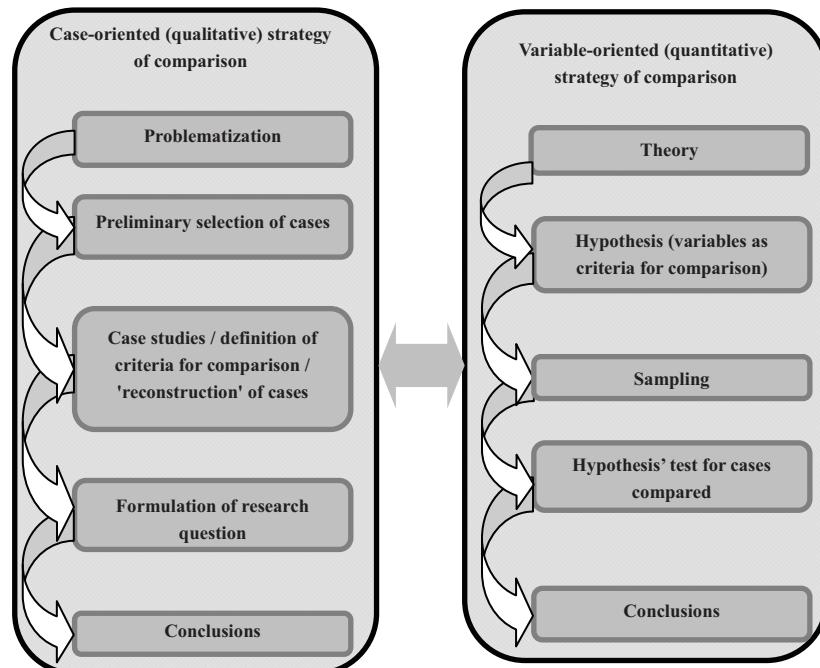


Figure 1.

Current discussion in comparative sociology points to the two basically different strategies of comparative research: case-oriented (qualitative) and variable-oriented (quantitative) strategies. Their logics of comparison are similar to qualitative and quantitative research design in general (Ragin & Zaret, 1983). Qualitative strategy starts from general problematization with further exploration of relevant cases and making comparative conclusions. Quantitative strategy starts from particular theoretical question that provides a hypothesis about the connection between general variables and determines the universe of cases to sample with later testing the hypothesis and further conclusions.

There is a debate about advantages and limitations of these strategies. Variable-oriented scholars (Goldthorpe, 1997a; Goldthorpe, 1997b; Lieberson, 1991) argue that case-oriented strategy lacks statistical techniques to assure validity and replaces theoretical work by narration on cases' history. Case-oriented scholars (Goldstone, 1997; Ragin, 1987; Ragin, 1997; Tilly, 1997) claim for more flexible standards of scientific work that include historical narratives and theory construction during the research and criticize quantitative comparative scientists for ignorance of cases' specificity. This discussion is focused on general methodological problems of comparative sociology that could be presented as several dilemmas: abstract variables versus specific historical paths, theory testing versus theory construction, etc. As the result, both sides are pushed to strengthen the argumentation and to improve research methodology. Now it is generally acknowledged that each strategy has its specificity own strong and weak points, so, they could complement each other for concrete research tasks (Ragin & Zaret, 1983; Rezaev & Tregubova, 2012; Rezaev, Starikov, & Tregubova, 2014).

2. Materials and Methods

Russian textbooks containing information on perestroika vary greatly in subject, place and year of edition and the audience. Besides, the procedure of their approval is different. School textbooks are recommended or allowed by special bodies of the Ministry of Education and Science of the RF. University textbooks could be approved by merely university committees without direct control of the Ministry, and universities in Russia are also pretty diverse (Avralev & Efimova, 2014). So, it is extremely difficult to analyze a full body of textbooks. Here we should construct a sample that would comprise their diversity. In order to construct such sample we would follow the certain particular questions or criteria:

1. Is a textbook for pupils or for students?
2. Is a textbook recommended by the Ministry of Education and Science of the RF?
3. What is the region of a university textbook?
4. What is the subject of a textbook?

Therefore, four distinctions would be significant for our analysis. Constructed considering these differences, our sample comprises twenty two textbooks.

They include eight regional textbooks. We identified for study textbooks from Bashkortostan, Tatarstan, Chechnya, Irkutskaya oblast, and Rostovskaya oblast. The two latter regions are intermediate between the centre and the "alternative centres". Rostov-na-Donu is administrative centre of the Southern federal region and Irkutsk in one of the largest centres of Eastern Siberia.

Bashkortostan, Tatarstan and Chechnya are supposed to be "alternative centres". Firstly, they were autonomous republics in the USSR (Chechnya as the part of Chechen-Ingush Autonomous Socialist Republic) and now they are entities of RF with legal status of a republic. Secondly, Chechnya and Tatarstan are the most sensitive to the issue of "national revival" Russian entities. They both refused to sign the Federal Treaty in 1992. During 90^s Tatarstan had intensive and controversial negotiations with the Centre and Chechnya was involved in military conflicts (known as Chechen wars). Bashkortostan is chosen as a "control case" since in 1990 it declares the sovereignty but in 1992 signed the Federal Treaty.

To explore chosen textbooks mixed methods design with strong qualitative component was decided to be used as the best suited for the data: discourse analysis of textbooks supplemented by qualitative and quantitative content analysis oriented to results of the former.

Discourse analysis of the textbooks tries to reconstruct the "hidden" logic of historical narration and "driving forces" of history. Our analysis could be defined as critical discourse analysis according to classification of Jorgensen and Phillips (Jorgensen & Phillips, 2002). The analysis focuses on key points of narration elaborated during the research: the interpretation of perestroika process in general (its preconditions, key actors and logic of narration); characteristic of SU collapse; "portrait" of Gorbachev and description of Chernobyl; description of communist ideology in the SU and of separatism preconditions presented in the discourses. These points are

“sensitive” to ideological biases and could demonstrate differences in evaluation of perestroika and of history of Fatherland in general. Some of these points, for example, the representation of Gorbachev’s activities in textbooks, have already become an object of research (Kurbatov & Marchenko, 2013).

Table 1. Sample of textbooks for research

Type of textbook	Title	Author(s)	Place	Year
Recommended school textbooks	History of Russia. XX century	N.V. Zagladin, S.T. Minakov, S.I. Kozlenko, Yu.A. Petrov	Moscow, Russkoe slovo	2007
	History of Russia. XX – beginning of XXI century	N.V. Zagladin, S.T. Minakov, S.I. Kozlenko, Yu.A. Petrov	Moscow, Russkoe slovo	2007
	History of Russia. XX – beginning of XXI century	A.A. Danivol, L.G. Kosulina, M.Yu. Brandt	Moscow, Prosvescheniye	2012
	Russia and World in XX – beginning of XXI century	L.N. Aleksashkina, A.A. Danivol, L.G. Kosulina	Moscow, Prosvescheniye	2010
	History of Russia. XX – beginning of XXI century	A.A. Levandovsliy, Yu.A. Shchetinov, S.V. Mironenko	Moscow, Prosvescheniye	2011
Non-recommended school textbooks	History of Russia. XX century	A.A. Danivol, L.G. Kosulina	Moscow, Prosvescheniye	1995
	History of Russia. XX – beginning of XXI century	A.A. Danivol, L.G. Kosulina, A.V. Pyzhikov	Moscow, Prosvescheniye	2003
	Russia in XX century	A.A. Levandovsliy, Yu.A. Shchetinov	Moscow, Prosvescheniye	1997
Central university textbooks	History of Russia. 1917-2009	A.S. Barsenkov, A.I. Vdovin	Moscow, Aspekt-Press	2010
	History of Russia. XX century	V.P. Dmitrienko (Ed.)	Moscow, AST	1998
	History of Russia	A.S. Orlov, V.A. Georgiev, N.G. Georgieva, T.A. Sivihina	Moscow, Prospect	1997
	History of Russia	V.V. Kirillov	Moscow, ID Uriht	2011
	History of Russia	E.V. Lapteva	Moscow, Akadem. proekt	2009
Histories of Region	History of Fatherland	V.P. Semin	Moscow, Akadem. proekt, Gaudeamus	2008
	History of Russia in questions and answers	S.A. Kisiltsin	Rostov-na-Donu, Fenix	1997
	History of Russia. XX century	K.B. Valiullin, R.K. Zaripova	Ufa, RIO BashGU	2002
	History of Fatherland. Part II (mid of XIX – end of XX century)	T.S. Konukov (ed.)	Ufa, UfGATU	1995
	History of Fatherland	O.M. Bobyleva	Irkutsk, IrGUPS	2010
	History of Bashkortostan (1917-1990s)	R.Z. Yanguzin (ed.)	Ufa, BasshGU	1997
	History of Tatarstan from ancient times till our days	D.K. Sabirova, Ya.Sh. Sharapov	Moscow, KnoRus	2009
	History of Tatarstan	B.F. Sultanbekov (ed.)	Kazan, TaRih	2001
	History if Chechnya in XIX-XX centuries	Ya.Z. Ahmadov, E.H. Hasmagomadov	Moscow, Puls	2005

Content analysis of the textbooks corroborates discourse analysis and is oriented toward its results. Qualitative content analysis studies definitions of perestroika and the names of textbooks sections devoted to perestroika. Quantitative content analysis concerns the total number of pages on perestroika and on different topics of narration. It is completed for four categories that promise to be characteristic for the differences between revealed discourses as well as for further comparisons between countries: personalities, institutions and organisations, countries and events.

3. Results

Characteristics of perestroika period is given about 18 pages of textbook and about 4% of the total volume in average, and 16 out of 22 textbooks contain special paragraph or sub-paragraph on this period. So, the significance of the topic for textbooks is evident.

The most often mentioned figure in textbooks is, not surprisingly, Mikhail Gorbachev with 396 mentions. The second figure, Boris Yeltsyn is mentioned more than two times less, 167. Organization that is named more often is the Communist Party of the Soviet Union that is mentioned 391 times, as often as Gorbachev. Other

personalities and organizations are named strikingly less often. As for the countries, the most mentioned one is the USSR with 839 mentions, and the next is Russia/RSFSR that is named 322 times.

Discourse and content analysis of textbooks reveal three separate discourses in narration on perestroika. The most popular is discourse that is peculiar to all “Histories of Russia” and to the “History of Bashkortostan” as well. It was named “domino principle” discourse that refers to domino principle - a chain reaction that occurs when a small change causes a number of following changes. It typically refers to a linked sequence of events where the time between successive events is relatively small.

“Domino principle” discourse regards perestroika as a time period started with the reforms that had unexpected consequences and resulted in the USSR collapse. So, the process is depicted as an analogy to a falling row of dominoes started with modest reforms and arrived at state disintegration. The discourse focuses on the all-Soviet level and points to political figures as main actors with Gorbachev and CPSU as the most important.

Two other discourses “deviated” from the main one and could be discovered in the “History of Chechnya” and in the “Histories of Tatarstan”, respectively. For the discourse of the “History of Chechnya” we propose the author’s term “feudal Macchiavellism”. “Macchavellism” refers to its focus on ethnopolitical struggle of elites at the regional level where perestroika plays a role of a mere “trigger”. “Feudal” refers to the narration that presents Checheno-Ingushetia as the part of the USSR but rather as a “feudal principality” that got a chance to gain more autonomy because of the weakening of the suzerain, the SU.

The “Histories of Tatarstan” demonstrate “national awakening” discourse that starts with the same characteristic of perestroika as “domino principle” discourse. Later the focus is shifted from perestroika and the SU in general to the level of Tatarstan and to the processes on national awakening and development of separatism movement. It presents a different kind of separatism that is synonymous to democratic movement and points to civil nation and to Tatarstan as state-like entity.

Thus, the one of the four sample distinctions was relevant for the way perestroika is represented – the region. Among the regional diversity only polar cases with separatist tendencies, Chechnya and Tatarstan, demonstrated significant difference as opposed to the rest of textbooks. This difference is so striking that the cases should be redefined: instead of one case of Russia we get three cases with three distinct discourses.

Research results impel to specify initial problematization of the research to more focused research problem concerning the distinctiveness of Chechnya and Tatarstan cases. It was formulated as problem of nation-building in post-Soviet space via the study of representation of perestroika in textbooks.

It is more difficult to make final comparison for qualitative strategy of comparison than for its counterpart. Case-oriented strategy implies descriptions of cases with unique features while variable-oriented strategy studies only those aspects of objects that are connected with the hypothesis. That is why many insights on perestroika representation in each case are unique and incomparable. However, the guiding research question helps to provide generalizations.

The peculiarity of the main discourse is its invariable focus on all-Soviet level. In comparisons with Chechen and Tatarstan textbooks it is clear that there is a possibility to focus on the RSFSR or to shift from the SU to Russia during the narration. However, the history presented is the history of the USSR. This country is presented as the predecessor of contemporary Russia.

The next question could be the following: what does Soviet Russia (the RSFSR) mean in the textbooks? Speculating on ethnic tensions, Russian textbooks always start with the situation in national republics and describe Russian “response” on them. Moreover, for the RSFSR “quasi-separatism” is portrayed that implies just radical democratic and market reforms for the SU in general and, again, no specific for Russia itself. Therefore, the textbooks of the main discourse are “blind” when they see such actors as centre (above nationality) and national (ethnic) entities. Russia itself as equal region subordinate to centre is defined as the “remainder” (while from the point of view of Chechnya, for instance, it is equal to centre). This strange configuration implies reification of center and periphery and of distinct nations with unclear status of Russia *per se*.

4. Discussion

Political composition of the RF influences this configuration because it is reproduced in description of perestroika as well as in contemporary situation. We could notice analogies between the SU - “national republics” - the RSFSR and the RF - “national regions” - “the rest of Russia”. This configuration enables to perceive the history as continuous from the SU to Russia. So, actual structure of the RF and contemporary Russian identity are formed by Soviet nation-building processes (A State of Nations. Empire and Nation-making in the Age of Lenin & Stalin, 2001; Martin, 2001). They implied institutionalization of ethnic nations at sub-state levels (union

republics, autonomous republics, etc.). During Soviet time Russian nation was less institutionalized by absence of the regional Communist party as a place of elite formation and great regional diversity of the republic. At the same time it was a kind of “umbrella” for all-country country identity. As a result, Russians became to associate themselves (and by others) with the Soviet in general.

As for other discourses they also construct their own identity conforming to their context. Tatarstan is the only entity that has an agreement with the Centre providing broader autonomy. So, its textbooks points to civil nationalism. It resembles a Russian doll, “state inside state”, but, as this kind of separatism reifies ethnicity, Tatars possess definite status and have a priority as a cause of specificity of the region. As for Chechnya, its separatism does not point to any state-like entity but rather refers to feudal relations with the Centre and focuses on tensions inside the region. It is possibly accounted for the lack of self-consciousness as single nation (in ethnic or civil sense) when relations between Chechens are more important than relations with foreigners.

So, the representations of perestroika reveal different logics and strategies of nation-building in post-Soviet space. These logics imply self-identification through continuation (Russia) or dissociation (Chechnya, in part Tatarstan) with the USSR. Therefore, discursive space of post-Soviet nation-building is constituted by the triangular “The USSR - the case - Russia” with specific relation between each pair of the elements. This configuration could be supplemented by several elements crucial for particular region as predecessor, counterpart or antagonist (e.g., the Golden Horde) but they only help to answer two basic (and interconnected) questions posed by the triangular: What is the status of the case “whose” history is narrated? What are the relations between the case, the USSR and Russia?

5. Conclusion

The basic advantage of comparative design in qualitative strategy, as our research demonstrates, is flexibility to formulate research question and to define case borders according to specificity of unique cases under consideration. The research starts from “pure” description, and then discovers significant differences that help to formulate the problem demanding explanation. Such preliminary explanation provides general framework for further comparative study.

However, focus on specific cases studies could not reveal a typical, “textbook” case of post-Soviet nation building in general. It is unclear whether the “domino principle” discourse is such widespread in other post-Soviet countries as in Russia and whether “deviant” discourses are “deviant” indeed. Moreover, nothing could be stated about possible amount and variety of perestroika representations in post-Soviet space. To discover typical patterns we need to extend comparative study to include various cases in more variable-oriented manner. With the most similar cases of Russia we discovered diversity in similarity. The most different cases could help to look for variety of answers to the two primary questions via textbook study and to find similarity in diversity.

Acknowledgments

The article is prepared under the project “Internationalization and Implementation of Western Educational Standards in the Post-Soviet States: From Building a Network Toward Joint Research”, which received funding from Swedish Institute.

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Comparative Method of Diagnostics of Organizational Culture of Innovative University

Alexander Olegovich Grudzinskiy¹ & Olga Viktorovna Petrova¹

¹ Lobachevsky State University of Nizhni Novgorod, National Research University, Nizhny Novgorod, Russia

Correspondence: Alexander Olegovich Grudzinskiy, Lobachevsky State University of Nizhni Novgorod, National Research University, 603950, pr. Gagarina, 23, Nizhny Novgorod, Russia. E-mail: pr@unn.ru

Received: July 30, 2014 Accepted: September 30, 2014 Online Published: December 30, 2014

doi:10.5539/ass.v11n3p224

URL: <http://dx.doi.org/10.5539/ass.v11n3p224>

Abstract

We propose a method for diagnostics of the organizational culture of university which allows determining the readiness of university research and teaching staff to be involved in innovation activities. This method is based on the idea of comparing the organizational culture of the university with the organizational culture of innovative corporations, as well as on the assessment of work motivation profile of university employees. We have selected a "Double S Cube" – a three-dimensional model created by R. Goffee and G. Jones – as an instrumental basis for determining the type of the organizational culture of the university. This method has been tested on the case of Lobachevsky State University of Nizhni Novgorod – National Research University.

Keywords: innovative university, diagnostics, organizational culture, work motivation profile

1. Introduction

The model of a modern "post-Humboldtian" university is based on the so-called "knowledge triangle" which is a combination of three basic functions of university: "education", "research" and "innovation". It is a known fact that not every university is capable of functioning even on the basis of the Humboldtian paradigm that is to generate advanced scientific knowledge and provide research-based education. Even more problems arise when such a university tries to become an innovative university. While the "Humboldtian culture" is based on the tendency of the vast majority of employees to apply creative scientific thinking in their activities, the "innovative culture" of the university, being based on the entrepreneurial skills of individual (not necessarily a majority) members of the teaching staff, is supported by a certain most suitable combination of personal characteristics of different participants of the educational, research, and innovation processes, enabling a university as a whole to function as an "entrepreneurial organization" (Grudzinskiy, 2003).

In this paper within the framework of a typological approach we propose a comparative method for diagnosing the readiness of university staff to perform their duties on the basis of the innovation university paradigm. This method is based on determining the type of organizational culture of the university and its comparison with the type of organizational culture of an innovative corporation (Avralev, 2013). Of course, this method can be applied only if we choose to accept certain axioms. We believe that the type of organizational culture (no matter how it is called by a particular sociological theory) that demonstrated a real progress in innovation is the very type that can contribute to the innovation development. On the basis of this assumption we conclude that if the type of organizational culture of university is similar to the ones of global innovative companies such a university has a potential for innovative development (Grudzinskiy & Bednyy, 2012). The second major assumption is to take as an axiom the fact that the world's leading universities, including the Russian ones, already have organizational cultures that ensure their innovative development. This assumption allows us to test our method (Grudzinskiy & Bednyy, 2012).

The study of the organizational culture of corporations over the past decade has primarily resulted in the notion that culture is an important factor for the success of the company and therefore should be a subject to control from the management side (Avralev & Efimova, 2013). The interest to the organizational culture as to an indirect method of organizational management is most pronounced in the so-called "organic" companies working in the field of innovation, where changes and volatility in combination with high intellectual level of employees make traditional management methods less effective. Modern innovative university and modern high-tech companies have many similarities in the organization of their work (Clark, 1998). As a whole

innovation infrastructure of university which includes technology incubator, all the small innovative enterprises, and system of contractual interaction with external high-tech corporations functions on the principles of a business structure (Makarkin, Tomilin, & Britov, 2004).

2. Materials and Methods

Studies of organizational culture of Russian universities began relatively recently (Tyunikov & Maznichenko, 2005). The aim of these studies was, as a rule, the identification of the type of organizational culture of a particular institution. At the same time the majority of the studies used the OCAI technique created by K. Cameron and Robert Quinn (Cameron & Quinn, 2001) as the primary diagnostic tool. However, these studies did not involve the use of this technique for the diagnosing the organizational culture of the university in order to determine its readiness for innovation (Bogdan & Parfenova, 2009).

In our work we relied, as did many other researchers, on the well-known typological approach to understanding the organizational culture, according to which the organizational culture is an integral characteristic of organization (its values, behavior patterns, methods of assessing performance) formulated in the terms of a specific typology. The use of typological approach, despite the risk of simplifying the organizational realities, allows concentrating the diagnostics and management of the organizational culture only on its core values (Pokholkov, Pushnykh, & Mitrofanova, 2011).

As it has already been noted, our proposed comparative method of diagnosing organizational culture of the university is based on the idea of comparing the type of university culture with the culture of successful innovative companies. In addition to that, we compare the motivational profile of the teaching staff with the motivational profile of innovation project managers. Since the most important functions of research and teaching staff of an innovative university are production of innovation, creation of small innovative enterprises, ensuring their success, as well as business cooperation with foreign enterprises, such a comparison not only seems to be justified, but also has a high prognostic value (Peters & Waterman, 1999).

We used an approach based on a three-dimensional model of R. Goffee and G. Jones "Double S Cube" (Goffee & Jones, 2003) as a method of determining the type of organizational culture (Figure 1). In this model the core values of the organizational culture are the "solidarity" (similarity in understanding the goals and objectives of the organization) and "sociability" (friendliness), and the third dimension of the model is formed by the positive or negative manifestation of the type of culture.

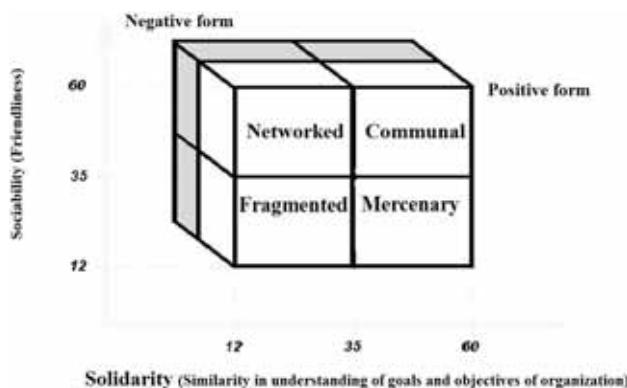


Figure 1. "Double S Cube" – a model of organizational culture created by R. Goffee and G. Jones

According to the approach of R. Goffee and G. Jones the combination of high and low levels of sociability and solidarity can create four types of organizational culture:

- *Networked culture* is characterized by a high level of sociability and low level of solidarity: the atmosphere of the networked culture is extremely friendly and carefree, people communicate a lot in a relaxed and informal manner. This culture can be described by a metaphor: «Between Friends».
- *Mercenary culture* - low level of sociability and high level of solidarity: the preferred communication style is formal (business-like), idle conversations are considered a waste of time, all actions are dedicated to the achieving the set goal. Metaphor: «Get to Work on Sunday».
- *Fragmented culture* - low levels of sociability and solidarity: people who work in such a culture tend to identify themselves not so much with the organization but with the profession. Metaphor: «All Together Alone».

- *Communal culture* - high level of sociability and solidarity: people in these organizations are friendly to each other, actively communicate both about professional and personal matters and have the commitment to achieve organizational objectives. Metaphor for this type of culture: «We Are Family».

If the type of culture indicates the presence of common organizational and cultural preconditions for establishing an innovative university, then the profile of work motivation of employees confirms their motivational readiness to be involved in the innovation process. To diagnose the profile of work motivation of research and teaching staff of the University we use the "Motivational profile" method by P. Martin and S. Ritchie, which was designed on the basis of consumerism motivation theories (Richie & Martin, 2004).

3. Results

Based on the abovementioned comprehensive comparative diagnostic method we have studied the organizational culture of Lobachevsky State University of Nizhni Novgorod - National Research University. UNN is a leading university in Russia and operates on the basis of the concept of innovative university. This fundamental principle of UNN has been reflected in its "Mission" (Strongin, & Grudzinskiy, 2008) and in the "Strategy of Knowledge Transfer" (Grudzinskiy & Bednyy, 2010). We considered the study of the organizational culture of UNN to be a comparative test of our proposed method of diagnostics.

The selection of 485 respondents consisted of research and teaching staff of UNN, representing 17 Faculties and research institutes of the university. In Fig.2 the results of the diagnostics of the type of organizational culture are presented in the form of dots, where each one of them represents the organizational culture of one of UNN's units. It is easy to see from the figure that in spite of certain differences in the cultures of Faculties and institutes, all of them are located in the communal culture quadrant, that is, they are characterized by high levels of sociability and solidarity.

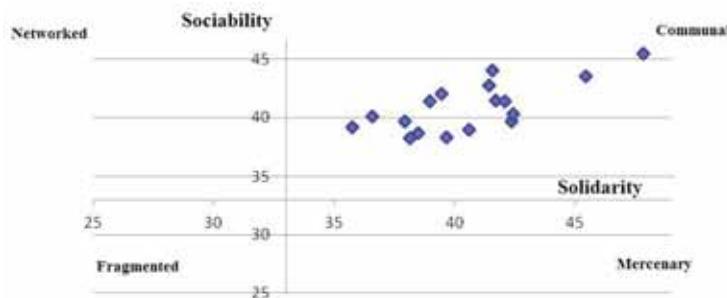


Figure 2. Results of the diagnostics of the organizational culture types of the faculties and research institutes of Lobachevsky State University of Nizhni Novgorod

An important component of the diagnostics of the type of organizational culture according to the "Double S Cube" model by R. Goffee and G. Jones is to evaluate the positive and negative forms of culture. The evaluation of the type is based on the idea that each dimension - sociability and solidarity - has both positive and negative side. Thus, sociability supports the creativity because it promotes the exchange of information and team-work (Preffer, 1994). At the same time, with high level of sociability comes the risk of creation of groups (cliques); and the actions of such groups can damage the decision-making process in the organization. The situation with solidarity is similar: on the one hand, it promotes unity and coordinated work to achieve common goals, and on the other hand, a high level of solidarity can lead to the isolation of employees that have different views (Davenport & Prussak, 1998). A positive form of communal culture is characterized by the prevalence of the following rules: "Become a part of the family", "Love your product", "Live according to the accepted beliefs", "Follow the Leader", "Fight for the best". In contrast, the rules of the negative form of communal culture are quite different: "Exclude your own family from your priorities", "Do not care about the competition", "Do not change yourself for a customer", "Trust others. They know better", "Obey the Leader".

Expert evaluation of communal form of culture in UNN was conducted by the senior management of the university: Rector, Deans and Heads of departments. Survey of experts demonstrated that the communal culture in UNN has a positive form.

4. Discussion

Thus, the study showed that UNN as an innovative university has a communal culture of a positive type. At the same time, the studies by R. Goffee and G. Jones (Goffee & Jones, 2003) showed that leading innovative

companies such as Hewlett-Packard, Electronic Arts, Apple, Johnson and Johnson have the same type of organizational culture, and that the communal organizational cultures are also prevalent in start-up companies, most of which are innovative single-product companies that are managed directly by their founder. Therefore, we conclude that the method can adequately assess the readiness of university employees to be involved in innovation activities.

In the course of diagnostics we also conducted a more detailed study of the type of university organizational culture. We made a statistical comparison of the organizational culture of the two core groups of university departments: Natural Sciences and Mathematics group and Socioeconomics and Humanities group. Statistically significant differences in the level of significance $\alpha = 0,05$ have only been found for the average value of solidarity: the level of general understanding of the goals and objectives of the unit in the departments of Natural Sciences and Mathematics group is higher than in the departments of Socioeconomics and Humanities group. In our view, this difference is caused by specific methods of organization of innovation in compared groups. For Natural Science departments a higher level of solidarity is a necessary condition for success in the field of technology transfer, as this is initially a team-work type of activity which requires a common understanding both in the formulation of the final goals and in the decisions concerning the intermediate objectives. In contrast, the specialists of Socioeconomic and Humanities fields are more inclined towards the individual innovation which allows for a higher level of differences in opinions concerning the goals, objectives and ways to achieve them. The results of the diagnostics are shown in Fig.3 and Table 1. The figure shows that one of the faculties of socioeconomic profile of UNN has the highest result in sociability and solidarity. This is a special entrepreneurial, project-oriented unit of the University. The basic idea of the functioning of such a unit is described, for example, in the article by R.G. Strongin, A.O. Grudzinskiy (Strongin & Grudzinskiy, 2008).

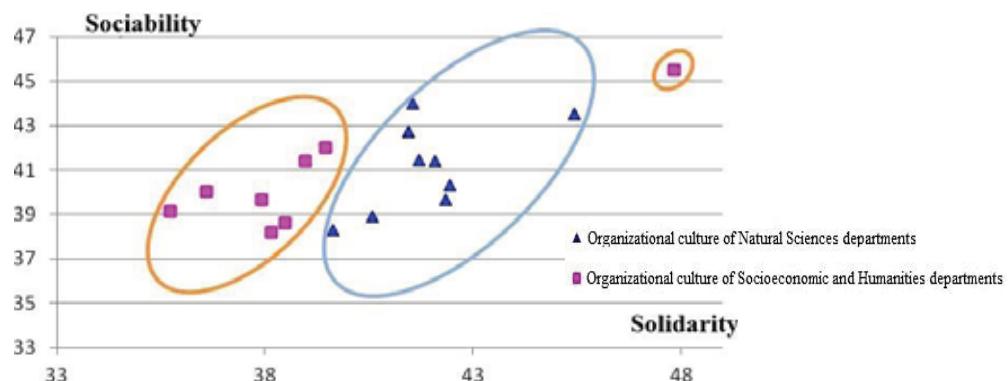


Figure 3. Results of the diagnostics of the type of organizational culture in the departments of Natural Science and Socio-humanitarian profiles of UNN

The second component of the proposed comparative method of diagnostics is to diagnose the profile of work motivation of research and teaching staff of the University in order to assess the degree of employee readiness to be involved in innovation activities.

Table 1. Comparison of the average values of sociability and solidarity in the units of Natural Science/Mathematics and Socioeconomic/Humanities groups

Groups of Departments	Sociability		Solidarity	
	Mean value	Standard Deviation	Mean Value	Standard Deviation
Natural Sciences and Mathematics	41.21	6.53	41.94	7.38
Socioeconomics and Humanities	40.41	7.32	39.28	8.84
t-criterion and F-criterion values	t=1.15	F=0.80	t=3.52	F=0.70

The study of work motivation of research and teaching staff of UNN rendered the following results. Figure 4 shows the average profile of work motivation of research and teaching staff. We can see that the most important factors of work motivation of research and teaching staff of Lobachevsky State University of Nizhni Novgorod are the following:

- high salary and tangible rewards (factor 1);
- interesting and socially useful work (factor 12);

- recognition of merit, achievements, and successes (factor 6).

The factors of work motivation of average importance are:

- independence and personal self-improvement (factor 11);
- curiosity, creativity and open-mindedness (factor 10);
- complex tasks and their achievement (factor 7);
- diversity and changes (factor 9).

And the least significant factors of work motivation are:

- clear structure of work and feedback (factor 3);
- good work conditions (factor 2);
- social contacts and easy communication with a wide range of people (factor 4);
- long-term stable work relations (factor 5);
- influence, power, and establishing control over the others (factor 8).

Qualitative analysis of the most important factors of work motivation and comparison of the hierarchy of motivation factors with a similar hierarchy of innovation project managers (Alvesson, & Karreman, 2001) signifies a rather high motivational readiness of research and teaching staff of the University to be involved in innovation activities.

The world has enough of any criteria and indicators to judge the development of a country, but to see the perspective necessary to pay more attention to the fundamental sources of development and primarily education. Without education is a meaningless argument about human capital. In the 21st century people need to get new skills, knowledge and skills than in the past, and that the modern education system must meet these requirements. Globalization of Higher Education is the most important part of the global innovation economy. And educational and research functions of universities is increasingly becoming a critical link in global innovation linkages. Today, the effectiveness of the integration of education, science and business to a large extent depend on the prospects for socio-economic development, competitiveness and effectiveness of responses to the new challenges of the global economy.

One of the main mechanisms for promoting higher education institutions in the rankings is to integrate the resources, talents and motivated young people aimed at the result. Log in this kind of world scientific and educational society, which creates recognized universities of the world. International practice shows the increase of competitiveness, it is necessary to create a set of strategic initiatives of the world's leading centers, although it is not the fruit of a large but close-knit team.

Implementation of quality management at all levels ensures the continuity of the process, as at certain stages of its implemented and target priorities and resources, software and technological support, and monitoring results.

Designing an effective system of quality management education is determined by a number of conditions and factors that create discomfort or, conversely, to ensure adaptability.

Analysis of the problem clearly indicates the reasons of its origin in the new socio-cultural environment of our community. This crisis of former systems of values and priorities, the formation of a new philosophy of society built on human and national values; development priorities and regionalization, municipalization of education systems; increased stratification processes. And in this regard, the development of the education market, the uneven development of the socio-economic conditions, as well as the division of society into rich and poor; revitalization of regional denominations and the revival of spiritual life; development of management theory and practice based on the achievements of management and marketing, the emergence and implementation of international quality standards, the transition to the development of educational systems and progressive model of education and technology, etc. All of these reasons, no doubt, are prerequisites for giving sufficient grounds to find effective mechanisms for quality management (Avralev & Efimova, 2014).

Governance unlike management considers how manner accepted scientific solutions. Activities of all types of universities direction and guidance. Moreover, at its best universities - this community of scholars. Undoubtedly, universities are turning into all large bureaucratic machines with complex managerial needs. However, they differ substantially from other large organizations in many important respects. First

University to successfully function in decision solutions (manual) should be involved, who teaches and is engaged research work (academic community). Research universities in particular need the full involvement of all academic staff in making key decisions relating to the functioning of the institution. Research universities tend to have greater influence professors faculty and more reliable guarantees academic autonomy compared with other scientific institutions. Except students (though they are not necessarily directly involved in the

management of the university) should also be considered as one of the stakeholders of the academic community (Avralev & Efimova, 2013).

Scientific leadership is becoming increasingly important in an era of complex and highly "visible" scientific organizations. The role of the president or rector of the University becomes managerial and academic. Some opinion that presidents should be second to none scientists, while others advocate for ensuring that managers

University were successful managers, sometimes not even in academia environment. Presidents of research universities should us have scientific authority and demonstrate in-depth knowledge and respect for the scientific mission of the university. At the same time, they should be able to represent the university in society and arguments to prove his significance and it occupies a central position.

Core academic prerogatives including control over process of hiring and firing of professors and teaching staff, development of training programs and the awarding of academic degrees, are the basis of the professorial duties. Models of management in research university vary from institution to the establishment. Gaining representative bodies the scientific community, and sometimes including students. Traditional

European model, which assumes control of senior professors, which also elect from their ranks the rector with a short term authority, perhaps, is no longer viable. In any case in order to ensure the primacy of education, teaching and research work of the academic community should play an important role in the development of key scientific elements, formation grantee research university, as well as control over them.

5. Conclusion

The main task in the field of higher education is to make it competitive on the world stage by creating a balanced and has its own specific differentiated structure, involving the development of research universities are generalists, and educational research universities, universities own definition of the level and specificity, as well as improve management policies, including by strengthening the mechanisms of competition and the distribution of funds (Strongin & Grudzinskiy, 2004). As the decisive conditions for the implementation of reforms in the field of science and education focuses on three points:

- loosening of central government control and giving autonomy to universities in the field of teaching and learning activities, research, technological development and services;
- a new system of recruitment to universities with different types of tests in addition to the exam;
- improving the quality of education.

Today, throughout the world there is a tendency to move from bilateral cooperation of individual universities within specific educational or research programs to multilateral interaction consortia of universities widely formulated problems and issues (Grudzinskiy & Petrova, 2012).

The emergence of this trend due to the fact that more and more scientific problems require cooperation among scientists from different countries, and with the fact that the aim of modern educational programs becomes training with the skills and experience of interaction with native cultures and the maximum amount demanded in the global market.

Today we have to think how to improve the potential of high school, how to attract good professors, while realizing that behind their Russian scientists struggle is very large, so it is necessary to expand the geographic scope of the search of world-class specialists.

Results of the diagnostics of the type of organizational culture and motivational profile of university staff suggest that these two methods supplement each other forming a diagnostic system that allows to assess, on the one hand, the cultural preconditions for the involvement of staff in innovation activities, and on the other hand, the level of motivational readiness of employees (Avralev & Efimova, 2014).

Thus, this study shows that the proposed comparative method of diagnostics of organizational culture can adequately assess compliance of university's organizational culture with the requirements for becoming an innovative university and can be used in practice.

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English in Russia: To Learn or Not To Learn – That Is the Question

Tatiana Aleksandrovna Legasova¹

¹ Lobachevsky State University of Nizhni Novgorod – National Research University, Nizhny Novgorod, Russia

Correspondence: Tatiana Aleksandrovna Legasova, Lobachevsky State University of Nizhni Novgorod – National Research University, 603950, Gagarin Avenue, 23, Nizhny Novgorod, Russia. E-mail: pr@unn.ru

Received: July 30, 2014 Accepted: September 30, 2014 Online Published: December 30, 2014

doi:10.5539/ass.v11n3p231

URL: <http://dx.doi.org/10.5539/ass.v11n3p231>

Abstract

This article explores the issues of the English language position in Russia. In recent years English has emerged as the pre-eminent language for international communication all over the globe. It is spoken by more people around the world than any other language, and is regularly described as a truly ‘global’ language. The author claims that the position of English in Russia is not that striking as in the whole world. It is mostly connected with the geographical position of this huge country/ Russia is the largest country in the world, covering more than one-eighth of the Earth's inhabited land area. Russia is also the world's ninth most populous nation with 143 million people as of 2012. Extending across the entirety of northern Asia and much of Eastern Europe, Russia spans nine time zones and incorporates a wide range of environments and landforms. The author comes to the conclusion that only the center of Russia (such cities as Moscow, Saint Petersburg, Nizhny Novgorod, Yekaterinburg) exhibits the special role of English for most of the population due to the international companies that are mostly located there and offer jobs for people, the most outstanding Universities that invite students from abroad and international affairs that huge Russian companies accumulated in the above mentioned cities have with their foreign partners.

Keywords: English in Russia, ELF, lingua franca, global communication

1. Introduction

I have been working at the Lobachevsky State University of Nizhny Novgorod for four years and every day I see how my students recognize the importance of the English language in today's globalized world but still don't have enough motivation to learn it. Let's consider the question of the importance of mastering the English language in Russia.

It's generally acknowledged that English is the most commonly used language among foreign language speakers. Throughout the world, when people with different languages come together they commonly use English to communicate. It's admitted to be lingua franca (ELF) - the term refers to the teaching, learning, and use of the English language as a common means of communication for speakers of different native languages (Seidlhofer, 2005). English will put you in touch with more people than any other languages. It is commonly spoken throughout much of the world due to Great Britain's expansion during the colonial age. People in Australia, New Zealand, Canada, parts of Africa, India, and many smaller island nations speak English. English is the commonly adopted second language in Germany, Norway, Sweden, Denmark and the Netherlands (Crystal, 2003). Speaking English opens these countries and cultures up to people who speak it. The status of English is such that it has been adopted as the world's lingua franca for communication in Olympic sport, international trade, and air-traffic control. Unlike any other language, past or present, English has spread to all five continents and has become a truly global language (Sung, 2014).

2. Materials and Methods

In Russia English is also very popular but unfortunately not throughout the whole country. Moscow and Saint-Petersburg are almost the only cities where English can make you employable, open your job prospects and increase your standard of living. There are many international companies there that need bilingual employees. The ability to speak English well is one of the most important things that newcomers need to gain employment. Those with strong English skills will become employable much faster than those who have only basic English skills. But in other Russian cities English is not that popular and called-for. However it should be

observed that there is a wraparound tendency to demand from the workers fluency in English even if the work is hardly going to be connected with the language.

One more point that stands for English in Russia is that Russian universities offer a growing number of degrees taught in English. Sergey Roshchin, vice rector of the National Research University Higher School of Economics (HSE), says the move towards more teaching in English is "absolutely logical" (Worldwide University rankings, 2014). He says that a vast majority of academic activities nowadays require some English language proficiency. "If universities strive to be the world's first-league players, they deliver courses in English and develop English language academic programs" (Research trends, 2008).

Nowadays increasing numbers of universities worldwide are trying to attract both home and international students to survive in this globalized world. Every Institution today wants to participate in the process of "internalisation" because it brings many benefits. As the world becomes more interconnected across borders, the boundaries of higher education itself expand. We attract students from all over the globe and that means more students, more money, more research, more fame.

3. Results

Working with international students is a challenge for the teachers all over the globe. We need bilingual teachers who not only teach languages but also deliver all the subjects in English – be it chemistry or philosophy. And in our country it is extremely difficult to find such specialists for the salaries that are proposed by the universities. The only way to satisfy the need is to gradually shift the University language from Russian into English. Of course it will take time but it will also eventually take Russia to the international educational arena.

The next point that should be stressed is that English has become a Universal language of science. Since the end of the Second World War, English has become the established language of scholarly communication (Research trends, 2012). For example, roughly 80% of all the journals indexed in Scopus are published in English (Besnier, 2013). This fact is extremely beneficial for the scientists from the point of view of the access. By learning a single language, scientists around the world gained access to the vast scientific literature and can communicate with other scientists anywhere in the world. Communicative competence now requires English knowledge (Jenkins, 2006).

What's more there are some academic disciplines that demand at least English reading skills. I always say that to my PR students. Public Relations was born in America and its most important organizations are located in English speaking countries. All the articles and materials, the latest breakthroughs and PR trends are on the Internet in English. So if you want to become a veteran PR worker you must know English!

The last but not the least is of course traveling. If we want to enrich our life we should travel. And it is much more comfortable to travel when you possess language speaking skills. In recent years English for tourism has become very popular in Russia. But unfortunately these studies come to its end very fast in most cases because travelling is not a powerful motivation that can encourage people master a language. Tourists usually get satisfied with learning some English basics without going deeper. Only those who want to study abroad take their English classes seriously.

4. Discussion

It goes without saying that English is the language of globalization. Today the number of non-native speakers at least four times exceeds the number of native speakers (House, 2010). We can state that English is no longer used to communicate with native speakers only. English is a medium of communication and is widely used as lingua franca (Jenkins, 2009). The use of the English language have expanded to cover almost all spheres of our life from the language of business and international relations to the language of science; from the language of aviation to the language of tourism and popular culture.

In Russia English is the only language that at least potentially can claim to be the second language (Avralev & Efimova, 2013). There are no other popular second languages in the country that seem to be embedded in Russia's almost monolingual language habitats. Of course there are thirty five different languages in Russia which are considered official languages in various regions of the country, along with Russian and there are over one hundred minority languages spoken in Russia today. But Russian is the only official language (Chuprunov et al., 2010). There are also some historical connections with German but only few people know German in Russia and use it mostly in business.

5. Conclusion

To conclude it should be stated that English has squeezed out every other language in the competition to become the common language of the world (Rubdy & Saraceni, 2006). It has occupied such important domains like science, The Internet, diplomacy, the media, the educational system (Klimpfinger, 2009). It has also become very important in Russia but its position is not equally strong in all parts of this tremendous country. Only the center of Russia and the territories close to foreign borders can pretend to have a special role of the English language there (Grudzinskiy, 2004). Because of the Russia's geographical peculiarities English plays a bit lesser role than for example in Europe. Only highly-educated Russian people are bilingual with English as the second language. English has become a worldwide phenomenon and more than eighty per cent of interaction in the world is in English. So Russia needs to teach highly-qualified specialists or invite them from abroad to teach English in the country. It is extremely important to be the part of international English speaking society. English is today considered the language of international workplace communication. English as a lingua franca has become increasingly adopted both for internal and external communications all over the globe (Mauranen, 2009), not only in business but also in international organizations. Russia plays a very important role on the international arena that is why the government should pay more attention to the English language teaching.

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Effective Ways of Motivating Adults for Learning in Professional Field

Ludmila Michailovna Levina¹ & Valeria Valerievna Mariko¹

¹Lobachevsky State University of Nizhni Novgorod –National Research University, Nizhny Novgorod, Russia

Correspondence: Ludmila Michailovna Levina, Lobachevsky State University of Nizhni Novgorod –National Research University, 603950, pr. Gagarina, 23, Nizhny Novgorod, Russia. E-mail: pr@unn.ru

Received: July 30, 2014 Accepted: September 30, 2014 Online Published: December 30, 2014

doi:10.5539/ass.v11n3p235

URL: <http://dx.doi.org/10.5539/ass.v11n3p235>

Abstract

The article highlights the problem of fostering motivation for professional development in adult learners. It describes the methodology of autonomy-supportive educational practices applicable to designing innovative competence-oriented ERR-based in-service training programs at university. It presents the ways of cognitive and emotional support in the individual and collective zone of proximal development of in-service training participants. The aim of the study also is to identify key areas of development programs of additional professional education, examines the experience of UNN on a number of programs to draw conclusions about the future development of other related, those described in the article directions and retraining programs and the forecast potential outcomes.

Keywords: adult education, in-service training, motivation, self-determination theory, autonomy, competence, relatedness, communication, active methods, scaffolding strategies

1. Introduction

In the last decades adult learning has become one of the most important elements of lifelong learning, in which professional competence-oriented development plays an essential role. It brings forward a growing demand in adult educators as the leading agents of this change. Accordingly, professional development of adult educators, able to manage their own development as well as the development of those whom they mentor tends to turn into the key component of competence-oriented in-service training for university faculty. Promoting and maintaining volitional motivation of adult learners in autonomy-supportive environment stimulates their growth and increases the efficiency of education.

In this context the motivational theory of self-determination (Ryan & Deci, 2012a) serves the basis for development of more efficient in-service training programs at university. Self-determination theory assumes that propensity to learn and develop is innate and expresses itself through proactive and future oriented behaviors. Such behaviors are promoted by three types of motivation: intrinsic, integrated and identified (Ryan & Deci, 2012b). Extensive research has proved that behaviors resulting from these three forms of motivation vary in the level of self-determination. Intrinsic motivation has the most positive impact on cognitive, behavioral, and emotional aspects of learning, while identified motivation - the least positive (Ryan & Deci, 2013a). Evidence suggests that this effect decreases with the degree of extrinsic determination when external controls introduced into the learning environment affect the psychological processes connected with high-quality learning (Ryan & Deci, 2013b; Wilkesmann & Schmid, 2014).

Speculating about double dimension of learner's self-direction in which (within a socio-cognitive perspective) self-determined motivation and self-regulations function in interdependent relationship, A. Jézégou emphasizes that a high level of initial motivation is necessary to involve oneself in an activity to achieve a personal goal, while self-regulation is necessary for other aspects of this initial activity. Self-regulation processes are important for maintaining this motivation during the activity. This motivation is both the source and consequence of this process (Jézégou, 2012).

As an urge to satisfy basic psychological needs for autonomy (feeling of being the origin of one's own behaviors), competence (feeling effective), and relatedness (feeling understood and cared for by others) is at the

core of self-directed motivation, creating conditions supporting learners' experiences in autonomy, competence and relatedness will foster students' active engagement in learning (Vansteenkiste, Niemiec, & Soenens, 2010).

We also used Albert Bandura's competence staircase as a developmental approach to leading adult learners from subconscious incompetence through supraliminal incompetence and subconscious competence to, finally, supraliminal competence in the course of in-service training (Rodikov, 2010). The model gains its specific meaning in career development training courses for adults. In any learning process a learner has to make steps. Starting to act the person faces an obstacle which he didn't suspect of - his/her ignorance or incompetence. Transition from subconscious incompetence to supraliminal competence causes frustration and disappointment. These feelings may stop the process of development and self-perfection and the phase of gaining subconscious competence will never occur. Frustration may also have a positive impact as the leading motivation factor to start learning. At this stage it's important to distance yourself from subjective perception, to analyze strengths and weaknesses, and develop an educational strategy. Passive submission to negative emotions leads to absolute demotivation and failure. Overcoming frustration the person experiences the feeling of relief and self-assertion. Objective analysis of your potential leads to active acquisition of new knowledge. At some moment active assimilation of new information may cause confusion, which the learner should treat positively as a sign of a successful educational process. At the moment of confusion the clash of new knowledge with older concepts and prior knowledge results in reconsidering the previous experience. It evokes the joy of discovery and anticipation of success. This way the learner quickly reaches the stage of conscious competence.

According to M. Beyer, transition from one competence stage to another is accompanied by the following state of the person: moving from subconscious incompetence to supraliminal incompetence is accompanied by frustration; moving from supraliminal incompetence to subconscious competence is accompanied by confusion; moving from subconscious competence to supraliminal competence is accompanied by joy and satisfaction (Beyer, 2013).

In maintaining cognitive and emotional support at each stage of competence development adult educator plays the key instructional/facilitator roles outlined by R. Hiemstra: content resource; resource locator; interest stimulator; positive attitude generator; creativity and critical thinking stimulator; evaluation stimulator (Hiemstra, 2013).

Figure 1 illustrates the application of self-determination framework to adult learning context. Contextual and personal factors (autonomy supportive vs. controlling health care climate, personality differences in autonomy and intrinsic vs. extrinsic life aspirations) facilitate satisfaction of the basic psychological needs (autonomy, relatedness and competence) which foster sustained motivation and engagement of adult learners. The learning environment where effective co-constructing support in adult classroom is provided through a variety of active and interactive methods is described further.

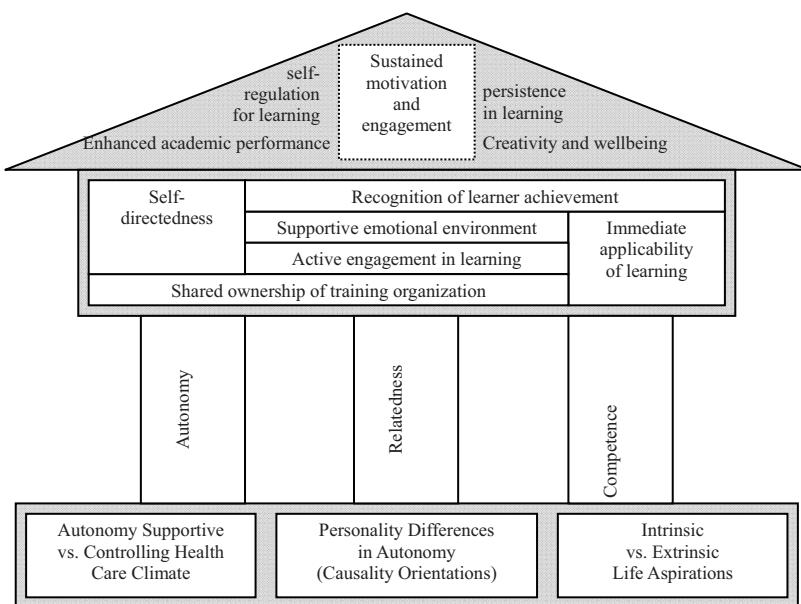


Figure 1. Application of self-determination framework to adult learning context

2. Materials and Methods

Theoretical foundations analyzed in the overview served the basis for development of more efficient in-service training programs at Lobachevsky State University of Nizhni Novgorod, Russia, to foster competence development as well as sustained motivation of adult participants.

The following methodology was operationalized through the development of a syllabus for the faculty in-service training programs aimed at developing cognitive, communicative and reflective competences of adult learners (Shvetz, Levina, Mariko, & Grudzinskaya, 2011).

Active and interactive methods of teaching and learning presupposed that the subjects of the activity participated in it with awareness of their personal goals. Application of these methods in different subject areas can be viewed in numerous educational kits developed in UNN for adult learners (Shvetz & Krasnodubskaya, 2011).

As active and interactive methods themselves do not ensure development to achieve this goal they were used in system (when methods are chosen in order to reach certain objectives) and in the framework of an activity-based instructional theory of practice that involves the learner in setting goals. A competence-based approach was implemented through systematic use of ERR (evocation – realization of meaning – reflection) framework (Meredith & Steele, 2011) as an inclusive model and a mechanism for organizing active teaching which promotes development of basic competences (cognitive, communicative and reflective) that, in fact, represent the components of critical thinking, through engaging the learners intellectually and emotionally in an interactive process of learning (Mariko & Shvets, 2011).

Each stage of ERR model corresponds to a stage of the learning process organized with the help of pedagogical and methodological means. Certain processes prevail at each stage of ERR scheme and these processes give a chance to “build up” learning in full correlation with the organizational structure of the learning process. At the evocation (anticipation) stage – realization of need, provision of motive, establishing of self-directed purposes (which includes choosing a way to realize the motive, planning activity and ways of action). At the stage of Realization of meaning (building knowledge) – organized active cognitive engagement and support to the learner’s monitoring of understanding new information by using methods adequate to this very content (achieving specific objectives through performing actions and procedures that activate acquisition of content). At the Reflection (consolidation) stage – getting the outcome that realizes the motive and to this or that extent satisfies the need.

ERR scheme finds application in various educational contexts: in-service training (Mariko & Mikchailova, 2011); educational materials for independent work (Levina, 2011); reference points for development and implementation of competence-oriented educational curricula (Kostin, Chionova, ... & Markar'yan, 2013).

Scaffolding was used as an approach allowing through a variety of methods to organize constructive participation in the adult classroom mediating joint and individual action when the more expert partner adjusted the level of scaffolding to the conceptual level and needs of the learner. Scaffolding was understood as a co-constructive process in which a more knowledgeable person (an educator or a group mate) provides hints, reminders, and cognitive supports at a level just above a learner’s current cognitive level for a task. Hence, when learners build new knowledge together, they are often able to interactively support each other’s understanding, effectively providing a “scaffold” to bridge what the learners could each do alone to a more complex level learners can achieve with a bit of co-constructive support (Van de Pol, Volman, & Beishuizen, 2010).

Scaffolding strategies were chosen with consideration of the individual and collective zone of proximal development according to Vygotsky’s theory and its followers (Saxena, 2010; Nesbit, & Adesope, 2013) to properly administer scaffolding that will provide adult learners with both challenging (offering an optimal cognitive gap) and supporting (allowing the learner to complete as much of the task as possible, unassisted) learning experiences, ensuring transition from subconscious incompetence to supraliminal competence.

Individual and group-directed scaffolding was focused on selecting educational materials and their sequencing; linking students’ prior knowledge and experience with the purposes of the lesson; structuring students’ participation and interaction; providing appropriate verbal and non-verbal cues, and was implemented with the help of specially selected active and interactive methods.

3. Results

Modernization of higher education in Russia determined by current socioeconomic situation states the need in pedagogically sophisticated faculty. Rapid pace of global and regional processes makes it almost impossible to predict what conditions present freshmen will be faced with after graduation. Society has great expectations for higher professional education as the leading resource of the development of the country which is partly reflected

in the concept of educational reform. However, some of the crucial issues, for instance, the new vision of an educator implementing the reforms are not outlined in any legal documents regulating the new educational environment.

State regulatory documents put special emphasis on innovative (competence-oriented) character of higher education. Current Federal State Standards for higher professional education established by the Ministry of Education and Science of Russian Federation specify new requirements for: learning outcomes/ the results of mastering educational curricula (acquired knowledge, skills and competences); for the structure of educational curricula (modularity); conditions of realization of the curricula (introducing competence-oriented forms and methods of teaching and learning, increase in the amount of student's independent work) (Thurman & Efimova, 2014).

The above-mentioned requirements define basic elements of the new Standards. Some of these elements (competence-based approach to teaching and learning; modular-rating structure of syllabi; ECTS grading scale; increase in the amount and role of student's independent work; intensive use of active and interactive teaching and learning; competence-oriented assessment) are new for Russian higher education.

Challenges that educational reforms present are rooted in still domineering tested by centuries of implementation traditional approach to methods of teaching in the institutions of higher education in Russia (Avralev, N., 2013). The majority of faculty in their regular teaching practice focus on teaching content; do not involve students in setting goals; operate with a limited number of active and interactive methods, mostly understanding modernization as bringing technology to class (which is also not systematic so far); underestimate the value of professional development outside their discipline.

4. Discussion

Assumption of the key role of pedagogues and their proficiency level in the current educational reform in Russia explains our concern in the development of an efficient system of in-service training. The system of in-service training at UNN is aimed at sustainable professional development of the faculty able to ensure a high quality of education. It implies adequate and time-wise response of the system (its structure, form and content) to the demands of the society (Avralev & Efimova, 2013).

Motivational and other theoretical issues of adult learning specified in the article were applied to professional pedagogical development of mature self-confident faculty members through innovative in-service training. We tried to address the most burning issues specific for this target audience that demonstrates subconscious incompetence level of readiness for response to new educational standards requirements.

The following charts illustrates how the suggested innovative autonomy-supportive training strategies and methods in ERR framework correlate with focal points of the motivational theory in application to the objectives of the lesson.

Table 1. Lesson information

Module	"Tolerance and Critical Thinking"
Topic	"Changing face of a Nation"
Target group	UNN junior faculty
Language of instruction	English
Objectives	1) developing communicative skills; 2) developing cognitive skills; 3) clarifying the concept of tolerance; 4) developing research skills; 5) developing pedagogical skills.

Table 2. Training strategies and methods in ERR framework correlate with focal points of the motivational theory in application to the objectives of the lesson

Stage	Activities	Adult learner's needs to be met	Educational tools
Throughout the lesson		Awareness of "incompetence" Competence Relatedness	The English language for speaking, reading, writing and listening; Authentic English text; discussion of terms "tolerance" and "critical thinking"; ERR-scheme, pedagogical reflection Immediate applicability of learning at every stage of the lesson Recognition of learner's achievement at every stage of the lesson

Stage	Activities	Adult learner's needs to be met	Educational tools
Evocation	Divide the class into 5 groups (5 people in each group).	Relatedness	Heterogenic groups according to subject area, competency in English and pedagogical experience
	How do you understand the word "tolerance"?	Autonomy Competence Relatedness Scaffolding	Think individually for 2 minutes Share in heterogenic group
	Which point on the list is most significant for you? Why?	Autonomy Competence Scaffolding	Pause, Ask Questions, Pause, Review The trainer makes a list of ideas on the board
	Look at the photos which are used in the article we are going to discuss today. Make predictions what the text may be about.	Autonomy Competence Scaffolding	Pause, Ask Questions, Pause, Review The trainer underlines the points that are mentioned
	The title of the article is "The changing face of America". Do you see the connection of the key words and the title? How does the title enrich your assumptions about the text?	Scaffolding	Use visual aids (photos). The trainer puts down the predictions on the board using key words
	Read the text individually using the list of difficult words, if necessary.	Scaffolding	Pause, Ask Questions, Pause, Review
	Discuss the text with your groupmates to clarify the meaning	Autonomy Competence Scaffolding	Key words are added on the board Pause, Ask Questions, Pause, Review
	Working together: Sum up the plot of the text and present the summary using the flipchart Present possible discussion points using the flipchart	Competence Relatedness Scaffolding	The list of difficult words Instructions to the group work on the article. Give enough time to read the text
	Find in the text information about the people in the photos. Prepare to share it with the rest of the groups answering the question: What ideas of the author these examples illustrate? Use the flipchart for your presentation.	Autonomy Competence	Participants with a higher level of the English level help the others to understand the text before fulfilling the group task Give enough time to discuss the text
	Explain how you understand the paragraph: "The Census Bureau is aware... the answer will be used". Illustrate your opinion by examples from the text or your own examples. Use the flipchart for your presentation. Discuss how you understand the word "DIEversity" given in the text. Pay special attention to the context. Use the flipchart for your presentation.	Relatedness	Each member of the group begins to perform a role relevant to his/her abilities (to write the words, generate ideas, prepare the presentation) Abilities of every group member are realized, compensated and summed up with the abilities of the rest of the group participants Peer evaluation Mutual support
Realization of Meaning	Group presentations. Take notes on the ideas that attracted your attention.	Scaffolding	Use visual aids (graphic organizers, pictures, and charts) Give enough time to talk and makes group's product. Supportive emotional environment
	Individually write 2-3 sentences about how you will identify yourself. Explain the basic principle of your identification (ethnic, religious, cultural, etc.).	Relatedness Scaffolding	Self evaluation and peer evaluation of group learning outcomes Use visual aids (graphic organizers, pictures, and charts)
	Share what you've written in your group.	Autonomy Competence	Addressing individual experience and personality Application of new knowledge
	A representative of each group collects the papers. These five representatives organize the information using any graphic organizer and present "the face" of the class.	Relatedness	Supportive emotional environment
	Meanwhile the rest of the students working in their small groups go back to the text and discuss if they can see correlation of the processes described in the article to the ones going in Russia.	Competence Relatedness Scaffolding	Application of new knowledge Supportive emotional environment Use visual aids (graphic organizers, pictures, and charts)
	Groups of four present their ideas. "The face" of the class is presented.	Autonomy Competence Scaffolding	Reflection of content, interaction and interrelation Pause, Ask Questions, Pause, Review
	At the end of the class the following questions are discussed: Has your concept of "tolerance" changed and how? What helped you to work with the issue? What made the work difficult? What did you personally find the most important today?		
	Debriefing. Discussion points: ERR scheme: lesson stages; objectives of each stage; used methods and strategies.	Scaffolding Competence	Restoring lesson plan on the flip chart Reflection of the educator's pedagogical activities
	Analyzing the competences that are developed Analyzing motivational factors	Scaffolding Competence	Handout with descriptives of communicative and cognitive competences Supportive emotional environment

5. Conclusion

Using the theories of motivation and relevant methodology as a grounded basis for autonomy-supportive educational practices of university faculty, adult educators promote sustainable professional development of the faculty novice in pedagogy. They provide cognitive and emotional support in the individual and collective zone of proximal development of in-service training participants and raise their awareness of personal pedagogical competence and potential (Mariko & Mikchailova, 2013). Active and interactive methods that the participants acquire throughout the training turn into their personal instrumental kit for designing competence-oriented ERR-based lesson plans, syllabi and curricula and bringing scaffolding to the university classroom (Gorylev & Grudzinskya, 2011).

Growth in motivation for pedagogical insights into learning outcomes stimulates the faculty's efforts to design innovative educational materials in specific subject areas (Petkov & Grudzinskya, 2011).

Acknowledgments

We would like to thank our colleagues Dr. Elena Grudzinskaya and Prof. Irina Shvetz for years of partnership in leading in-service training at Lobachevsky State University of Nizhni Novgorod and the joy this team work gives. We also wish to thank RWCT IC Board for the opportunities for professional development and RWCT IC members for cooperation.

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Accounting Features of Intellectual Property in High School

Elena Arkad'evna Orlova¹ & Irina Igorevna Borisova¹

¹ Lobachevsky State University of Nizhni Novgorod—National Research University, Nizhny Novgorod, Russia

Correspondence: Elena Arkad'evna Orlova, Lobachevsky State University of Nizhni Novgorod—National Research University, 603950, pr. Gagarina, 23, Nizhny Novgorod, Russia. E-mail: pr@unn.ru

Received: July 30, 2014 Accepted: September 30, 2014 Online Published: December 30, 2014

doi:10.5539/ass.v11n3p242

URL: <http://dx.doi.org/10.5539/ass.v11n3p242>

Abstract

Implementation of the strategic goal of integrating Russia into the world economy requires the definition of new priorities that determine the country's competitiveness in international markets. Generating new knowledge creation on their basis of technologies and their use in the socio-economic development of the state directly determine the role and place in the world community, the standard of living and national security.

Traditionally, it is universities and academic institutions were the source of the fundamental knowledge that underlies the new products and processes. And it is this knowledge now determines the economic competitiveness of universities, institutes, companies, and the country as a whole. Inclusion of universities in economic relations occurs, including through the commercialization of intellectual property.

Keywords: competitiveness, intellectual property, commercialization of intellectual property, intellectual property

1. Introduction

The world has enough of any criteria and indicators to judge the development of a country, but to see the perspective necessary to pay more attention to the fundamental sources of development and primarily education. Without education is a meaningless argument about human capital. In the 21st century people need to get new skills, knowledge and skills than in the past, and that the modern education system must meet these requirements. Globalization of Higher Education is the most important part of the global innovation economy. And educational and research functions of universities is increasingly becoming a critical link in global innovation linkages. Today, the effectiveness of the integration of education, science and business to a large extent depend on the prospects for socio-economic development, competitiveness and effectiveness of responses to the new challenges of the global economy.

One of the main mechanisms for promoting higher education institutions in the rankings is to integrate the resources, talents and motivated young people aimed at the result. Log in this kind of world scientific and educational society, which creates recognized universities of the world. International practice shows the increase of competitiveness, it is necessary to create a set of strategic initiatives of the world's leading centers, although it is not the fruit of a large but close-knit team (Avralev & Efimova, 2013).

Implementation of quality management at all levels ensures the continuity of the process, as at certain stages of its implemented and target priorities and resources, software and technological support, and monitoring results.

Designing an effective system of quality management education is determined by a number of conditions and factors that create discomfort or, conversely, to ensure adaptability (Chuprunov, Gurbatov, & Bednyy, 2010).

Analysis of the problem clearly indicates the reasons of its origin in the new socio-cultural environment of our community. This crisis of former systems of values and priorities, the formation of a new philosophy of society built on human and national values; development priorities and regionalization, municipalization of education systems; increased stratification processes (Avralev, 2013). And in this regard, the development of the education market, the uneven development of the socio-economic conditions, as well as the division of society into rich and poor; revitalization of regional denominations and the revival of spiritual life; development of management theory and practice based on the achievements of management and marketing, the emergence and implementation of international quality standards, the transition to the development of educational systems and

progressive model of education and technology, etc. All of these reasons, no doubt, are prerequisites for giving sufficient grounds to find effective mechanisms for quality management (Avralev & Efimova, 2013).

The innovative character of the economies of the industrialized countries confirmed by the constant increase in the proportion of new knowledge embodied in engineering and technologies (up to 80-95% of gross domestic product), the presence of Intellectual Property Institute. At the same legal protection of new technologies, in accordance with the legislation on intellectual property allows firms to maintain a monopoly position on the market of specific products.

The concept of "the commercialization of intellectual property" is inextricably linked with the concept of "commercialization of new technologies," which is for domestic business and Russian universities relatively new. Commercialization - is the process of transforming the results of research and development, preserving its market relevance and demand in the products and services on the market to generate income from the sale, licensing or self-use (Altbach & Salmi, 2012).

It should be noted that the potential for intellectual property development and commercial use of innovative technologies obtained in Russian universities, little used today. Thus, the share of spending on activities related to the protection and management of intellectual property, is less than 2% in R&D expenditure of universities (for comparison: in the USSR was prescribed regulatory guide for these purposes at least 10% of these costs).

2. Materials and Methods

The main problem of Russian science is that there is virtually no infrastructure for commercialization of innovations, including universities in the scope of its activities and cooperation. For transformation of scientific and technological developments in product innovation is necessary to have the infrastructure of innovation, with a complete cycle of innovation innovation at different levels: inside and outside of university. Each level has its own infrastructure goals and objectives (Kovazhenkov & Bgantseva, 2009). Result of scientific and technological activities in the form of intellectual property can be successfully innovation cycle from concept to production in the presence of the university:

- Developed innovation infrastructure accompanying research and development activities,
- Opportunities to attract a strategic partner for the successful organization of production, which have successful experience in innovative business
- Support systems scientists who create intellectual property.

Different countries have built their approaches to improving the competitiveness of their universities. Society and the state gradually realized a new stage of its integration into the global system of universities. We have to take the best features, best practices, while preserving their national identity of our universities (Bainbridge, 2010).

Modern period development of Russia clearly identified the need to update the main priorities in the field of education in line with global trends. One such leading priority, as the quality of education found expression in national doctrine of Russian education. This circumstance is dictated by the presence of the basic contradiction between the modern requirements for quality of education provided by educational institutions and restrictions apply methods and technologies in the management process. Designing an effective system of quality management education is determined by a number of conditions and factors that create discomfort or provide adaptability alternatively (Nevzorov, 2014).

Mandatory element of innovation infrastructure and commercialization process is a system of accounting and evaluation of intellectual property (IP) and intangible assets.

From the point of view of the intangible assets related to one of the most difficult to define user categories. In International Financial Reporting Standards (IFRS) for intangible assets understand identifiable non-monetary asset without material form. Under IFRS, the asset is classified as an intangible, if it has the following characteristics:

- It can be separated from the company and to sell, convey, get it licensed, rented or exchanged, either individually or together with the related contract, asset or liability;
- It arises from contractual or other legal rights, regardless of whether it can be separated from the company or from other rights and obligations and transfer to another company.

Additionally, the standard identifies three feature allowing attributed to intangible assets, namely intangibility, identifiability and non-monetary.

3. Results

From the standpoint of the essential intangible assets are divided into three groups:

1. Intellectual property (goodwill, inventions, utility models, industrial designs, trademarks, appellations of origin, trade name, service marks, trade secrets, know-how, computer programs and databases, integrated circuits, copyright and related rights including licenses for certain activities).
2. Property rights – the right to use natural resources (land, water resources, mineral resources, etc.) and assets (buildings and facilities, equipment).
3. Deferred (or, as they are called, capitalized) costs (organizational costs, the cost of research, development work, etc.). In turn, organizational costs include the costs of setting up an enterprise (including capital contribution), broker place on the exchange, etc.

It should be noted that, according to foreign statistics in total assets of foreign companies account for the largest share of intangible assets (70%).

From a commercial point of view, as practice shows, more attractive as an intangible asset is intellectual property, since it represents an economic resource with unlimited potential (Figure 1).

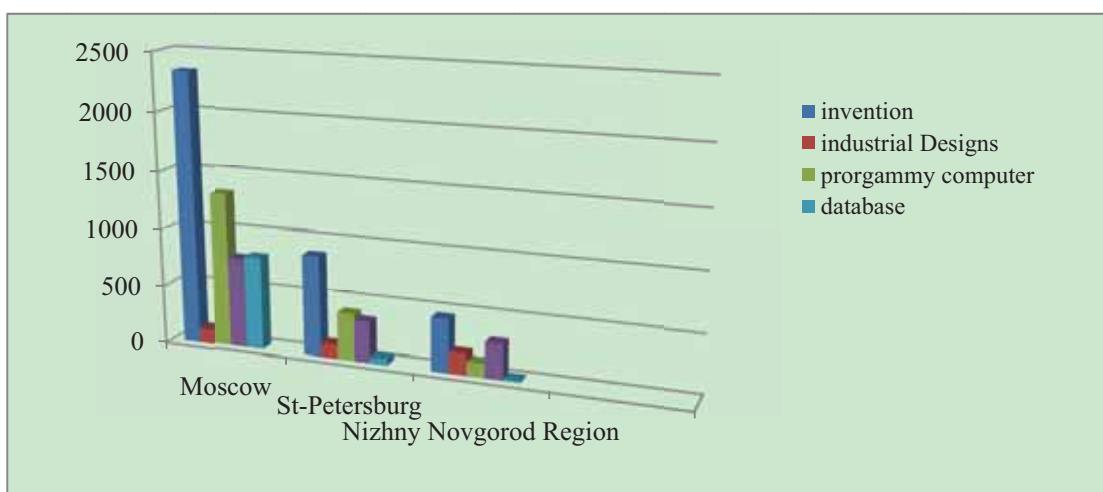


Figure 1. The use of intellectual property (calculated according to the State Statistics for 2013)

Intellectual property – is a collective term used to refer to, rights relating to intellectual property in various areas (industrial, scientific, literary and artistic). The notion of "intellectual property", according to the provisions of the Civil Code, may be defined as a set of exclusive property rights to the results of intellectual activity and means of individualization (Klimov, 2014).

By the results of intellectual activity in accordance with the Civil Code of the Russian Federation include:

- 1) works of science, literature and art;
- 2) programs for computers (computer programs);
- 3) of the database;
- 4) performance;
- 5) the phonogram;
- 6) message broadcast or cable radio or television (broadcasting organizations broadcasting or cable);
- 7) of the invention;
- 8) utility models;
- 9) industrial designs;
- 10) selection achievements;
- 11) integrated circuits;

- 12) secrets (know-how);
- 13) brand names;
- 14) trademarks and service marks;
- 15) appellations of origin;
- 16) commercial designations.

Changes in the system of higher education, revitalization of university research led to the need to systematize and accounting results of intellectual activity. Availability of university intellectual property is becoming one of the criteria for assessing progress in the implementation of government programs in the field of higher education. Of course, new performance requirements demanded perfection universities and accounting systems and evaluation.

Accounting and valuation of intangible assets is carried out in universities under the current regulations and the provisions.

Organizational control over the use of intellectual property provided by specialized structural unit. There is a such division is Technology Commercialization Center (TTC) in UNN. Accounting OIC delegated to the Office of Finance and Reporting and Research Department of the University.

Intangible assets shall be accounted for at historical cost (Lopatin, 2011), i.e the total of actual investments on their acquisition (creation), taking into account the amounts of VAT charged establishment suppliers and contractors (other than purchasing them within the income-generating activities subject to VAT, unless otherwise provided by the tax legislation of the Russian Federation).

Inventory item of intangible assets recognized set of rights arising from a patent, certificate, contract for the alienation of the exclusive rights to results of intellectual activity or means of individualization, or in any other manner prescribed by law, designed to perform certain independent functions. As an inventory of the intangible asset can be recognized as a complex object, comprising several protected results of intellectual activities (film, other audiovisual work, theater and entertainment representation, multimedia product, a single technology).

Cost of acquisition (creation) of intangible assets includes:

- amounts paid under a contract for the alienation of the exclusive rights to results of intellectual activity or means of individualization of the right holder (seller);
- Customs duties and customs duties;
- non-refundable taxes, state and patent fees paid in connection with the acquisition of the intangible asset;
- remuneration paid to the intermediary organizations and other entities through which the acquired intangible asset;
- amounts paid for information and advisory services relating to the acquisition of the intangible asset;
- any other costs directly attributable to the acquisition of an intangible asset and the provision of conditions for the use of assets as planned.

4. Discussion

Valuation of intangible assets whose value is determined on the acquisition of foreign currency is made in rubles by converting the foreign currency at the exchange rate of the Bank of Russia on the date of acquisition organization objects to the right of ownership, economic management, operational management.

According to Federal Law 23.08.1996g. № 127-FZ "On Science and State Science and Technology Policy" article. 5, paragraph 3, pp 3.1., If the nominal value of intellectual property is more than five thousand rubles, the object must be evaluated by an independent appraiser.

All costs associated with the formation of the historical cost of intangible assets when they become available, pre-assembled on the account 010632320 "Increasing investments in intangible assets - other movable property of an institution."

The useful life is determined by the Commission CCT UNN, whose composition is determined by the order of the rector of the University. Commission assesses the appropriateness of accounting for assets, acquisition of patents and their support.

The useful life of intangible assets received free of charge is determined by:

- objects received from other budgetary institutions, and government and municipal institutions - given the timing of actual operation and previously accumulated depreciation;
- objects received from other businesses and individuals - based on the market value of the property and the terms of operation, the Commission established institutions.

Accounting for intellectual property being in the program 1C: Accounting and on paper.

Intangible assets used in performing R&D are registered in a general manner, as well as all other objects IA. Intellectual property, which have not been patented, protected by trade secret and shall be registered as a general procedure. Analytical accounting NMA objects maintained in inventory card asset accounting.

Initial and replacement cost accounting objects NMA reimbursed depreciation method produced by periods throughout their useful life. Accounting accumulated depreciation is recorded in account 10439 "Amortization of intangible assets - other movables institutions." (Guidelines for creating budget scientific and educational institutions of higher education business entities for purposes of practical application (implementation) of the results of intellectual activity, 2009).

Budget and autonomous institution without consent of the owner is not entitled to dispose of the intangible assets related to particularly valuable movable property assigned to him by the owner or acquired by the owner of the allocated funds (§§ 2, 3 tbsp. 298 Civil Code), so the realization of such intangible assets subject to agreement with the parent organization and property management authority. Implementation of the intangible asset should be carried at market value, which can be determined by an independent appraiser (Guidelines for inventory assets and financial liabilities, approved by the Ministry of Finance of the Russian Federation, 1995).

The carrying value of the intangible asset sold and the amount of accumulated depreciation on it to be written off. Implementation of an intangible asset is recognized using account 0401 10 172 "Income from assets."

Inventory of intangible assets in the institution in accordance with:

- Guidelines for inventory assets and financial liabilities, approved by the Ministry of Finance of the Russian Federation of 13.06.1995 № 49 (ed. 08.11.2010);
- Regulations on budgetary accounting for budgetary institutions, approved by the Ministry of Finance of the Russian Federation of 16.12.2010 № 174n.
- Order of the Ministry of Finance of the Russian Federation "On approval of the accounts of budgetary accounting and instructions for its use" from 06.12.2010 № 162n (red.24.12.2012).

Inventory of intangible assets is held once every three years, for which the University has created a central inventory commission and working inventory commissions.

Composition of the central inventory commission and working inventory commissions approved by order of the rector of the university.

Inventory Commission ensures the completeness and accuracy of entering into the inventory data on actual documents confirming the rights of the use of objects IA, accuracy and timeliness of registration materials inventory. Inventory of intangible assets by determining the actual commission of the document confirming the right to organize the use of objects IA.

As noted earlier, the commercialization of intellectual property – procedure for universities is relatively new and to date to be finalized. Effective commercialization of intellectual activity prevent such things as:

- Imperfection of the legislation on intellectual property;
- Lack of a developed innovation infrastructure, including the lack of patent services, technology transfer centers in universities (Instructions budgetary accounting for budgetary institutions, approved by the Ministry of Finance of the Russian Federation, 2010);
- Lack of knowledge among university staff in matters of design, protection, commercialization and registration of intellectual property;
- Inadequate accounting system of intellectual property (Order of the Ministry of Finance of the Russian Federation "On approval of the accounts of budgetary accounting and instructions for its use", 2010).

5. Conclusion

Communication and collaboration in order to create a capsule model to date are the main mechanisms in the promotion of higher education institutions in the world space. We must clearly understand that we can get from the collaboration. We must increase the rank of citing including through joint work within the overall research.

In the coming years we should see the result of the high schools in the direction of improving their global competitiveness. To do this we need to attract foreign teachers and researchers, to integrate them into scientific and educational environment of the higher school of our country, we must find ways to retain foreign students, including through the expansion of campuses, improve infrastructure should develop partnerships, create a Russian scientific schools with foreign researchers, attract eminent members of the various councils of foreign universities to promote your site to conduct their own continued support of Russian scientists, which are published in leading journals, we must integrate the Russian high school in the world scientific and educational space. And to address these issues should not only be given an opinion, and through the prism of other people with other values (Efimova, 2013).

The main task in the field of higher education is to make it competitive on the world stage by creating a balanced and has its own specific differentiated structure, involving the development of research universities are generalists, and educational research universities, universities own definition of the level and specificity, as well as improve management policies, including by strengthening the mechanisms of competition and the distribution of funds (Weber & Duderstadt, 2012).

As the decisive conditions for the implementation of reforms in the field of science and education focuses on three points:

- loosening of central government control and giving autonomy to universities in the field of teaching and learning activities, research, technological development and services;
- a new system of recruitment to universities with different types of tests in addition to the exam;
- improving the quality of education.

Today, throughout the world there is a tendency to move from bilateral cooperation of individual universities within specific educational or research programs to multilateral interaction consortia of universities widely formulated problems and issues (Avralev & Efimova, 2014).

The emergence of this trend due to the fact that more and more scientific problems require cooperation among scientists from different countries, and with the fact that the aim of modern educational programs becomes training with the skills and experience of interaction with native cultures and the maximum amount demanded in the global market.

Today we have to think how to improve the potential of high school, how to attract good professors, while realizing that behind their Russian scientists struggle is very large, so it is necessary to expand the geographic scope of the search of world-class specialists.

Communication and collaboration in order to create a capsule model to date are the main mechanisms in the promotion of higher education institutions in the world space (Thurman & Efimova, 2014).

Thus, in the organization of the process of commercialization of intellectual property in universities requires a systematic approach that would form the basis of intellectual property in various stages of commercialization to organize their transfer to industrial use. Essential element towards the development of commercialization in universities is infrastructure restructuring, aimed at the creation of specialized centers of innovation and technology transfer and other similar structures, capable of providing the entire chain of commercialization of innovative development cycle.

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Western European Immigration Policy: Implications and Lessons for Russia

Mikhail Ivanovich Rykhtik¹ & Sergei Valerjevich Krivov¹

¹ Lobachevsky State University of Nizhni Novgorod—National Research University, Nizhny Novgorod, Russia

Correspondence: Mikhail Ivanovich Rykhtik, Lobachevsky State University of Nizhni Novgorod—National Research University, 603950, pr. Gagarina, 23, Nizhny Novgorod, Russia. E-mail: pr@unn.ru

Received: July 30, 2014 Accepted: September 30, 2014 Online Published: December 30, 2014

doi:10.5539/ass.v11n3p249

URL: <http://dx.doi.org/10.5539/ass.v11n3p249>

Abstract

This study explores the experience of West European migration policy and the opportunities for its application in Russia. The increase in migratory flows requires new approaches to policy-making. In addition experience address these problems illustrates the ambiguity of ways to their solution. The purpose of this study is to establish a causal relationship, identification of key trends in the development of this phenomenon as migration in the context of globalization, the analysis of potential challenges for Russia on the basis of foreign experience. Also addresses the issue of the possible impact of international sanctions against Russia for the further development of policies towards migrants.

Keywords: international migration, multiculturalism, integration policy

1. Introduction

The process of globalization has increased the number of migrants by almost three times in the last 50 years. If in 1960 the number of people living outside their country of birth was 75.5 million, in 2010 this figure is about 213.9 million. According to the UN experts, nowadays every 35th resident of the earth is an international migrant, while in developed countries is every 10th resident. This goes together with the process of consolidation of ethnic communities. Not surprisingly, the number of Diasporas around the world is gradually growing because immigrants tend to maintain and, often, preserve their cultural traditions. According to some experts, today we can speak about the "diasporization of the world" (Friedman, 2005). The individual integration of immigrants into their host society is replaced by the collective integration.

There is no doubt that migrants have a major impact on host countries, changing their demographic structure, ethnic and religious composition. Migrants very often have a great impact on the values of host societies. There is also their growing influence on the foreign policy of host countries (Betrocci & Strozzi, 2010). Large Diasporas possessing significant financial resources actively lobby not only their own interests but also the interests of those countries that historically are their Homeland (Barkan, 2012).

There is no common opinion in the scientific community on the impact of mass migration on a stable development of society. So, the very presence of migrants is seen as a destabilizing factor: there is strengthening of interethnic and religious conflicts in society (Hansen, 2003). At the same time, some believe that the influx of foreign labor accelerates the development and reducing the costs of infrastructure modernization for the economy of host countries. In addition, remittances of migrants play a significant role in increasing the national income of underdeveloped countries and help to eradicate the poverty (Smith, 1999).

There is no single approach to adaptation of immigrants. With regard to the so called "resettlement type countries" (the United States of America, Canada, Australia and New Zealand), where the basis of the political nation was formed by foreign settlers in the 19th century. So far here is dominated old Anglo-Saxon system of nationality's granting based on the principle of *jus soli* (Latin: right of soil) (Burgess, 1967). At the turn of the 20th century there were developed some adaptation mechanisms. But if Australia and Canada have stuck to the doctrine of multiculturalism and cultural diversity recognition, in the United States of America the concept of a "melting pot" with more vivid assimilation approach is more common. There is also a large influx of migrants in the countries of the Persian Gulf. So, the proportion of foreign-born residents in Qatar is 75%, and in the United Arab Emirates is 71% (Kymlicka, 2012). Due to the principal migration flows originated from neighboring

Islamic territories (Pakistan, Iran, Iraq and Palestine), the cultural gap between the local population and migrants is not so big. In addition, it preserves strong conservative tendencies in the policies of these states (Banting & Kymlicka, 2012).

2. Materials and Methods

Most discussed in this sense is experience of European countries. Their monoculture foundation, the nation-state idea and *jus sanguinis* (Latin: right of blood) principle of citizenship since French Revolution, make difficult upgrade of policies toward migrants. After the Second World War, Europe faced a large migration influx from non-European countries (Sergounin, 1996). Several complicating Hansen's approach, we identify four waves of migration to Europe in postwar period (Goodman, 2010). The first wave is connected with historical heritage. Some European countries such as the UK, Belgium and France had to receive migrants from their ex-colonies, so to say, "paying" colonial bills. In the early 1950s these countries already had a large proportion of migrants comparing with other European countries. The second wave is due to economic reasons. A number of countries had direct economic interests in immigrants as the cheap labor force. For example Germany since the early 1960s has concluded a number of bilateral agreements with the Mediterranean countries and Turkey in order to attract foreign workers. And in this case immigration can be both temporary and permanent. The third wave is associated with the adoption in most Western European countries legislation on family reunification and belongs to early 1970s. And finally, the forth wave which started in the late 1980s. It is connected with the political or humanitarian aspects. European countries declared a more "open" policy on developing countries and the states of the former Soviet bloc. To a large extent it happened under the influence of liberal sentiments prevailing in some European societies, for example, Sweden, Denmark, the Netherlands, Italy, Greece, etc. Our assumption is that each new migration wave causes the emergence of new patterns of adaptation of immigrants.

It's not a secret that immigrants are seldom warmly welcomed by the native population even in case of economic immigration. This in turn causes alienation on part of migrants. It is not surprising that some of the immigrants feel like outcasts. In turn, the peculiarities, for instance, of the Muslim "way of life" cause the rejection of newcomers by the native population. Unlike the US with Islamic centers as a mechanism for the formation of loyal Islamic population (Koopmans, 2010), in Europe such institutions are not yet available. As a consequence, extremism is also nourished at schools and universities where there study young Muslim scholar refugees from the countries seized by interethnic and interreligious conflicts.

Political scientists single out five main approaches of migrants' integration: model of segregation, newly arrived worker, assimilation, multiculturalism, and the recently appeared model of civic integration or incorporation policy. Each of them has its strong and weak points depending on national interests.

The concept of segregation despite the negative association with apartheid in South Africa and Jim Crow laws in US is in fact special approach to migration policy. In this sense, the model of segregation is not considered as discrimination but as desire of authorities to maintain the separate settlement areas of migrants. The result of this separation becomes the formation of ethnic enclaves. The term "ethnic enclave" occurred in 1967 and it should be interpreted as an area populated by migrants, social infrastructure which aims to meet their own ethnic market and population (Joppke, 2012). Until the migration flows were on the rout "former colony – former colony metropolis" it doesn't create serious problems. The legacy of colonial period reflected in the awareness of the culture of the metropolis, including language.

Later starts migration for purely economic reasons, not related to the legacy of the colonial period. This has contributed to the emergence of "a newly arrived worker model", which is largely determined by the post war economic boom. This policy is based on the idea that immigrants worked for 2-3 years in the host country, and then return to their home country. So West Germany received hundreds of thousands of qualified and unqualified workers from Turkey and the countries of Mediterranean area during the period from 1955 to 1973. Similar policy was implemented in the Netherlands in the period from 1971 to 1981. It was assumed that under this policy there is no need for any efforts to integrate of immigrants into host society. As a result of reluctance to notice the stark contrast between the reality and policy has led to the fact that the Germans became known as "Parallelgesellschaften" or parallel society. It is not surprising that today the majority of researchers say a complete failure of this policy.

3. Results

The model of "multiculturalism" was launched in the 1970s. Originating in the West as the transition from the old forms of ethnic and racial hierarchies to new values of democratic civil society, as noted by Kymlicka (Kymlicka, 2012), multiculturalism means the legitimization and political recognition of the ethnic diversity. Within the framework of this model it was initially supposed that migrants will become residents of the host

country and the attitude to them should be similar to the attitude of its citizens, taking into account the specific features of their religion, ethnicity and cultural traditions.

The policy multiculturalism can be quantified. Multiculturalism Policy Index (MIPEX) was introduced in 2006 by K. Banting and W. Kymlicka (Banting & Kymlicka, 2012). It consists of eight indicators, among them: legislative affirmation of multiculturalism, curriculum, mass-media, exemptions, dual citizenship, funding ethnic groups, bilingual education, and affirmative action policy. This model was put into effect in Great Britain (5,5) and Belgium (5,5) but above all, the doctrine of multiculturalism embodied in Sweden. This country has the highest rate among the European countries (7, 0), behind only Australia (8, 0) and Canada (7, 5) outside the continent. This is last but not least due to the long-dominant centre-left political forces in the political arena of the country. An even more striking example is Finland. While in 1980 the country had a “zero”, in 2010 it came in second place in Europe (6,0). It should be born in mind that the European countries lose out to countries of the New World on “affirmative action” indicator, which is unacceptable in Europe because it is regarded contrary to the principle of equality of all before the law. An exception is case of Belgium, in the Flemish community there is proportionality in legislation on employment. Despite the assurances of political leaders to abandon the policy of multiculturalism, index figures everywhere tend to grow. Even Norway, traditionally lowest European rate had already in 2010 – 3,5. An exception is the Netherlands: 5,5 in 2000, and around 2,0 – in 2010. This is even lower than that of 1980 (2,5). This significant reduction reflected in decrease of legislative affirmation, bilingual education and abolish of affirmative action policy. In particular in 2004 in this country were spun off many programs to ensure the representation of disadvantaged groups, including migrant workers in employment.

Implications of this model were ambiguous. Both Great Britain and the Netherlands failed to avoid violence, interethnic conflicts, growth of extremism and ethnic religious terrorism. Although the more tolerant Swedish society was able to avoid violence but also here anti-immigrant sentiments led to the success of right-wings radicals in the parliamentary elections. This model has its strengths. Her main feature is the formation of tolerant attitude toward migrants on part of the host society. In practice, this finds expression in an effort to introduce a native-born population with the cultural traditions of migrants. So, Alibhai-Brown outlined multiculturalism in Britain as “3S-model”(saris, samosas and steel drums) (Avralev & Efimova, 2013). This approach has some sense as a host society largely determines behavior of migrants. However, the weak point of the model is that it does not focus on migrants themselves. It does not take into account the trend towards self-isolation or self-segregation of migrants.

In mid-1990s began disappointment in multiculturalism. There are tendencies towards assimilation and integration. The “assimilation” model spread in Europe in the mid-1990s. Unlike the United States, where this model is much more acceptable, this approach has been criticized in Europe. Criticism was based on doubts whether it is possible to include people from non-European countries in a homogeneous European society. Special emphasis as in the United States is put on the provision of civil rights. Migrants were viewed as individuals with each of whom the state concludes a “contract”. Migrants were welcomed until they behaved as natives, observed local traditions and respected the institutions and legislation of the host country. The most well-known example of this very model is France, because the idea of civil society in this country already appeared in the 19th century. This provided a good foundation for the formation of a new identity. The experience of France was followed by a number of other countries. So, in 1995 there was a move to a policy of assimilation in the Netherlands.

But the events taking place in France and other European countries demonstrated that the “assimilation” model doesn’t help to avoid the problems at the levels of the second and third generations of former migrants. The level of social and economic integration of young descendants of the migrants of the 1950-1960s is still quite low. In addition, the growing popularity of radical politicians demonstrated the rejection of such a course. We suppose that the failure of this policy was caused by lack of effective tools for implementation of the policy of assimilation and acceptance in society regarding the objectives of this strategy (Avralev, 2013).

E. Barkan in 2007 proposed an “incorporation” model. Its essence is that a migrant originally fell into its ethnic enclave, where he has his initial adaptation to the host society (Barkan, 2012). If earlier ethnic enclaves were seen as a socially negative phenomenon (conservation of archaic forms of relations, shadow economy, etc.), now they are recognized as important institutions of migrants adaptation. Then the society and his institutions free it from ethnic enclave. It may be individual as well as within the whole group. In other matters, this approach is also associated with a number of difficulties. So it should be noted that ethnic groups and their leaders have generally opposed such a policy (Thurman & Efimova, 2014). Nevertheless, this is an important step in rethinking the doctrine of multiculturalism and denial of unconditional admiration for him.

Since the mid-2000s European countries are beginning to move to a policy of civic integration. The Netherlands became the first in adopting 2005 Act on Integration of Aliens (*Wet inburgering in het buitenland*). S. Goodman in 2010 has introduced the policy civic integration measurement index (CIVIX). She argues that “civic integration policy express the idea that successful incorporation into a host society rests not only on employment (economic integration) and civic engagement (political integration), but also on individual commitments to characteristic typifying national citizenship... country knowledge, language proficiency and liberal and social values” (Goodman, 2010). Calculation of the index is based on three main parameters: entry, settlement and citizenship. The scatter of data from 6.0 (Germany) to 0.0 (Sweden), show some sort scale integration policy.

4. Discussion

Given that the civic integration is often seen as an alternative of multiculturalism, it is interesting the correlation between these two strategies. K. Banting and W. Kymlicka (Banting & Kymlicka, 2012) and next to them R. Koopmans (Koopmans, 2010) shall compare the two indices. So among the countries with highest integration index are Germany, Denmark and Austria (6.0, 5.5 and 4.25 respectively). At the same time, it should be noted their low index of multiculturalism. By contrast, Sweden, Belgium and Finland have a low index of integration policy (0.0, 0.5 and 1.0), with the highest rate of multiculturalism. To some extent, the United Kingdom is the exception, which has high level of both indexes.

This evidenced an experience of Australia and Canada, who have long embraced multiculturalism, and now successfully implement integration policies. European experience is other more ambiguous. It should be talk about the different options integration policies, which are more or less compatible with multiculturalism. C. Joppke says about differences in integration policies across Europe (Joppke, 2007). Weak level of pressure on immigrants (low requirements for language and cultural knowledge), as well as the open nature of national identity are signs of “soft” model. As the Australian and Canadian experience, the model can be quite compatible with a multicultural policies. In other words, both approaches do not seem mutually exclusive (Sniderman & Hagendoorn, 2007).

In this regard, the experience of Russia and other post-Soviet countries is somewhat different, because mass migration has become a significant phenomenon only recently. In addition, among migrants dominate people from other republics former USSR who have the memory of a single state territory in the past (Koopmans, Statham, Giugni, & Passy, 2005). It makes no talk of such a prominent cultural distance between migrants and domestic population. Whereas in Western Europe, the main problem lies in the fact that immigrants adapt to the dominant identity that emerged in 19th – first half of 20th century, the states of former USSR had not yet completed the process of nation-building. It is accompanied by a tendency to homogenize society and the growth of intolerance and xenophobic sentiments among titular population are not always related to the complexity of ethnic and cultural composition of population (Sniderman & Hagendoorn, 2007). Not surprisingly, this region, with the exception of some local cases, while not yet developed effective mechanisms of adaptation of immigrants. However, the experience of countries of the European Union can be very rewarding.

Speaking about possible changes in immigration policy in the context of a sanctions regime imposed on Russia by the United States, Canada, the European Union and a number of others, it should be noted that among experts on this issue there is no consensus. Of course, that economic sanctions affect the majority macroeconomic indicators and especially the labor market, the state of which depends migration policy. However, it should be borne in mind that migration flows and policies to regulate them due to long-term factors. Also, do not underestimate the level of diversification of the Russian economy and to exaggerate the degree of its dependence on energy export. Thus, the largest share of Russian exports – crude oil - representing 39% of total foreign exchange from abroad. For comparison, the appropriate indicators in main oil-producing countries are: Saudi Arabia – 76%, United Arab Emirates – 46%, Iran – 72%, Venezuela – 65%. This may indicate a greater flexibility of Russian labor market even in the face of international sanctions. In addition, most of the migrants are not engaged in export-oriented industries, such as in the Gulf countries, but in the service industry, transport, construction, as well as in retail.

5. Conclusion

The world has enough of any criteria and indicators to judge the development of a country, but to see the perspective necessary to pay more attention to the fundamental sources of development, and primarily education (Avralev & Efimova, 2013). Globalization of Higher Education is the most important part of the global innovation economy. And educational and research functions of universities is increasingly becoming a critical link in global innovation linkages (Efimova, 2013).

The above models show that migration policies needed constant adjustment. In fact, it is an appropriate response to new global challenges. It seems that for Russia in this regard is rather important issue of the role and strategy of the government in the management of multiethnic environment (Avralev & Efimova, 2014). Thus, it may be tested model, in which authorities are neutral with respect to the confessional and cultural differences as the spheres of private life (Grudzinskiy, 2004). The government only provides the framework to ensure equality of rights in the process of adaptation and integration of migrants into the host society. In addition, it will contribute the existence of cultural differences and will help to avoid the problem of the collision of identities. Probably, we should talk about legal pluralism, suggest the existence of legal rules for various groups in particular in the field of private (e.g., family) law (Avralev & Efimova, 2013). But the question still remains open for most nation states whether it is possible to implement such a policy or not at the present moment (Ovcharov, 2008).

Thus, the problem of immigrants in Western Europe while experiencing a certain lack of initiatives. However, in the near future is the elaboration of such a strategy would be a priority the development of civil society and its institutions. One of the pivotal questions that are to be answered is whether the deficit of integration can be made up for by the initiatives of civil policy. In order to increase the role of civil society institutions in the process of migrants' integration experts suggest that emphasis should be put on the following measures. First of all, it is necessarily to abandon the common stereotypes and recognize the positive contribution to the solution of problems of national security. Then, it's necessary to cover the life of immigrants in mass media by improving their image among the "native" population. It's also important to actively involve immigrants, especially of the second and third generations, in the work of civil society institutions. There is also a need to create new civic institutions, in which will be the socialization of immigrants and their leaders will be brought up. In addition, we should talk about the full involvement of local population in the implementation of such initiatives.

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Parenthood and Parenting in Modern Russia

Zarethan Khadji-Murzaevna Saralieva¹, Irina Eduardovna Petrova¹ & Nadezhda Yurievna Egorova¹

¹ Lobachevsky State University of Nizhni Novgorod—National Research University, Nizhny Novgorod, Russia

Correspondence: Zarethan Khadji-Murzaevna Saralieva, Lobachevsky State University of Nizhni Novgorod—National Research University, 603950, pr. Gagarina, 23, Nizhny Novgorod, Russia.

Received: July 30, 2014 Accepted: September 30, 2014 Online Published: December 30, 2014

doi:10.5539/ass.v11n3p255

URL: <http://dx.doi.org/10.5539/ass.v11n3p255>

Abstract

The second half of the 20th and the beginning of the 21st centuries saw massive transformations in different domains of public life which significantly affected families as well. Sociological studies have discovered behavioral norms behind relationships in families and marriages being washed out, transformation in family roles, development of new norms and principles which come as a basis for matrimonial, parent-child and intergenerational relationships. The modern society experienced a critical shift in gender roles or parents. The role of a father and a male is losing its value. Some of the reasons are that in case of divorce in Russia children most usually stay with mothers.

Russian parents inherit family practices from their own parents and modify them in accordance with their own experience and feeling what would be most beneficial for their children. Parenting styles in Russia are based on Russian mentality, way of life, traditions and current environmental situation and thus may differ from the parenting patterns of other countries. To analyze transformations in parenthood and parenting in a modern Russian family the paper refers to a study “Parenthood, upbringing and childhood in a modern Russian family” (Novgorod, 2013).

Keywords: family, marriage, matrimony, parenthood, parenting

1. Introduction

Sociologists often point to significant transformations in the domains of family and marriage. One of the most recent changes observed is a growing crack between three key components which until now have made up the core of family relationships: nuptiality, sexuality and procreation (Golod, 2008; Fine & Fincham, 2013; Peterson & Bush, 2012). Minimum two relatively independent family areas have originated from this disconnection - matrimony and parenthood which causes further separation between marriage and family.

Parenthood and parenting have always made a fascinating topic for researchers from everywhere in the world. Conceptual approaches to contemporary parenthood focus on its different aspects: spouses' reproductive expectations, styles in upbringing, sharing roles and responsibilities between family members (Gurko, 2008; Nieuwenhuis, 2014). A “New household” concept has introduced two restrictions into it: family budget and the time shared in a family. This sets up a new context where having children or not is now seen through the value of their ‘utility’ either as human capital, or as an opportunity to meet parents’ expectations, or as a tool to pay back the costs associated with upbringing as with any other acquisitions made into a family (Nauck, 2001; Saralieva, Balabanov, & Nauck, 2009; Saralieva, Balabanov, & Nauk, 2009; Chernova & Shpakovskaja, 2013; Gurko, 2014).

2. Materials and Methods

A longitudinal study into intimate relationships and family dynamics (“Panel Analysis of Intimate Relationships and Family Dynamics” (PAIRFARM) study) since 2007) in Germany has focused on the following key issues: family dynamics and partnership stability; reproductive expectations and child-bearing; parenthood and upbringing; intergenerational relationships (Working Paper No. 17 Panel Analysis of Intimate Relationships and Family Dynamics (pairfam) - Conceptual Framework and Design, 2013).

Multiple surveys studied how family is transformed when a child is born into it – which means a transition from partnership to parenting. Mostly, researchers were encouraged to study spouses’ gender roles in upbringing; sharing responsibilities in a family and parents’ employments, parental expectations from starting and bringing

up a child, in-family communication and collaboration (Parker & Hunter, 2011; Gurko, 2011; Egorova & Sizova, 2014).

Studies on upbringing styles and disciplining a child, particularly those which discuss punishment/violence towards children, are steadily growing in number (Parents' Perspectives on Parenting Styles and Disciplining Children, 2013; Saralieva, Egorova, & Sud'in, 2013).

Modern trends in parenthood development in European countries attract Russian sociologists as they provide valuable data to analyze (Avralev & Efimova, 2014). Overall, Russia follows worldwide trends which transform families, spouses' employments, their reproductive expectations.

To study modern parenthood and parenting in Russia the paper refers to a sociological survey "Upbringing, parenthood and childhood in a modern Russian family" which was released by the Department of general sociology and social work at Lobachevsky State University of Nizhni Novgorod in 2013 with a financial support from Russian ministry of education and science, federal program "Scientists and educators for innovative Russia". The Head of the project is Z. Saralieva.

3. Results

The survey studies respondents from three age cohorts aged 17-21, 23-30, 33-40 in equal proportions who stay at different stages of a family cycle: when a vision about future family relationships is shaped and decisions about individual family strategies are taken; when a family is planned and a decision to have children is taken; when a family is started and children are born. Total number of respondents is 621, 45% – males, 55% – females. Respondents from all age groups were requested to fill in identical questionnaire which made it possible to monitor dynamics of scores and values across three age cohorts within one generation.

Parents of under age children were requested to fill in an additional questionnaire to understand how they see their children's upbringing. The number of respondents is 218. The share of parents in a junior cohort is 33%, senior – 67%. 64% – females, 36% – males. 64,5% parents had one child only, 29,9% – two children, 5,4% – three and more.

Data was processed with Statistical Package for the Social Sciences (SPSS). Factor analyses was applied to the questions which are related to upbringing process. Minimum percentage to explain general dispersion is 54%, Measure of Sampling Adequacy (MSA) of Kaiser-Meyer-Olkin (KMO) in all cases is no lower than 0,735.

As the survey confirms, children still come as a significant value for all age cohorts. 85% of those questioned agree that having children is very important while only 5% do not recognize children as their key life goal. Meanwhile, professional achievements remain equally important both for males and females. The junior age group shows the highest scores in job-related positions. The percentage of respondents who do not see professional achievements as their key life goal is lower than the percentage of those who are not much child-focused (2,6% vs.5,7%).

Overall, senior age group has generally met their reproductive objectives, however, 14,5% of them were either slow or unable to become parents yet, while another 6% have already started families with many children (see Table 1). Most respondents in the junior age cohort do not have children. An average Russian family tends to have one child only, so a fall in birth rates which started in the late nineties still continues.

Table 1. Number of children, %

Number of children	Aged 17-21	Aged 23-30	Aged 33-40
No children	99	64	15
One	1	32	47
Two	-	5	32
Three and more	-	-	6

64% of children are raised in first-marriage, intact and healthy families. Almost 20% of the respondents bring up their children in a single-parent environment. As Table 2 shows, the most common root cause behind a single-parent family is a divorce (13,4%), a child shares a family environment with a single parent 6 less times, and with a widowed parent 11 less times. Every 11th surveyed brings up a child in a repeated marriage, every 10th – in an unregistered one. Various family environments trigger variations in parenting types which will result in single, non-resident, non-biological, unmarried types.

Table 2. Parents' marital status, %

Marital status	Total	Aged 17-21	Aged 23-30	Aged 33-40
Single	2	-	4	2
Married	64	-	70	61
Repeated marriage	9	-	5	11
Cohabitation	10	100	6	11
Divorced or marriage terminated	13	-	15	13
Widowed	2	-	-	2

As unregistered marriages have been steadily increasing in number over recent years, a key issue here is to understand how a couple could benefit from such family environment in meeting their reproductive objectives. Cohabiting couples normally have fewer children. Most unregistered marriages do not have any children at all, while every third has one child only; every tenth has two, 2% have three and more (see Table 3). Most registered marriages have at least one child, while 5% have many. Thus, a marriage is still recognized as the most acceptable and healthiest partnership to start and bring up children in.

Table 3. Real number of children in different family types, %

Number of children	No children	One	Two	Three and more
Marriage (first or repeated)	14*	54*	27*	5
Cohabitation	58*	28*	12*	2

* Statistically significant difference with p-value < 0,001

While reproductive behavior is mostly determined by a real number of children in a family, reproductive objectives and plans show themselves as ideal and desired numbers of children (see Table 4).

Table 4. Ideal and desired numbers of children in a family, %

Ideal number of children	Total	Aged 17-21	Aged 23-30	Aged 33-40
No children	1	2	1	2
One	12	13	9	12
Two	56	56	58	54
Three and more	31	29	32	32

Desired number of children	Total	Aged 17-21	Aged 23-30	Aged 33-40
No children	1	2	1	1
One	16	16	18	16
Two	43	35	43	43
Three and more	17	12	20	18
Missing values, including I have not thought about it yet, I am not sure.	23	35	18	22

4. Discussion

As most respondents confirmed an ideal family must have at least two children, while every third opted for more. 1% of those questioned is sure that a family can still be enough successful if it has no children. In their own families respondents tend to be less focused on having many children, only every sixth is ready to bring up three children, 43% - two children, while every sixth has agreed to have no more than one. The junior age group is seen as the least promising in terms of meeting their reproductive objectives: 33% of its respondents see their future families with two children, while only every tenth accepts a family with many children. This age group also showed the highest numbers of those respondents who have not made theirs decisions yet.

Reasons which prevent respondents from starting any children/having more children vary; however, the most common of them is feeling “fear for their children’s future” (38%). People still remain uncertain of tomorrow and this feeling dramatically affects whether a decision to start a second/third child is taken or not (Chao, 1994). Financial hardships, low income (25%), too much workload which is associated with a birth of a child (12,3%) also force people to keep their reproductive needs under tight control. A child is also seen as a threat to respondents’ career development plans (15%).

Parents always associate child’s birth with some particular expectations. All age cohorts named emotional motive (love, care, participation) as the main driving force which influenced their decision to have a child - 4,2 points (on a 5-point scale where 1 – “low value” and 5 is “high”). Parents also hope to receive adequate help and care from their grown-up children later in life and see them as caregivers who will support them in their senior years (Collins, 2000). To a lesser extent respondents expect a child’s birth to make any dramatic changes in their social status or help them preserve youth for coming years (2.6 points). An approach developed by German researchers (Nauck, 2001) argue that children help parents meet three needs: comfort, respect/prestige and positive emotions (which reflect their «utility»); meanwhile they require financial resources and it determines costs of every child’s birth (Darling & Steinberg, 1993). If children are only seen as a source of positive emotions, having one, maximum two children can fully satisfy this demand. How many children is then enough to secure the highest status and respect for their parents? It largely depends on a particular social environment. If the utility-based approach prevails, then a family definitely need more children as profit grows with every new child who comes into a family. High costs associated with bringing up a child have a negative effect on desired numbers of children they would like to have. In Russia where emotional motivation is still strong enough, economic reasons also come into effect as severe financial hardships associated with a birth of every new child, most probably, may well neutralize all possible benefits, and make parents limit the number of children to the minimum.

A significant difference emerged when respondents from different age groups were asked to voice their fears related to children. The junior group demonstrates the highest scores here as they far more often think children can well limit their opportunities in key life domains (personal and professional) (Gonzales, Cause, & Mason, 1996).

The key reasons behind a decision to give birth to a child include parents’ financial security and wealth (4,7), their psychological readiness for welcoming a child into a family (4,6), which clearly demonstrates high responsibility among potential parents and their staying focused both on family planning and planned children.

Other important reasons given also include balancing partners’ opinions on sharing responsibilities in a family and taking care of a child (3,9 points). Family environments where parents could happily combine upbringing and career development scored lowest (3,1 и 2,8 points respectively). Among all other age groups, the youngest parents appeared to be the most demanding in a situation when a child is born.

Following a birth of a child, respondents do not plan to significantly tailor their educational and professional ambitions as well as their attitudes to partners (2,7 and 2,3 points respectively). To be far more affected are leisure activities, hobbies (3,1 points), meeting friends (2,9 points). As parenthood and employment start to compete with each other, finding a healthy family-to-work balance in an uneasy social and economic environment comes as a new challenge for a family in Russia (Harris, 1998).

An insight into key characteristics of parent-child relationships has revealed that adults may feel uncomfortable and irresponsible as parents; they often treat a child as a source of discomfort and irritation and attribute their own faults in upbringing to him/her. We can identify three different approaches to children.

Table 5. Answers’ average score to the question «How far are you prepared to limit yourself in these activities after the child’s birth?»

Limitations	Total	Aged 17-21	Aged 23-30	Aged 33-40
Hobbies and interests	3,1	2,8	3,1	3,1
Socializing with friends, acquaintances or other people	2,9	2,7	2,9	3,0
Educational or professional goals	2,7	2,3*	2,8*	2,9*
Intimate relationships with a partner	2,3	2,4	2,3	2,3

The table shows the average score of judgements calculated on a 5-point scale where 1 – “not much” and 5 – “very much”. * marks significant difference at p<0,05.

The first position, "Parenthood/child is a source of excitement and positive emotions", is recognized as a norm. A caring parent benefits a lot from being involved into bringing up a child and socializing with him/her. The second, "Parenthood/child is a source of discomfort", is a negative position when parents feel trapped as they have to sacrifice most of their own time and ambitions for their child. Next is «The child is guilty» position and is applicable to the parents who do not feel full responsibility for bringing up a child; instead, they would rather make their own child feel guilty of various problems in upbringing they may experience.

Most parents questioned chose a child-centered (first) position (average value – 4,5); however, a negative position also proved to be commonplace (2,7), the least chosen is a "The child is guilty" position (2,1).

Table 6. Self perception as a parent and perceiving a child

Judgements	Average score
Parenthood/ child –source of excitement and positive emotions	4,5
Parenthood/ child –source of irritation	2,7
Child is guilty	2,1

To deal with a child parents accept both soft and hard parenting tools, the latter may include criticizing, humiliating and shouting at a child, termination of communication with him.

These tools can be found in six types of parents. Among them all only one meets the requirements for the right parenting style, others are referred to as wrong parenting styles/parents types. The first, "involved parenting", means allowing children to share their opinions with parents, providing unconditional support to them, a parent is fully engaged into what a child does. The second, "conflicting parenting", describes situations where children and parents have conflicting opinions, they often quarrel. The third one is accepting a child and encouraging his interests as much as parents can. Next is "strict parenting". The fifth type is "inconsistent parenting" where parents often change decisions and cancel punishments. The final one is "authoritarian parenting" which is characterized by a strict set of rules and expectations which a child must respect (Steinberg, 2001)?.

Only "conflicting parenting" shows a low average value (2,4) which means it is least presented in child-parent interactions. Other parenting styles can be deduced from the opinions of the questioned parents.

Table 7. Style /type of parental communication

Judgements	Average score
1.Involved parent	4,0
2.Conflicting parent	2,4
3.Child-centered parent	4,0
4.Strict parent	3,1
5.Inconsistent parent	2,8
6.Tough/authoritarian parent	2,8

Parenting styles can be partially affected by social-demographic factors (education, gender, age). For example, having a university degree and its effect on parenting is debated. Parents with degrees tend to treat their children rather as a source of irritation/discomfort and this makes them often choose a strict and authoritarian parenting style. Unlike males, female parents are more likely to use «Parenthood/child is a source of irritation/discomfort» position. Meanwhile, male parents choose soft parenting tools less often; instead they prefer to shout at children and humiliate them; they are less involved in child's life and, as a result, they seldom conflict with them. Significant differences can be observed when parents from different age groups are compared. Parents from a junior age group treat a child rather as a source of positive emotions than irritation, they use hard parenting tools less often than their more senior counterparts. As senior parents are less concentrated on children, they seldom behave as authoritarian parents towards them.

5. Conclusion

Transformations in a modern family affect all subsystems of family interaction including parenthood. A married family is still recognized as optimal, most acceptable and healthiest environment to start and bring up children in, however, considering a variety of family environments children are often raised in single-parent, unregistered and repeated marriages.

Russian family still chooses one-child family type. A study into reproductive expectations in different age groups as well as positive and negative motivations behind starting a child proved that a fall in birth rates is likely to continue. Like in most developed countries, in Russia parents see their child as someone who they love and care which explains low birth rates. Financial hardships which most families have to face now and a growing competition between family life and professional development makes the situation ever more painful.

Being a key feature of parenthood variability affects parenting styles in a modern family. Parents treat parental roles differently; they practice various parenting styles and methods and often make mistakes by choosing wrong ones.

Acknowledgments

1. Authors' team in longitudinal survey of family in Germany (2008-launched German Family Panel pairfam ("Panel Analysis of Intimate Relationships and Family Dynamics") and especially to Professor Bernard Nauck (University of Chemnitz, Germany).
2. Performers' team in «Upbringing, parenting and childhood in a modern Russian family» project.

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The Role of Mass Media in Strengthening Intercultural Dialogue and Accord in Society

Olga Nikolaevna Savinova¹

¹ Lobachevsky State University of Nizhni Novgorod–National Research University, Nizhny Novgorod, Russia

Correspondence: Olga Nikolaevna Savinova, Lobachevsky State University of Nizhni Novgorod–National Research University, 603950, pr. Gagarina, 23, Nizhny Novgorod, Russia. E-mail: pr@unn.ru

Received: July 30, 2014 Accepted: September 30, 2014 Online Published: December 30, 2014

doi:10.5539/ass.v11n3p262

URL: <http://dx.doi.org/10.5539/ass.v11n3p262>

Abstract

Intercultural dialogue has an important role. It allows us to prevent ethnic, religious, linguistic and cultural divides. It enables us to move forward together, to deal with our different identities constructively and democratically on the basis of shared universal values. It emerged that no sphere should be exempt from engaging in intercultural dialogue – be it the neighborhood, the workplace, the education system and associated institutions, civil society and particularly the youth sector, the media, the arts world or the political arena.

The questions of the role of Mass Media in providing accord in ethno-cultural sphere and the responsibility of corporate journalist society for the realization of objections set to the press by the Strategy of national governmental politics of the RF are being discussed in the article.

Keywords: the Strategy of national governmental politics of the RF, intercultural dialogue, ethno-political discourse, tolerance

1. Introduction

The dichotomy “Mass Media and tolerance”, “Mass Media and culture” is raising more and more questions nowadays and is a serious reason for contemplation about the mission and function of media in modern society, about the position of Mass Media in preserving original cultures and unity in transforming societies. In the situation of cross cultural and cross confessional confrontation becoming more and more poignant, the research of both foreign (Broun, 2006; Cottle, 2010; Lazarsfeld, 2010; White, Julie, & Newcomber, 2012; Seow, 2005) and Russian (Malkova & Tishkov, 2007; Mass Media in public sphere. The Materials of International theoretical and practical conference “Journalism 2010”, 2011; Tolerance as a Factor of Counteraction against Xenophobia: Managing risks in the Society of Risk, 2011) authors are aimed at finding an answer to one of the most burning questions of today’s society, which is what may be the basis of developing tolerance.

It is evident that tolerance in society cannot be imposed directly but as far as tolerance presupposes first and foremost a dialogue one of the tasks of Mass Media in civil society is exactly the setting of such a dialogue and making out the system of values of a tolerant type. This dialogue must always be held by government and society, state and the institutions of civil society and by different political forces in society itself. One more important factor of this dialogue is the unity of direct and reverse informational relations.

Mass Media reaches of fails to reach the settled purpose if it creates or fails to create the real informational picture of the world, if it serves reason but not instincts which ignite the discord. It is a task of the whole informational society and of Mass Media itself. It is natural, that Mass Media will always try to write about the negative but if it does not see all colours of social, political and cultural relations in society it works against the objections of strengthening intercultural accord.

The 2012 public discussion and the passage of the document basic for multinational and multi confessional Russian society – “The Strategies of State National Politics of Russian Federation” (The Present of the RF decree of 12.19.2012 N 1666 “To the strategy of state national policy of the Russian federation for the period up to 2025”) – has become an important milestone in defining priorities to state institutions’ affairs, the affairs of social organizations, of expert scientific society and Mass Media in the sphere of securing civil unity and cultural diversity development.

In the enacted document it is also mentioned that state national politics is socially determined and has an inter-branch character. One of the objections of the Strategy in the sphere of culture and information is preserving original cultures, historical heritage and traditions of peoples of multinational Russia.

It is exactly in relaying upon Russian traditions of intercultural dialogue where lies the key to understanding and solving a lot of acute problems in ethno cultural sphere. The whole history of our country testifies to the cooperation and co-influence of cultures and traditions of different peoples, and these very historical traditions serve as a basis for the following development of intercultural dialogue.

Thus, the year 2012 was marked by an important date in the history of Russia, which is the 400th anniversary of the feat of arms of militia led by Nizhniy Novgorod elder Kuzma Minin ad Moscow prince Dmitriy Pojarskiy, that saved Russia as a state and as a nationality. Side by side stood in this militia the representatives of different peoples and confessions united though by mutual agitation for the fate of the Motherland.

2. Materials and Methods

In the XVI-XVIII centuries there were a lot of families among Russian noblemen of Turkic origin. For example, the Yusupovs, the Tenishchevs, the Urusovs, who played an important role in political, military and cultural history of Russia.

The great Russian culture has always been attracted by the mysterious world of the East. Oriental subjects have attracted great Russian composers, artists, writers and poets, such as P. Chaykovskiy and A. Borodin, M. Vrubel and K. Brullov, A. Pushkin and M. Lermontov.

A Syrian scholar M. Sakur compared several suras from Koran with Pushkin's lines from "Podrozhaya Koranu" ("Resembling Koran"). The author concludes that Pushkin, being the forefather of Russian literature, was interested in Koran, which touched him to the deepest of his heart.

These ideas of possible cultural synthesis were also reflected by Muslim intelligentsia. It is the activity of both Mirza Fatali Ahundov, a famous Azerbaijan enlightener and writer, and Ismail bey Gaspinskiy, Tatar and Crimean enlightener and the publisher of the first weekly newspaper in Turkic.

The History of Kazan, a universally recognized centre of Muslim culture, is the evidence of how Islam and Orthodoxy, secular and spiritual cultures, East and West have been closely connected throughout a thousand year history of the city.

The dialogue of cultures and traditional religions was laid primordially. It is based upon the similarity of moral and religious dogmas (in reference to the creation of the world, matters of war, attitude to nature, to family values, to matter, etc.), the development of the written language, cultural and literary connections.

A huge role in this intercultural dialogue belongs to the Russian language as to the language of international communication. Suffice it to say that, Cyrillic alphabet, created by the equal-to-the-apostle brothers Kirill and Mefodiy, great Slovenian enlighteners, became the basis of not only Slavonic languages but also of the Tatar language, the Bashkir language and many others.

Only due to the Russian language did the world learn the whole pleiad of names, among which are Ch. Aytmanov, R. Gamzatov, D. Kugultinov, F. Alieva, N. Dumabadze and many others.

3. Results

Historic experience of mutual influence dictates the necessity of following cultural tradition and forming intercultural dialogue under new circumstances. Today it is even more important because of the developing processes of integration, because modern technologies and communicative possibilities "squeeze" time and space, because of Mass Media's developing new forms called to by modern world.

Printed press and Internet-media, which have entered every house, reinforced the dependency between the direction of information and mind, human's behavior. Information has become power over man's psyche. From a communicative tool Mass Media has changed into an independent social and political power and a part of social and political process. The expression "the forth power" is more and more often used without inverted commas together with a new term "mediocracy" coming into use.

Also, this stage of the development of Mass Media coincided with a unique period in the development of Russia and the whole world as well. Both the country and the world are in the state of transformation, in the state of new social order, new system of global economy, new system of international and cross-confessional relations. This formation of the new is as always accompanied by different crises, which is making the role of Mass Media even more prominent and requires of it new qualities and new functions. The most significant of which is facilitating

the overcoming of crises, preventing international discord escalate, forming social tolerance, without which civil peace is impossible.

In Privolzhskiy federal region the examples of positive practice of harmonisation of international relations may be observed, which was underlined in the final resolution of the International Conference (Volzhskiy forum) "Intercultural dialogue and cross confessional cooperation", which took part in Nizhniy Novgorod in September, 2006 during Russian chairmanship in the European Council. A very important role in this process is played by Mass Media. About 7,000 newspapers and magazines, among which 6% are published in 11 languages of the peoples of Russia, are issued in Privolzhskiy federal region, where all traditional world-wide confessions can be found and where three world-wide cultures are deeply intertwined, they being Russian culture, the culture of Turkic peoples and Finno-Ugric culture. It is also significant, that the above mentioned languages are represented not only by those of major ethnoses but also by that part of the inhabitants of the region who constitute ethnical minorities. Thus, in the republics of Mordovia, Mariy Al and Udmurtia some periodicals are issued in the Tatar language. Periodicals in Tatar, Chuvash and Mordvinian are also issued in Nizhniy Novgorod and Kirov regions. In the republics of Tatarstan, Bashkortostan and in Permskiy territory there are some periodicals issued in Chuvash, too.

In the republic of Udmurtia 17 periodicals are published in the Udmurt language. The top of the rating belongs to the newspaper "Udmurt Dunne", which is one of the first national periodicals of Udmurt people and has the status of an official body of the Government and State Council of the Republic. In the republics of Mariy Al and Mordovia radio broadcasting in the Mari, Erzya and Moksha languages is developing actively.

In the republic of Chuvashia the newspaper "Khipar" is the most popular kind of Mass Media in the Chuvash language. In the republic of Mordovia the most popular periodicals are "Chilisema" ("Sunrise"), "Moksha", "Syatko" ("Sparkle") and some others.

The activity of Privolzhskiy Finno-Ugric center in Saransk city and its periodicals "Finno-Ugric Newspaper" (chief editor professor Mishanin), the magazine "Our Home is Tatarstan" (chief editor S.K. Djaksibaev) and a radio channel "Mariy All – radio" (director A.N. Kurmuzakov) are well-known not only in the region or in Russia but also abroad.

4. Discussion

Let us keep in mind, however, that speaking about common tendencies in Mass Media development, it is important to mention that the coverage of international relations in it is not always "bright and sunny" but very often controversial. Modern journalism is a multisided phenomenon which includes political and social press, social and cultural press, and also corporate, glamour or "yellow" press and others. In the situation of making press more commercial-oriented a lot of periodicals have lost their cultural and educational function over-concentrating on relaxation function.

Thus, having such a great enlightenment potential and possibilities of wide and almost immediate influence on public, press, most unfortunately, does not always use these opportunities for the welfare of people, spreading low cultural standards, using the language of "hostility", aggravating xenophobia. According to the institute of ethnology and anthropology of RAS among the acute ethnical topics of Russian Media are the problems of social and cultural development of ethnoses, cross-ethnical and cross-confessional interaction, the problems of ethnical crime in Russia, the coverage of acute cross-ethnic conflicts and uncovering of different forms of ethnical extremism.

Moreover a tendency is being observed that accents and ways to cover ethno cultural and ethno political topics in regional and federal press are rather different. That is way informational space, which builds tolerance and intolerance, is very important to analyze.

The analyses of several regional and federal periodicals, published in the period of autumn and winter of 2010-2011, was carried out by the chair of journalism of Lobachevsky State University.

The main objectives of content analysis were studying qualitative and quantitative markers of the representation of ethno-cultural and ethno-political themes; the analysis of genre variety, of the stylistics and contexts in which the material on the problems of harmonization of international relations are presented; evaluating editorial policy in reference to international relation problematic.

The autumn and the winter of 2010-2011 were remarkable for the well-known events on the Manezhnaya Square in Moskow and for the sharpening of migrofobia in society. We have carried out the content analyses of the publications of this period on pages of magazines "Ogonyek" and "Our home is Tatarstan".

“Ogonyek” is a famous public weekly illustrated magazine. The founder of “Ogonyek” is a closed joint-stock company “Komersant”. Its type rage is 54 and its circulation in the studied period was 62000 copies.

“Our Home is Tatarstan” is a public quarterly enlightenment magazine published in Russian. The founder is the Assembly of peoples of Tatarstan, its type rage is 90, and the circulation is 10000 copies.

The main objectives of ethno political discourse of the magazine “Our Home is Tatarstan” are the problems of relations between nationalities that are present in Tatarstan, migration problems, relations and dialogue of nationalities on an intercultural level. The most prominent titles are “Tatarstan – Azerbaijan: the New Bridge of Friendship”, “Extremism shall not Pass!”, “The History of Tatarstan is the History of Friendship of Peoples”, “Migrants have become more law obedient”, “Guests from Vietnam” (Morozov & Filina, 2010). The magazine does not avoid discussing acute ethno confessional subjects but does it without affectation; sensibly trying to find what unites peoples and does not separate them.

The analyses of publications in “Ogonyek”, however, shows the accentuated attention on describing negative tendencies of “forced coexistence” of different nationalities, a proof to that being the article by Morozov V. and Filina O. “A City without Incomers” (Prilepin, 2010), devoted to the situation in Hotkov, a town near Moscow all guest workers were cast out from. In the article the following expressions are used: “white city”, “ethnical cleaning”. Such famous journalists and writers as Pavel Sheremet and Zahar Prilepin, whose styles are sharp and harsh, are also published in the magazine. Speculating on the events on Manezhnaya Square in his article “Common Blood” Z. Prilepin summarizes that “Every organ is ready to devour another, not realizing that common blood will be spit” (Volkova & Tikhomirov, 2010). In another article “Example to catch” it is said that “a lot of migrants from third world countries have resurrected terminal diseases long passed” (Gubin, 2010). In the article “A Mosque in Fire” aggravating stereotypes is taking place: “Muslims are alien, incomprehensible, dark, frightening”. To the question in a survey “What worries Moscow citizens?” which is supplied, 42% of responders answered that it is traffic jams, 27% answered that it is incomers. Most typical titles in the magazine “Ogonyek” for the studied period are “A Mosque in Fire”, “Merry Sieg Heil to you, too”, “Ghost Mosques”, “Common Blood”, “The Year of Revelation”.

Taking into consideration that today in the centre of attention of Mass Media are topics that never used to be the subject of public discussion, the role of corporate journalism in the coverage of such a tender topic as international relations in modern society is really important to mention (Avralev & Efimova, 2014). And it is on “how our word will be responded to...” that international and cross confessional agreement in society will depend (Thurman & Efimova, 2014).

Therefore, it is not without a reason that among the tasks of informational sphere in the Strategy of national policy of the Russian Federation the necessity of monitoring press and internet-media is underlined (Avralev & Efimova, 2013). The purpose of it is to ban publications aimed at igniting national and confessional discord; to organize regular educational seminars for journalists on the subjects of civil unity and integrity, international and cross confessional relations, ethno cultural development of peoples of the Russian Federation; to organize and to carry out competitions for Mass Media on the best publication devoted to the subjects of international and cross confessional interaction (Avralev & Efimova, 2013).

A balanced well-thought over position of the representatives of journalist community on the questions of international and cross confessional interaction is a very important factor of establishing international and cross confessional accord.

5. Conclusion

Following the tradition of intercultural dialogue in Mass Media is a very important factor of developing tolerance in society.

One of the objections in the sphere of information is monitoring Press and Digital Media no to let out publications aimed at igniting national and religious conflicts.

A carefully thought over and balanced attitude of the representatives of journalist profession in covering the questions of international and intercultural reference is very acute for establishing international and cross confessional unity.

The system of Mass Media is a mirror of social relations. So if dysfunctional elements appear in society they cannot but appear in Mass Media as well. Therefore the correlation of dysfunction in society itself is required.

The assistance of scientific society is required in organizing regular educational seminars for journalists in questions of civil unity and integration, international and cross confessional relations, ethno cultural development of peoples.

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Stereotyping of Americans in Modern International Political Jokes and Anecdotes: A New Reality or an Old Form in New Clothes?

Oksana Romanovna Zhernovaya¹

¹ Lobachevsky State University of Nizhni Novgorod—National Research University, Nizhny Novgorod, Russia

Correspondence: Oksana Romanovna Zhernovaya, Lobachevsky State University of Nizhni Novgorod—National Research University, Nizhny Novgorod, Russia.

Received: July 30, 2014 Accepted: September 30, 2014 Online Published: December 30, 2014

doi:10.5539/ass.v11n3p267

URL: <http://dx.doi.org/10.5539/ass.v11n3p267>

Abstract

The paper deals with one of the topical issues of modern political discourse – “stereotypes”. It addresses the issue of ethnic and cultural stereotypes of Americans and the changes of these stereotypes due to economic and socio-political events which have taken place in the world in the last few decades. It refers to the problem of Russian reading, understanding and interpreting American stereotypes in comparison with other cultures and nationalities. As an illustration the operating experience of the phenomenon of "stereotype" in jokes and political jokes, the perception of the phenomenon of Americans through the prism of anecdotes, the transformation of this phenomenon in the past few decades.

Keywords: stereotyping, political jokes, ethnic identity, national character, interethnic relations

1. Introduction

It's known that stereotypes are generalizations, or assumptions, that people make about the characteristics of all members of a group, based on an image (often wrong) about what people in that group are like. They are caused by intercultural or interethnic contacts, when the most typical characteristics of this or that national group of culture are easily identified (Ovcharov, 2008). It is a social and cultural sphere where the main stereotypes, accepted by a society, are formed in. The word “stereotype” is based on Greek origins meaning “firm, tough, or print, track”; it appeared in the French language (in typographic practice) and found its habitual semantic features of a repetitive but reduced way of reality, containing estimating orienteers (Romashko, 2009). The word stereotype was introduced into science in the European context by American journalist and political scientist U. Lippman as a social and cultural as well ideological notion in 1922 and is interpreted as “a cognitive image” (Thurman & Efimova, 2014).

“Stereotype” – “fixed mental impression”, “a fixed set of ideas about what a particular type of person is like, which is (wrongly) believed to be true in all cases” (The Concise Oxford Dictionary).

Stereotypes have their formal linguistic, mental and behavioral parameters and, being a basic component of a certain society's linguistic worldview, reflect specific for this society interpretation of visual environment (Berezovich, 2009).

In linguistic terms, stereotypes can be perceived as “stable, i.e. repetitive, and not appearing by accident combinations, fixed in collective memory on the level of lexemes” (Bartminskiy, 2009).

The most traditional stereotypes are the ethnic and cultural ones, shared not only within one culture but even broader, the opinions about the typical images of the representatives of different nationalities. S. M. Lipset points out that it's impossible to understand a country without seeing how it varies from others. “Those who know only one country know no country” (Huntington, 2008).

Under an ethnic stereotype, following E. Bartminskiy and E. Berezovich, we understand “a stable complex of naive ideas about some people, nation, reflecting peculiarities of national “xenophobia”.

Ethnic and cultural stereotypes are perceived as examples to correspond to (Avralev & Efimova, 2013). That's why stereotyping ideas about the national character peculiarities actually have an influence on people, stimulating them to form those traits of character reflected in a stereotype (Panin, 2012).

Thus, the paper is focused on the analysis of the formation of national stereotypes of Americans in the contemporary context of social, political, economic, and cultural landscape.

2. Materials and Methods

The principle method of analysis used in the article is an all-round comparative analysis based on a systems approach. The issue of stereotypes formation is studied in its interrelation with economic, political and social changes that have taken place in the world for the last couple of decades. In our research work we used analytical articles and research works of outstanding American, European and Russian scholars and politicians.

Ethnic and cultural stereotypes are seen as an important factor of interethnic relations. The atmosphere, in which there are developed human ties between representatives of different nationalities, between peoples and states, depends on them. As Samuel Huntington writes: "When stereotypes appear, opponents are demonized, and "others" become enemies" (Huntington, 2008). It's particularly acute nowadays, when a lot of people react sharply and negatively to the slightest hint, touching somehow their national identity.

For example, some studies of stereotypes revealed that Americans are generally considered to be generous, friendly and tolerant, but also arrogant, impatient and domineering.

Stereotypes, in which ethnic and national prejudices are reflected, can be expressed in language, for example, in terms of ethnic nicknames. A great number of ethnic nicknames are fixed in the American version of the English language and can be explained by a variety of the US national structure. The basis of stereotypes, distinguished in ethnic nicknames, may form associations, for example, with the skin color (brown skin, darky, Obamian for Afro-American), articles of clothing (a blanket for Indian), cultural peculiarities (coca-cola drinker and hamburger-eater – American) (Novak, 2010).

Speaking about ethnic and cultural stereotypes, it's necessary to highlight the fact that while forming these stereotypes, all mechanisms of stereotyping are revealed most brightly: in spite of the opportunity of empiric cognition of the object (foreign nation), a value paradigm, defined as "we-they", towards it is so strong that it subjectifies an image to the limit and gives maximum possible divergences from rational knowledge (it's known, for example, that a foreigner can be compared to an animal or devil). Therefore, axiologicality of ethnic stereotypes, their belonging to the most ancient world-view basis of culture provides them with a noticeable place in the system of language as well as in folk discourses.

The reflection of national traits of character and behavior of people of any nation in language is very important and a joke or anecdote is seen to be some kind of a cultural project, including not only a system of particular values, norms and principles which exist in any culture, but it is also a way of self-realization of culture, its self-identification. Reading jokes about representatives of different nationalities helps people of various cultures and ethnicities to understand each other better and build intercultural bridges in international communication.

An anecdote is known to fix public life, everyday problems and events very vividly in its short plot, so it's a reaction to a situation, and sometimes it predetermines it. According to M. Novak, "an anecdote is some sort of a cultural project, it's not only a system of some values, regulations, existing in any culture, but also an algorithm, a deep program, which can determine the future of national culture, the ways of cultural self-realization, its self-identification" (Novak, 2010).

In the interview of the "Russian newspaper" the Doctor of Philology, the specialist in folk semiotics, S. Nekludov, outlines that an anecdote is "a very large and multithematic genre. It has neither ethnically forbidden nor religiously forbidden topics. On the 11th of September a dangerous catastrophe happens in America and in two minutes there appears an anecdote about it on the Internet. In this sense, it's a completely cynical genre" (Novoselova, 2010).

Regarding ethnic anecdotes, it's necessary to admit that they are completely based on the stereotype ideas about this or that group of people. These stereotypes, according to S. Ter-Minasova, "not only reflect the most essential and typical traits of people's character, but form them in the eyes of other peoples as well as in their own eyes" (Ter-Minasova, 2008).

In ethnic anecdotes there is expressed an idea of "ethnic inequality" and people's attention is usually drawn to the negative images of "foreigners" as representatives of other races, ethnicities, religions and cultures. The main aim of ethnic anecdotes and jokes is mockery and insult of this or that ethnic group. That's why hyperbolization of ethnic stereotypes seems to be the most widely spread (used) ways of stereotyping mechanisms. These or those anthropological, social, cultural and other distinctive features of ethnicity-victim are assessed as disadvantages and described in jokes and anecdotes in a redundant manner.

Ethnic anecdotes can be of two types – stories about representatives of one ethnicity and stories, containing comparison of representatives of different ethnic groups. The latter is characterized by marking representatives of other ethnic groups as cunning people or fools. Ethnic jokes are not a fixation of a negative society reaction to any alien element, but, on the contrary, an indication of recognizing this social group by this or that distinguishing feature.

3. Results

The most popular source of stereotyping ideas about national characters are so called international jokes, i.e. anecdotes, formed on some pattern plot: “representatives of different nationalities, find themselves in the same situation, react differently to it, corresponding to those traits of their national characters, which are attached to them in the homeland where the joke was formed” (Ter-Minasova, 2008).

A specific characteristic of international jokes is intentional exaggeration of positive characteristics of representatives of your own ethnicity and mocking of peculiarities of behavior, typical of other ethnicities. These peculiarities are subjectively perceived as abnormal, and as a result, funny and silly. It is on the basis of these anecdotes that a famous British sociologist C. Davis formulates his Theory of Ethnic Humor and exposes it in the article entitled “Ethnic Jokes, Moral Values and Social Boundaries”. Paying attention to positive and negative aspects, reflected in traditional anecdotes of the Americans not only about other communities and nationalities, but also about themselves, C. Davis exposes the most common and usual contrasting as “silly-clever”. Describing this contrast, C. Davis also admits that “ethnic jokes and anecdotes are surrounded by such notions as “stupidity”, canniness, sexual behavior” and the traits pointed earlier become apparent in different nationalities while doing most usual banal things – while working, eating, or, for example, during warfare. “Specific peculiarity of American interethnic anecdotes is intending exaggeration of positive characteristics of representatives of their own ethnicity and mocking of peculiarities of behavior, typical of other ethnicities”. “The heroes of anecdotes are of a precedent-related character, i.e. they are of a sort of mythologized ethnic heroes, who have in mass mind specific images, stereotypes and comic standards of behavior which are adequately perceived only by representatives of the nation creating an anecdote” (Davies, 2009).

4. Discussion

The limit of a number of characters in a joke is explained by an obligatory demand for awareness of characters and economy of linguistic means in order to create a comic effect. If 20 years ago collective ethnic names (for example, “a Frenchman”, “an Englishman” or “an American”) were widely used in anecdotes, today they are more often replaced with proper names, names of governmental officials – presidents, prime-ministers and so on.

For example, because of the fact that France was against the bombardment of Iraq in 2003, motivating this by the absence of proof that Iraq possessed weapons of mass destruction, this decision of the French government immediately affected the relations between France and the USA. A traditional combination of heroes in American ethnic jokes about the French is the following: a Frenchman is against an Englishman and an American, and if an Englishman is ironically spoken about, a Frenchman is angrily mocked at:

G. Bush, J. Chirac and T. Blair all go hunting. At the end of the night, they are cleaning their game and having a drink when Tony Blair stands and throws a bottle of whiskey in the air and yells “For Queen and Britain”. He then pulls out a pistol and shoots the bottle out of the air. Chirac stands and throws a bottle of champagne in the air screaming, “Vive la France”. He, too, pulls his pistol and shoots the bottle. George, not to be outdone throws a can of beer in the air and pulls out his pistol. Then he shoots Chirac and yells “It doesn’t get any better than this” (Derbeneva, 2012).

Probably, neither country in the world has so many stereotypes as America nor the Americans have. Each national trait of the Americans, positive or negative, cultural or political peculiarities of the country is reflected in jokes and anecdotes.

When Ralph Ellison said that “the joke is at the center of the American identity”, he also meant that “identity is not a fixed principle, established once and for all, but a fluid masquerade, an ironic display of masks and styles, gestures and titles, which accrue around a space as come to be known as the self” (Ellison, 2003).

So, one of the most popular stereotypes about America is the conviction that the Americans are not interested in other countries, that the Americans are rather provincial people and a lot of them have never been abroad. “Even the majority of American Congressmen have never got a passport for going abroad, that’s why they have a rather provincial view on the world along with the global meaning of America.

There is a “golden” rule in American politics – all politics is local, not even federal. The majority of news and what is of interests to the Americans is something that happens in their neighborhood: a school district, police

district, and town. In this sense America is very self-oriented though it exerts external influence all over the world" (Horosho li zhit v Amerike? Uznay u Nikolaya Zlobina, 2012).

At the same time it's vital to understand that the USA pursues, first and foremost, its own national interests on the global arena and if any state decides to change the current rules of the game set by Americans in the world, it risks becoming an adversary of the US or even a rogue state.

The following ethnic anecdote visually demonstrates this stereotype:

Recently a worldwide survey was conducted by the U.N. The question asked was: "Would you please give your opinion about the food shortage in the rest of the world?" The survey was a huge failure. In Africa they didn't know what "food" meant. In Western Europe they didn't know what "shortage" meant. In Eastern Europe they didn't know what "opinion" meant. In South America they didn't know what "please" meant. And in the USA they didn't know what "the rest of the world" meant (Barskiy, 2009).

The Americans don't like travelling; don't learn foreign languages and other cultures. This stereotype is reflected, for example, in the following joke:

"What do you call someone who speaks three languages? "Multilingual". What do you call someone who speaks two languages? "Bilingual". What do you call someone who speaks one language? "An American" (USA jokes, 2012).

Outside their country, particularly among the Russians, the Americans have a reputation of a rather silly nation, and of course, this conviction is a source of a large amount of jokes in which lack of education of the Americans is criticized, and a comic effect is created on surprise and brevity of a reply:

1. "A Frenchman in Paris asks one tourist:

– Do you want to hear one funny story about stupid Americans?

– I'm American.

– No problems, I can tell this story twice, if you don't understand".

2. "What do you call a person who professionally generates maps of the world? "A cartographer". What do you call a person who studies the global distribution of natural resources? "A geographer". What do you call a person who is ignorant of global geography? "An American".

3. What is the difference between an American and a potato? – A potato is at least cultivated.

4. What do you call an educated person in America? – A tourist (Zalevskiy, 2011).

In spite of the fact that ignorance of the Americans in these jokes is clearly exaggerated, we can't say that they are completely based on a false stereotype. The American educational system is very specialized, directed at market where they need an advanced specialist, but not a person who can talk on any subject. And in this sense there is an impression that the Americans are stupid. Of course, they aren't stupid; they are educated differently, being market-oriented, and today's market requires quality but not quantity of knowledge.

Here is an interesting fact: in 2011 a journal "Newsweek" asked a million of the Americans chosen at random several questions, which are usually answered by immigrants who take the American citizenship test. Almost three quarters couldn't say why there was the Cold War, and 44 % couldn't give a definition of The Bill of rights, which is an inalienable part of the constitution of the country (Borusyak, 2008).

Due to the fact that the process of changing stereotypes is very slow and hard, they tend to change only when reality, which stereotypes reflect, changes. And all these changes refer primarily to the emotional component of a stereotype. The ethnic and cultural stereotype is able to change and evolutionize depending on changing cultural, political and economic factors of a society. The positive aspect of the ethnic and cultural stereotype is its role in the formation of the world of nations.

According to former Russian Prime Minister E. Primakov changes in the US politics are now connected with the fact, that, while recognizing the factor of a multipolar world structure, Americans still see themselves in this system as the only superpower state. These judgments are based on the existing power of armed forces, economy, and political influence in the world (Political jokes, 2012). A political image of America in Russia today is a state, aimed at getting world supremacy, using aggressive military means and playing a role of "the world policeman". It seems that the entire world needs US help, and any military conflict requires its military intervention. Lots of political jokes about America in Russia are connected with these stereotypes. As one American politician said: "We will defend the citizens of the city not depending on whether the city citizens want to be defended or not. We will defend them in any case. We think it is right". The Americans consider it to

be right for one simple reason. Although we are stupid, not well educated, our political system works and there are a lot of countries around us where nothing works (Novoselova, 2010).

For example:

1. Haven't you understood that American democracy is the best? Not yet?! So, we are flying to you!!!
2. The USA is the world sanitary man, it attacks weak and ill countries.
3. If Columbus hadn't discovered America, Iraq would have had fewer problems. Not only Iraq (Political jokes, 2012).

In these jokes the means of the US foreign policy are mocked at, i.e. military intervention and achievement of their own interests under the auspices of the spread of democracy, aspiration of the Americans for hegemony.

The fact that since the beginning of the 21st century Russia has managed to improve its domestic conditions, consolidated and strengthened its power, improved its economy and exerted its international clout on the global stage, it can't but irritate the USA, which still strives for a unipolar world without any Russia's position in it.

According to Foreign minister S. Lavrov the "policy of ultimatums, the philosophy of superiority and domination" run counter to the needs of the 21st century, including the formation of a "polycentric and democratic world order". (Lavrov, 2014)

It should be stressed that the creation of new dividing lines is unacceptable in the world no one has a monopoly on the truth and no one can customize global and regional processes to suit their needs.

Thus, both US foreign policy characterized by double standards and the essence of humor are based on revealing contradictions, an absurd situation, because such jokes reveal ambivalence of any political situation or phenomenon.

It's well-known that the style of any country's foreign policy depends on political leaders (Avralev & Efimova, 2014). In such political jokes not the stupidity of the Americans as a nation but the actions of their military and political leaders are frequently mocked at. As a result, one more stereotype about the Americans in Russia is that they don't like the government, neither theirs', not anyone else's. And they show indulgence for politicians. During the last presidential campaign in the USA there appeared different jokes, such as:

What's the difference between Democrats and Republicans? Democrats remind us that life is unfair, and Republicans make sure it is (Davies, 2009).

Lack of education of some political leaders is shown, for example, in the following jokes:

1. "George W. Bush dies and goes to heaven. At the Pearly Gates, St Peter tells him: "You look like Bush, but can you prove who you really are? Einstein and Picasso both managed to prove their identity". George W. Bush looks bewildered and says: "Who are Einstein and Picasso?" St Peter sighs and says: "Come on in, George".
2. J. Bush found himself in the Paradise. He was brought to the court in front of the God. Being half-educated he can't recall how to address correctly to the God: "God? Jesus?". – "Allah", – God severely gave a hint.
3. It's been reported that British Prime Minister Tony Blair is going to be stepping down next summer. After hearing about it, President Bush said, "Damn, he's the only foreign guy who speaks American" (Political jokes, 2012).

Humor reveals ambivalence of any political situation. When a man experiences a sense of dissatisfaction with political affairs, humor helps to release aggression and strain, feel supremacy over politicians or political elite. J. Orwell said: "Every joke is like a tiny revolution".

Hillary Clinton reports to Barack Obama: "All sanctions on Iraq have been lifted. And there are three pieces of news to be reported – good, bad and very bad. Good news is that the Iraqi administration has formed pro-American security forces and bought US weaponry worth 1 billion \$. Bad news is that the supplier of all weaponry is Russia and very bad news is that it will be transferred through North Korea, Sudan, Syria, Afghanistan and Iran" (Novak, 2010).

In the light of the current Ukrainian crisis and Russia's annexation of the Crimea when the USA and the West accused Russia of supporting the opposition in the southeastern part of Ukraine and the violation of territorial integrity of Ukraine, there have immediately appeared the new jokes on the Internet, which illustrate the absurdity of the US-led Western block.

Angella Merkel calls President Obama: "I have 3pieces of news to be reported on the Ukrainians. We made Russians return the Crimea to Ukraine.

Obama: "Cool of you!"

Merkel: "But Ukraine has become part of Russia".

Obama: "Are you pulling my leg? And what about Maidan?"

Merkel after some pause: "And Maidan is moving to Washington!"

5. Conclusion

To sum up, political humor plays a number of very important functions – It reflects reality, stores cultural heritage and is expressed in stereotypes that reflect the key issues of public consciousness. It helps to form national identity and serves as an indicator of existence of such ethnic identities. It contributes to easing tensions while creating some kind of distance between a man and a situation, thus smoothing interpersonal and intergroup differences and conflicts. Political humor helps to build political bridges and cements political reality, creating imaginary utopia of global equality between elite and the public, strong and weak states. It creates political socialization.

In the last two decades the situation with stereotyping of Americans in Russia has changed from neutral or negative to much more aggressive. It is caused by the fact that process of formation of national stereotypes of Americans is based on the conception that a political image of the USA is, first and foremost connected, with the idea that America is superpower which imposes its style of democratic development on other states and in Russian political jokes America is seen as "a scapegoat" in many world problems.

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Rules of Taxation of Controlled Foreign Companies: A Comparative Study

Milyausha R. Pinskaya¹, Nina I. Malis² & Nicolai S. Milogolov¹

¹ Federal State Budgetary Institution “Scientific and Research Financial Institute”, Moscow, Russia

² Federal State-Funded Educational Institution of Higher Professional Education “Financial University under the Government of the Russian Federation”, Moscow, Russia

Correspondence: Milyausha R. Pinskaya, Federal State Budgetary Institution “Scientific and Research Financial Institute”, Nastas’insky per, 3/2, 127006 Moscow, Russia. E-mail: mpinskaya@yandex.ru

Received: August 26, 2014 Accepted: October 24, 2014 Online Published: December 30, 2014

doi:10.5539/ass.v11n3p274

URL: <http://dx.doi.org/10.5539/ass.v11n3p274>

Abstract

This article is aimed at generalization of foreign practices of taxation of Controlled Foreign Companies in order to solve a problem of capital outflow to low-tax jurisdictions and at further elaboration of recommendations on reforming a concept of tax residence in the Russian Federation. The article summarizes elements of national taxation rules set in such countries as France, Great Britain, Germany, USA, China and Brazil. The article detects shortcomings of the Russian rules concerning Controlled Foreign Companies and suggests ways of their remedy. It makes a conclusion that taking into consideration the Russian environment the rules concerning CFC being elaborated require careful revision with regard to recommendations of Organization of Economic Cooperation and Development which will be made in 2015 within the framework of a “Base Erosion and Profit Shifting” program.

Keywords: profit, double taxation, tax residence, Controlled Foreign Company, offshore, low-tax jurisdiction

1. Introduction

Globalization of economy stimulates development of world trade, however, in most of developed countries in the world lack of proper control and limitation of incoming and outgoing flow of investments has caused the problem of taxable base erosion, referred to as “Base Erosion and Profit Shifting” (BEPS). In order to minimize their tax burden, national companies establish associated foreign companies which don’t fall within the scope of the national tax legislation and distribute their assets, activities and risks between companies located in different countries. In order that resident companies should pay a tax on profit of foreign companies in the country of their residence, countries have elaborated the rules concerning Controlled Foreign Companies (CFC).

Issues of taxation of residents’ arrivals from foreign sources and shift of a taxable base in low-income jurisdiction are extensively clarified both in scientific literature (Artem’ev & Polezharova, 2013; Musaeva, 2013; Musaeva, 2014; Pogorletsky & Sutyrin, 2010; Subpart, 2010; Morgan-Thomas, 2013; Andersson, 2006) and in the field of interstate cooperation (Declaration of the Summit on Financial Markets & the World Economy, 2008, November 15; G’20 Leaders’Declaration, 2013, September, 6.). G20 has delivered relevant suggestions and instructions to Organization of Economic Cooperation and Development (OECD).

In order to solve the problem of BEPS in Russia, an idea of deoffshorization of the Russian economy has been suggested. It means working out government measures aimed at raising barriers for companies applying schemes of tax evasion by means of offshore centers. In 2014 the Ministry of Finance of the Russian Federation started elaboration of the rules concerning CFC (The Law of the Russian Federation “About making alterations in the first and the second parts of the Tax Code of the Russian Federation (as regards taxation of profit of controlled foreign companies and of income of foreign entities)”, 2014), thus giving rise to public debates in scientific and business community.

2. Methods

Legislation concerning CFC considerably differs in different countries, at this it is relies on the same principles. A well-known theoretician of international taxation, Lars Eric Venehead, has elaborated a general rule concerning CFC, comprising the main features of certain rules existing in different countries: “If a company

from one country is controlled by residents of another country who at the same time are members of this company, these persons will pay a tax on the full profit of the company if this profit has been handed to them with the purpose of tax evasion" (cited by: Andersson, 2006).

This rule comprises three key conditions which should be observed in order the rule concerning CFS will have effect. There should be: (1) a foreign company (2) controlled by a resident and (3) profit handed to the foreign company in order to evade taxes. In case the three conditions are observed the resident pays the tax on profit of the foreign company in the country of his residence.

Theoretically possible variants of different elements of the rules concerning CFC are described in Table 1.

Table 1. Variants of the rules concerning CFC

An element of the rule concerning CFC		Possible variants
A foreign company		An organization with a separate and independent status for taxation; Unincorporated ventures (societies, trusts, partnerships, associations and etc.)
Control	Control implementation	Ownership of certain capital share, voting shares or dividend entitlement
	A controller	A natural person, partnership, organization, association or a public body, a group of mutually dependent persons
Profit transferred in order to evade taxes		A method of transactions analysis – only passive income is subject to tax A method of jurisdictions – profit transferred to countries from a "black list"
Detection of a taxable base of a CFC	A moment of base incurrence	A moment of transference of CFC profit
	Procedure of the CFC base detection	Rules of a country of taxpayer's residence Rules of a country of CFC's registration
	CFC profit qualification	Nominal dividends Profit from operations

Let us carry out a comparative study of rules concerning CFC existing in developed countries and the rules being elaborated in Russia. For the purposes of this article we outline the following elements of the national rules of taxation established in different countries:

- 1) A system of taxation of resident companies profit (geographically-based or universal);
- 2) what companies can be classified as CFC;
- 3) a mechanism of detection of the presence of control;
- 4) a way of detection of profit transferred in order to evade taxes;
- 5) a mechanism of elimination of double taxation (profit analysis; jurisdiction analysis);
- 6) exemption from the rules concerning CFC;
- 7) profit qualification and possibility to integrate a taxable base of a CFC with that of its member;
- 8) administration of the rules concerning CFC.

Let us consider special aspects of the rules considering CFC, set in such countries as France (Gutmann & Meziane, 2014; France International tax highlights, 2014), Great Britain (United Kingdom International tax highlights, 2014), Germany (Germany International tax highlights, 2014; The Guide to Controlled Foreign Company Regimes (updated as of January 2014), 2014), USA (The Guide to Controlled Foreign Company Regimes (updated as of January 2014), 2014; USA International tax highlights, 2014), China (The Guide to Controlled Foreign Company Regimes (updated as of January 2014), 2014; China International tax highlights, 2014) and Brazil (The Guide to Controlled Foreign Company Regimes (updated as of January 2014), 2014; Brazil International tax highlights, 2014), and the rules being elaborated in Russia (The Law of the Russian Federation "About making alterations in the first and the second parts of the Tax Code of the Russian Federation (as regards taxation of profit of controlled foreign companies and of income of foreign entities)", 2014), taking into account the above stated elements.

More detailed rules concerning CFC existing in France, Great Britain, Germany, USA, China and Brazil and those being elaborated in Russia are described in Appendix 1.

3. Results

3.1 Comparison of Entities Falling within the Scope of the Rules Concerning CFC, the Mechanism of Detection of Control and the Method of Profit Detection

1) In the world there are two systems of profit taxation of resident companies: universal and geographically-based.

In Germany, USA, China, Brazil and Russia the universal system is in effect. In particular, in Russia the organization profit tax is imposed on: income of Russian organizations from sources all over the world; income of foreign organizations from activity in Russia through permanent representative offices; passive income of foreign organizations from sources in the Russian Federation. Countries with the universal system of taxation are entitled to impose taxes on income of their residents and their permanent representative offices all over the world and the rules concerning CFC are one of their tools to detect such income and impose a tax on it.

France and Great Britain have to make an exception in their geographically-based system and impose a tax on income of CFC according to the universal taxation system. For instance, in France permanent missions are subject to taxes.

2) The rules concerning CFC basically covers foreign subsidiaries, but in many cases have effect also for different unincorporated entities which are established according to foreign legislation and can be used for tax evasion, as well as permanent representative offices.

In all the countries subsidiaries from studied countries can be possibly considered to be controlled. The rules concerning CFC apply to permanent representative offices in France and Great Britain. In France, apart from subsidiaries, profit and non-profit organizations, trusts, association, partnerships, consortiums, fiduciary agreements and etc. can be considered to be controlled. In Brazil these rules apply to affiliated companies. Though the rules concerning CFC in Germany do not apply to various unincorporated entities, these entities, if established for tax evasion, are subject for additional rules preventing abuse.

3) In studied countries mechanisms of control detection for the purposes of the rules concerning CFC, are different. Controllers can be represented both by natural persons and companies and in France and Great Britain – only by companies. At this in any case one of the variants of detecting the fact of control over a foreign company is detection of a share in the foreign company. A limit of participation is from 50% (France, Germany and USA) to 10% (China). The limit of 10% is established in China for the cases when only one associated person is a member of a controlled foreign company, while in case of communal ownership a limit of 50% exists. In France and in Germany the limit may be pulled down to 5% and 1% respectively subject to certain conditions (if a company is engaged in certain financial transactions). In Brazil the fact that “an investor has significant influence and a right to make decisions concerning a company” (Brazil International tax highlights, 2014) is also a crucial factor to acknowledge the presence of control.

4) Since the rules concerning CFC are aimed at struggle against tax evasion by means of profit transfer to a foreign company, the most important part of the rules concerning CFC is a method of detection of profit transferred for tax evasion. For this purpose methods of transaction analysis and of jurisdiction can be used, and many countries apply both of them simultaneously.

In France, China and Brazil the whole profit without division into passive and active is taxable according to the rules concerning CFC. In Germany, Great Britain and USA taxes are imposed only on a part of CFC profit.

In case of the method of jurisdiction a “black list” is not used for detection of profit transferred for tax evasion in any of the considered countries and a “white list” exists only in China. Instead legislation concerning CFC stipulates a minimum effective interest rate for a profit tax. If in a CFC’s country this rate is lower, the company is subject to taxation. Thus in France the rule is applied to all countries where the efficient interest rate for the tax profit is equal to 50% or lower than in France. In Germany the rule is applied to all countries where the efficient interest rate for the tax profit is less than 25%. In China the rule is applied to all countries where the efficient interest rate for the tax profit is less than 25%.

3.2 Comparison of the Mechanisms of Double Taxation Elimination, Exemption and Administration

5) In these countries there are mechanisms of elimination of double taxation of CFC’s profit. First of all, they include a possibility of deducting a tax paid in the country of a CFC from the base, and, secondly, no repeated taxation of CFC’s dividends in case they are distributed after taxation in the framework of the rules concerning CFC. In all the countries considered the tax paid in the country of a CFC is deducted.

In order to prevent repeated taxation of dividends it is necessary to have full or partial participation exemption of dividends gained from foreign subsidiaries. This rule exists in France, Germany and Great Britain, but is lacking in the other chosen countries. In USA dividends gained by a mother company from a CFC are free from taxes after its profit taxation within the scope of the rules concerning CFC, since they are classified as “formerly taxed profit”. In China dividends gained by a mother company from a CFC are free from taxes after its profit taxation within the scope of the rules concerning CFC. In Brazil participation exemption is in effect only with regard to dividends gained from Brazil companies, while dividends gained by the mother company from a CFC are exempted from taxes after its profit taxation within the scope of the rules concerning CFC.

6) Exemption from the rules concerning CFC is a key element of the rules concerning CFC since it helps to separate companies using their foreign branches for business purposes from those using them with tax motives. In Germany and France the rules concerning CFC are not applied to companies from EC members (excluding using artificial structures). This is aimed at compliance with the supernational legislation existing in all EC members.

In Great Britain companies with income by 10% or less exceeding costs of organizations from a number of countries (mainly those where a tax rate is higher than 75% of the British) or organizations which have already paid a tax equal to 75% or higher than the British one are exempt from their taxpaying duties within the scope of the rules concerning CFC. Besides, there is a special system of exemption for financial companies.

In France profit of a CFC is exempt from taxation if it has been gained from some activity (but no more than 20% of profit has been gained from activity related to holding management, granting a loan on one's own behalf or on behalf of associated organization as well as to granting licenses, rights and intangible assets). At this the burden of proof that the profit has been gained from some activity is practically imposed on a taxpayer.

In a number of countries a minimum limit of income of a CFC is stipulated. In case it is surpassed the company falls into the scope of the rules. These measures are taken for reasons of tax administration.

7) For taxation purposes qualification of CFC's profit as nominal dividends or as profit from operation influences: the amount of a tax rate (it is generally lower for dividends), the conflict between the rules concerning CFC and a Treaty on prevention of double taxation, as well as a possibility of integrating the taxable base of a CFC with the internal tax base. Different countries apply different approaches.

In France and Germany for the taxation purposes profit of subsidiaries is considered to be “nominal dividends” and can't be integrated with the taxable base of a taxpayer. In France profit of permanent representative offices is acknowledged as profit from operations and can be integrated with the base of a taxpayer, while in Brazil such profit can optionally be integrated or not integrated with the base of a taxpayer.

8) Administration of the rules concerning CFC is one of the most complex element of exercising the rules concerning CFC, since for their efficiency well-functioning mechanisms of information exchange between tax authorities from different countries are required. In all the considered countries there exists a duty to notify of participation in a CFC, and for the taxation purposes profit of a CFC is calculated according to local rules. In Great Britain there is a duty of regular reporting profit transferred to a foreign company in statements and carrying out tests defining whether the foreign company is a CFC. In USA there are strict requirements for keeping and delivering reports concerning CFC and heavy fines for their violation. In China a taxpayer fills in an annual statement of foreign investments and a tax authority defines the fact of CFC existence.

4. Discussion

The best foreign practices are subject to close examination in the course of elaboration of the Russian rules concerning CFC. The main point of the rules concerning CFC is that in the Russian Federation a tax resident of Russia (both a legal entity and a natural person) should pay a tax on retained profit of controllable offshore organizations and entities which do not pay dividends.

Most of typically used business structures would be affected by the proposed CFC legislation (see figure 1).

As we can see from figure 1 typical structures used by Russian business include a high tax jurisdictions (usually Cyprus, Luxembourg and Netherland) which have tax treaties with correspondent offshores. All these intermediate jurisdictions can be caught by proposed CFC rules because they would not pass “effective rate” test.

At this it is offered to establish “loose” rules concerning CFC which will stipulate taxation of organization profit in “another” state in case this organization complies with requirements of CFC. The French practice has shown that similar conflict between the “loose” rules concerning CFC and the Treaty on prevention of double taxation concluded according to the pattern of an OECD model convention caused well-known legal proceedings

between France and Switzerland (Schneider Electric). After this the CFC profit started to be qualified as “nominal dividends” and the rules were applied mainly on artificial structures (Lauritzen & Lif, 2005).

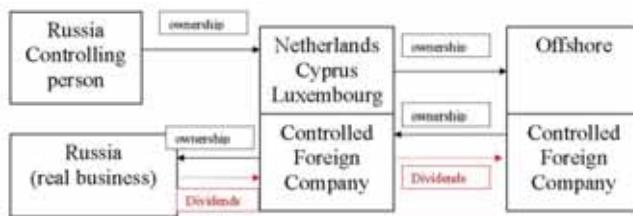


Figure 1. Typical offshore structures of Russian business

It is considered to be reasonable to use a “black list” of jurisdictions with which the Russian Federation has no such treaties for the purposes of the rules concerning CFC and to introduce more tight rules CFC. As far as it regards countries with which the Russian Federation has concluded Treaties on prevention of double taxation, it is reasonable to use these treaties as a tool for struggle against tax abuse. Such possibility is stipulated by these treaties. A separate article of BEPS program (Public Discussion Draft BEPS Action 6: Preventing the Granting of Treaty Benefits in Inappropriate Circumstances. OECD, 2014) is dedicated to study of this possibility. Instead of the “loose” rules concerning CFC the rules aimed at struggle against artificial structures set for tax evasion, should be applied.

It is supposed that profit of CFC should be qualified as “nominal dividends”, since it accords with its economic substance, and consequently apply the rate used for dividends. Besides qualification of CFC profit as “nominal dividends” will prevent a potential conflict between the rules concerning CFC and article 7 of the Treaties on prevention of double taxation concluded by the Russian Federation and applied to profit from business activity but not to dividends. It is necessary to include into a taxable base only passive CFC profit, since it accords with the above stated approach of transactions analysis (active profit has been gained from certain activity but not for abuse).

Among drawbacks there should be also noted a too low limit for notification and for payment of the tax on CFC profit (1 and 10%) and a high level of additional administration load on business due to the need of translation of CFC’s financial statements into Russian, mandatory auditing, a complex procedure of profit calculation (active and passive profit separately).

5. Conclusion

To prevent transferring profit gained as dividends, interest or royalties, of resident companies to a foreign company located in a country with a favourable tax regime, the countries elaborate the rules concerning CFC based on the similar principles.

Nowadays in the Russian Federation the rules concerning CFC are actively elaborated with due regard to the positive practice of developed foreign countries. For comparison of the Russian rules concerning CFC with the best world practices we have chosen countries applying different taxation systems: geographically-based (France and Great Britain) and universal (Germany, USA, China and Brazil).

The Russian rules being worked out do not fundamentally differ from the foreign ones, but are significantly worse elaborated. In particular, they stipulate taxation of profit of a company located in another state if the company can be qualified as a controlled foreign company. Such a procedure conflicts with the concluded treaties on prevention of double taxation.

The above stated recommendations can be used in case of making a decision to introduce a law concerning CFC for approval by the State Duma of Russian Federation in 2014. However, we consider adoption of the law concerning CFC to be untimely since introduction of this measure should be elaborated more thoroughly. In 2015 the problem of CFC will be considered within the framework of BEPS program and it seems reasonable to wait for OECD recommendations concerning this issue. Besides regarding economic sanctions imposed by EC members and USA on Russian companies, introduction of the rules concerning CFC can cause additional problems for these companies in the course of their activity on the world’s markets.

The Russian rules concerning CFC are in the course of elaboration, they have not been yet adopted as a regulatory act that is why it is impossible to assess positive and negative consequences of their application.

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Appendix

Appendix 1. The rules concerning CFC existing in France, Great Britain, Germany, USA, China and Brazil and those being elaborated in Russia

A country	France	Great Britain	Germany	USA	China	Brazil	Russia
1) A system of profit taxation of resident companies	Geographically-based	Geographically-based	Universal	Universal	Universal	Universal	Universal
2) Companies which can be classified as CFC	Subsidiaries, permanent representative offices, profit & non-profit organizations, trusts, associations, partnerships, consortiums, fiduciary agreements & etc.	Subsidiaries, permanent representative offices and foreign companies	Subsidiaries and foreign companies	Subsidiaries and foreign companies	Subsidiaries and foreign companies	Subsidiaries, associated companies and foreign companies	Subsidiaries, foreign companies, foreign organization and unincorporated entities
3) A mechanism of control detection (limits of ownership and a subject of control (organizations, natural persons, entities))	The limit of ownership—50% (may be lowered to 5%). Controlled by a French company; associated persons – residents of France.	The limit of ownership—25%. Controlled by a company; associated persons – residents of Great Britain.	The limit of ownership—50%, (may be lowered to 1%, if a company is engaged in certain financial transactions). Controlled by a company or a natural person; associated persons – residents of Germany.	The limit of ownership—50%. Controlled by a natural person or a company; associated persons; trusts, societies and etc. – residents of USA.	The limit of ownership—10% (owned by one person) or 50% (collectively). Controlled by a company, or a natural person; associated persons – residents of China.	The limit of ownership – an investor has significant influence & a right to make decisions concerning the company or he owns a share over 20%. Controlled by a company or a natural person; associated persons – residents of Brazil.	The limit of ownership—10%. Controlled by a company or a natural person; associated persons – residents of Russia.
4) A method of detection of profit transferred for tax evasion (a transactions analysis approach; a jurisdiction approach)	Full profit is accounted without division into passive and active. The rule is applied to all countries where an efficient interest rate for a profit tax is equal to 50% or lower than in France. No “black” and “white” lists.	The sum of taxable profit is calculated by an established procedure including analysis of: 1) existence of non-tax motives of a CFC; 2) presence of assets managed from Great Britain; 3) dependence of a CFC from a company in Great Britain; 4) duties of important persons in a company with regard to CFC's assets and risks. The rules are applied to all countries. No “black” and “white” lists.	Only passive profit is taken into account. The rule is applied to all countries where an efficient interest rate for a profit tax is lower than 25%. No “black” and “white” lists.	The tax is imposed on the following types of profit: 1) underwriting profit; 2) profit of a foreign core company (including profit from dividends, interests, royalties, rental income, some types of income from transactions with associated persons; some types of income from oil transactions; 3) profit gained in countries on which sanctions are imposed; 4) illegal payments to foreign agents or governments. No “black” and “white” lists.	Full profit without division into passive and active. The rule is applied to all countries where an efficient interest rate for a profit tax is equal to 50% or lower than in China. There is a “white” list.	Full profit without division into passive and active. No “black” and “white” lists.	Only passive profit. The rules concerning CFC are applied to all countries where an efficient interest rate for a profit tax is equal to 75% or lower than in Russia. There is a “white” list.
5) A mechanism of double taxation elimination (deduction of a tax paid in the country of a CFC and exemption of dividends distributed from profit).	A sum of the tax paid in the country of a CFC is deducted from taxable profit of the CFC. Participation exemption (the limit of participation is 5%).	A sum of the tax paid in the country of a CFC is deducted from taxable profit of the CFC. Participation exemption (the limit of participation is 10%)	A sum of the tax paid in the country of a CFC is deducted from taxable profit of the CFC. If the CFC is located in a country which doesn't provide information according to the OECD requirements, the costs are not deducted. Participation exemption (the limit of participation is 5%) (the minimum limit of participation).	A sum of the tax paid in the country of a CFC is deducted from taxable profit of the CFC (only for companies, but not for natural persons). In general cases there is no participation exemption, but dividends gained by a mother company from a CFC after its profit has been taxed within the scope of the rules concerning CFC, are exempt from the tax since they are qualified as “formerly taxed profit”.	A sum of the tax paid in the country of a CFC is deducted from taxable profit of the CFC. Participation exemption only with regard to dividends gained from Brazilian companies. At this, dividends gained by a mother company from a CFC after its profit has been taxed within the scope of the rules concerning CFC, are exempt from the tax.	A sum of the tax paid in the country of a CFC is deducted from taxable profit of the CFC. Participation exemption only with regard to dividends gained from Brazilian companies. At this, dividends gained by a mother company from a CFC after its profit has been taxed within the scope of the rules concerning CFC, are exempt from the tax.	A sum of the tax paid in the country of a CFC is deducted from taxable profit of the CFC. Participation exemption (the limit of participation is 50%).

						the tax.	
6) Exemption from the rules concerning CFC	EC companies (excluding cases when artificial structures are used) are exempt. Profit of CFC gained from certain activity (but not exceeding 20% of profit gained from holding management, granting a loan on its own behalf or on behalf of associated organizations, as well as granting licenses, rights and intangible assets) is exempt. A company is exempt, if it is located outside EC and can prove that it is established with purposes other than tax evasion.	Companies are exempt with taxable profit below 50,000 pounds or with taxable profit below 50,000 pounds but the profit has been gained through non-trading activity and is below 50,000 pounds. Companies with income exceeding costs by 10% or less. Organizations from a number of countries (mainly those where a tax rate is more than 75% of the British rate), as well as organization which have already paid the tax equal to over than 75% or more than the British tax rate. A special system of exemption for financial companies.	Companies from EC, trusts for real estate investments, certain types of investments.	Profit which have already been taxed according to a high efficient rate and profit of securities dealers. Certain types of income gained from CFC (not passive or income according the principle "pass-through" taxation in compliance with temporary provision in force since January, 1, 2014).	Companies from a "white" list and those CFC whose profit has been gained from certain activity or with annual profit below 5 million of yuans (about 0.58 million Euro).	None	Companies with shares at a number of exchanges. Companies with shares of their controllers at a number of exchanges. Non-profit organization distributing the gained profit. Companies from members of Eurasian Economic Union. Companies from countries of a "white list" where an effective rate is by 75% higher than the Russian rate.
7) Profit qualification and a possibility of integration of the taxable base of a CFC with the taxable base of a participant (nominal dividends or profit from operations; deduction of the costs of a CFC from income of the person and etc.).	Profit of subsidiaries is assumed to be "nominal dividends" for the taxation purposes and CFC's profit can't be integrated with the taxable base of a taxpayer. Profit of permanent representative offices is assumed to be profit from operations and can be integrated with the base of a taxpayer.	CFC's profit can be integrated with the base of a taxpayer.	Profit of subsidiaries is assumed to be "nominal dividends" for the taxation purposes and CFC's profit can't be integrated with the taxable base of a taxpayer. Profit of permanent representative offices is assumed to be profit from operations and can be integrated with the base of a taxpayer.	CFC's profit can be integrated with the base of a taxpayer.	CFC's profit can be integrated with the base of a taxpayer.	CFC's profit is considered to be the profit from operations and can be optionally be integrated or not integrated with the base of a taxpayer. Profit of a CFC from a "black list" (tax haven) and "grey list" (countries not sharing information) can't be integrated.	CFC's profit is considered to be the profit from operations for the taxation purposes. CFC's profit can be integrated with the base of a taxpayer.
8) Administration (the rules of profit calculation: local legislation or legislation of the country of a CFC; a duty to notify of participation in a CFC)	Profit is calculated according to the rules of the local legislation. A duty to notify of participation in a CFC.	Profit is calculated according to the rules of the local legislation. A duty of regular reporting profit transferred to a foreign company in statements and carrying out tests defining whether the foreign company is a CFC.	Profit is calculated according to the rules of the local legislation. A duty to notify of participation in a CFC.	Profit is calculated according to the rules of the local legislation. A duty to notify of participation in a CFC. There are strict requirement concerning keeping and delivering reports with regard to a CFC (there are heavy fines for their violation).	Profit is calculated according to the rules of the local legislation. A taxpayer fills in an annual statement on foreign investments and the tax authority detects a fact of CFC existence.	Profit is calculated according to the rules of the local legislation. A duty to notify of participation in a CFC.	Profit is calculated according to the rules of the local legislation. A duty to notify of participation in a CFC.

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The Balanced Scorecard as a Basis for Strategic Company Management in the Context of the World Economy Transformation

Mihail Nikolaevich Dudin¹ & Evgenia Evgen'evna Frolova²

¹Russian academy of Entrepreneurship, Moscow, Russian Federation

²Department of the entrepreneurial and the antimonopoly law of the Far Eastern Federal University, Vladivostok, Russian Federation

Correspondence: Mihail Nikolaevich Dudin, Russian academy of Entrepreneurship, Radio str., 14, Moscow, 105005, Russian Federation. E-mail: dudinmn@mail.ru

Received: September 10, 2014 Accepted: October 24, 2014 Online Published: December 30, 2014

doi:10.5539/ass.v11n3p282

URL: <http://dx.doi.org/10.5539/ass.v11n3p282>

Abstract

The objective of this article is to develop a common methodological concept of creating the Balanced Scorecard (BSC) and the determination of a set of key performance indicators for manufacturing type companies. Authors came up with the following conclusions.

- Efficient business management under contemporary conditions becomes a complex task. Within this task, managers must not only timely identify capabilities of the external environment, but also look for internal growth reserves. When applying these reserves, manager should take into account the evolvability of the company and possible threats to the company development.
- There are many ways, methods and approaches to improve the strategic business management of contemporary companies. At that, the technique, which is based on the Balanced Scorecard, remains the most appropriate approach to build and structure company business management, as well as elaborate the long-term development strategy.
- The Balanced Scorecard is a special set of indicators that are of equal importance for analyzing and evaluating the operation and business development of companies. The Balanced Scorecard is focused on meeting the information needs of strategic planning and management.
- Created Balanced Scorecard must meet the basic requirements for managerial information, as well as show the development dynamics of all functional subsystems and business areas. Besides, the Balanced Scorecard should be adaptive and able to be updated when changing exogenous trends or shifting paradigm of managerial decisions;
- The Balanced Scorecard can be used not only in the strategic management of large companies, but can also be used by small and mid-sized companies. Small and mid-sized businesses can use a limited number of indicators, most important to make sound and rational managerial decisions.

Keywords: balanced scorecard, key performance indicators, strategic management, business process, company development

1. Introduction

Global changes occurring in the world economy, determine the priority of knowledge and intellectual capital as the main drivers of sustainable economic growth of contemporary businesses (Schinasi, 2014). Formation of postindustrial economic relations is a systematic evolutionary process (Sternetal, 2001), which demonstrates the intrinsic differences between the traditional and innovation-oriented business development. Physical capital of companies (tangible assets), which was significant for the traditional type of business organization and management, gives primacy to management intellectualization and innovativeness (Bose, 2007). Accordingly, new tasks on business development management rise to the fore. Among these new key objectives we make the emphases on the following:

- timely identification of emerging capabilities for business growth and possible threats to company development that correspond to these capabilities (Nickols, 2011);

- maximizing economic value (economic value added), which creates a business, both for the company and for its stakeholders (Stewart, 1991);
- increasing and stimulating the growth of actual competitiveness due to the reorientation of business processes from the company needs to the needs of its customers (Dudin et al., 2014);
- search for financial and knowledge-based reserves for company business growth and development, focused on long-term strategic perspective (Adrianetal, 2013).

Solution of above tasks on company strategic management in today's conditions cannot be achieved using conventional managerial approaches, based on the normative planning, hard hierarchical budgeting, and deferred (reactive) response to events that had already occurred in the external environment. Traditional managerial approaches do not allow the manager to compose a full and straight pattern of the business functioning environment. This significantly impairs the development of the optimal strategy of the company development (Nedelea, 2009). In the context of post-industrialization, problems on company strategic management are usually approached through indicative planning, adaptive budgeting, as well as proactivity and anticipation of changes in external environment (Schinasi, 2014). These four aspects characterize the specifics and peculiarities of contemporary strategic business management and require the use of new tools. One of these tools, successfully tested and proven in practice, is the Balanced Scorecard (Rompho, 2006).

2. Methodology

This work is based on principal methodical provisions of the Balanced Scorecard. The Balance Scorecard, proposed by Robert S. Kaplan and David P. Norton in 1992 (Kaplan, 2006), takes into account four key aspects of the contemporary company operation: finance, customers, business processes, training and development. The core of the Balanced Scorecard is to formulate a financial strategy of an industrial corporation in several perspectives, setting strategic goals and measuring the degree of achievement of these goals by means of key performance indicators. One should understand that traditional accounting and controlled performance indicators of the company business (such as, in particular, the investment behavior, the statistical cost of capital, payback period, return on operating activities, etc.) do not allow management to get a clear and comprehensive pattern of the company development and factors affecting the quality and sustainability of this development.

According to R. Kaplan and D. Norton (Kaplan, 2006), the Balanced Scorecard is not so much a single one-dimensional managerial tool, allowing for the measurement of business performance, as the new management paradigm. This paradigm allows company top-management not only to develop and formalize the optimal development strategy, but also to form the basis for feedback between both the company business processes, and their performers. This, in turn, directs the entire business management system to achieve the set target strategic results.

The word "balanced" in the title means the equal importance of all indicators for the development of the company strategy. In terms of methodology, the Balanced Scorecard is a clear and formalized definition of basic criteria values, characterizing business performance efficiency (key performance indicators, KPI). At that, criteria values are itemized depending on the levels of management and business units. Also, all the tasks to be implemented by managers and employees in order to achieve desired results are specified. We can therefore conclude that the Balanced Scorecard of D. Norton and R. Kaplan is focused to a greater extent on the development of basic corporate strategies of contemporary companies. In other words, the Balanced Scorecard is the most important and powerful tool for strategic business management.

3. Results

The number of companies, which are using the Balanced Scorecard for strategic planning and management, developed by D. Norton and R. Kaplan, increasingly grows. Based on some data, at the beginning of the 2000's, about 44% of companies in North America used the Balanced Scorecard for strategic planning and management (Bontis, 2003). According to data of 2005, about 35% of large and extra-large companies in Europe and Asia also began to use the Balanced Scorecard for the purpose of strategic planning and management (Effective Performance Management CIMA, 2005). Also, it is worth noting that the Balanced Scorecard is usually used by companies, whose business is characterized by high capital intensity (Effective Performance Management CIMA, 2005). This is fairly justified by the fact that significant investment volumes in company business development require not only control over the use of capital, but by the fact that investors, who invest their financial resources in the business development, are interested in the growth of their own economic benefits and economic benefits generated by the business, as well as obtaining positively evaluated social effects. That is why the strategic management of capital-intensive business is gradually moving from the traditional managerial tools, based on

individual indicators, towards the Balanced Scorecard, and determination of key performance indicators in relation to business processes. Using the Balanced Scorecard in strategic business management allows large companies to prioritize development in the long-term perspective (Holsapple, 2004), determine the resources required, as well as to avoid unnecessary resource immobilization and to increase in general business agility and adaptability (Wheelenetal, 2006).

Although not without reason, critics of the Balanced Scorecard methodology indicate that the BSC is used less frequently in average-sized business companies, and is almost never used in small companies. This circumstance can be explained by the following reasoning.

- First, the Balanced Scorecard requires comprehensive information support, because the tool is based on a set of controlled indicators, characterizing the efficiency of various spheres of company operation and development. Small and mid-sized businesses, due to limited financial resources, cannot afford themselves to use the special information management systems that require powerful software platforms. Development of the Balanced Scorecard and monitoring of key performance indicators in the manual mode does not give the desired result;
- Secondly, not all mid-sized companies and most small companies can formulate and clearly formalize the concept of their business development strategy in the medium-term and long-term perspectives. This means that small and mid-sized businesses cannot answer the key methodological issues of the Balanced Scorecard: what position in the business space is occupied by the company at the moment, how the management characterizes company positions in the future, and what should be done to achieve the results;
- Third, on the one hand, small and mid-sized businesses have a higher ability to adapt to sudden changes of external environment compared to large and extra-large businesses. But at the same time, small-sized and mid-sized businesses have significantly less abilities to preserve the sustainability of economic growth and development in the long-term perspective.

In addition, the development of the Balanced Scorecard and the determination of the key performance indicators require modeling and formalization of business processes (Charlessetal, 2007). As a rule, in small business companies, there are two basic business processes, namely the main business process and managerial business process. In mid-sized companies, there are more core business processes, though at the same time, their modeling is complicated by the fact that some business processes are deeply integrated, because the responsibility for their implementation is assigned to an employee (or employees team), who usually combines several areas of responsibility. Therefore, at present the Balanced Scorecard and the assignment of key performance indicators to business processes is largely a tool for strategic planning and management in large (national) companies and extra-large (transnational) companies.

Small and mid-sized companies can use certain methodical aspects of the Balanced Scorecard and determine key performance indicators in planning for the long-term perspective (Addyetal, 1994). But it would be more correctly to use a limited number of factors and indicators, namely those, which reflect the key trends of business operation and development within the given competitive conditions, resource provision and undertaken business risks.

4. Discussion

Popularity of the Balanced Scorecard, as contemporary technique for company strategic planning and business management can be attributed to a combination of causes. In particular, the Balanced Scorecard and set key performance indicators have greater flexibility and adaptability (Abell & Oxbrow, 2002) in regard to a changing external environmental trends and, accordingly, to changes made in regard to the company's strategic development plans. Besides, the Balanced Scorecard is applicable in large non-profit organizations, as well as in state-owned enterprises (Johnson & Beiman, 2007), i.e. it may include not only economic indicators, but also social performance indicators of business processes. Using not only economic but also social key performance indicators allows commercial organizations to obtain comprehensive and relevant information about the specifics and trend of company socio-economic development that includes company knowledge (intellectual capital), as well as human and material resources (Niven, 2012).

It is worth noting that the Balanced Scorecard can integrate any aspects of operational management and development of the company business. In particular, for companies focused on continuous improvement of the quality of their activities and products, the Balanced Scorecard may include key performance indicators of quality management processes.

In this case, the Balanced Scorecard integrates quality management philosophy, based on the TQM (Total Quality Management) concept. The integration of quality philosophy and the Balanced Scorecard define the key

performance indicators continuum of related business processes in strategic business management of contemporary companies. From this point, company development strategy in the long-term perspective is based on the following key methodic aspects:

- quality of products and services, rendered by the company, is determined by the customer;
- company business processes and business model are subject to continuous improvement;
- company employees become like-minded and get more powers;
- efficiency measurement of business processes within the system of set indicators allows one to provide preventive measures and the necessary changes in a timely manner.

Thus, it is obvious that the Balanced Scorecard is a powerful and effective tool for strategic management of today's business. This tool comprehensively integrates all the key aspects of the company performance, while continuously supported by feedback between management and employees.

In our opinion, the formulation of the Balanced Scorecard and the definition of key performance indicators to the specific business processes of the company should be based in practice on an integrated methodological approach (Dudin, 2014). For this purpose we suggest to structure the Balanced Scorecard through the hierarchical levels of company management (strategic, tactical and operational management levels), as well as through the business processes, associated with concerned level of control. Consequently, the formalization of the Balanced Scorecard and the determination of key performance indicators to the company business processes will be as shown in Figure 1.

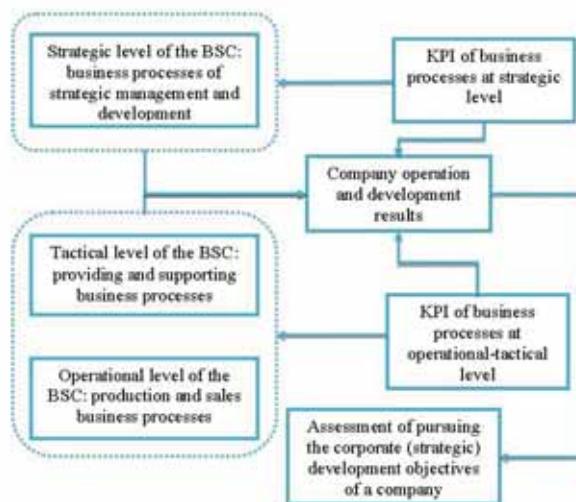


Figure 1. An integrated approach to formalization of the Balanced Scorecard and determination of key performance indicators

The Balanced Scorecard with defined key performance indicators of company business processes, in our opinion, must meet the following basic requirements:

1. Scorecard (as well as key performance indicators) reflect the characteristics of strategic and functional efficiency of the company operation and development;
2. Scorecard (as well as key performance indicators) show the status and development dynamics (changes) of all (major) subsystems of company management;
3. Scorecard (as well as key performance indicators) is able to be upgraded when changing the managerial requirements or transforming the company operation and development specificity.

Thus, the Balanced Scorecard incorporates all levels of business management and all business processes. At that, the key performance indicators are assigned to each business process. Comparison of actual progress in the operation and development of a company during a certain period or number of previous periods with defined key performance indicators allows us to assess the achievement of the objectives of corporate development and, at the same time, to identify the problems in company activities, which will be clearly specified and localized in terms of each business process.

Concrete definition of key performance indicators, assigned to specific business processes, is the greatest difficulty for companies. It should be clearly understood that each indicator should be intrinsic and relevant to characterize the efficiency and effectiveness of the business process. This is a major and necessary condition for strategic business management based on the Balanced Scorecard tool.

In practice, very often companies assign key performance indicators based only on the basic classification of business processes. Recall that the basic classification of business processes involves the arrangement of all business processes in three main groups:

- 1) management-related and development-related business processes, which are focused on the future and do not generate direct economic benefits of the company in the current and the short-term perspectives, but potentiate the growth of economic (and other) benefits of the company (as well as the company investors) in long-term strategic perspective;
- 2) the core business processes, which are focused on the generation of current economic and other benefits of the company (and its investors), as well as on the formation of reserves to ensure sustainable growth and development of business in the long-term perspective;
- 3) provision-related and support-related business processes, which do not generate direct economic benefits in the short-term or long-term perspectives, but are intended to support and resourcing both key business processes and development and management business processes. Providing and supporting business processes generate indirect economic benefits of a company.

Lack of specification and circumstantiation of business processes belonging to a particular company in each group of business processes, does not allow one to determine the nature and purpose of these processes. Besides, the lack of a clear structuring and systematization of business processes, which are implemented by the company, is the main managerial problem, when implementing the Balanced Scorecard into the strategic management. In other words, if the company management does not have a common vision of business processes organizing and structuring, it will be very difficult for company to ensure the implementation of the corporate development strategy and to target company on achieving the desired strategic outcome.

Based on the experience of companies that have successfully implemented the Balanced Scorecard, as well as taking into account scientific and empirical studies, conducted by the authors earlier, and the studies, carried out by other scientists, we believe that industrial companies could adopt the following systematization and structuring of business processes and related effectiveness indicators and indices (Table 1).

Table 1. The Balanced Scorecard of industrial companies.

The external environment of the company	The internal environment of the company
Business processes related to strategic management and development. KPI: 1) Commercial goodwill: reflects the cost of business performance excluding the cost of tangible assets (assets or capital stock)	Business processes related to production and operation. KPI: a) provision by technology and fixed assets; b) income and profitability of production and sales; c) intensity of marketing and operating activities. Customer loyalty level.
2) Economic value added: reflects the company's ability to generate additional profits for shareholders (strategic investors)	Finance-related business processes. KPI: a) company financial results (operational and after-tax profit); b) liquidity of assets and total financial responsibility; c) financial resource endowment of operational and development needs of the company.
3) Company market share: reflects current market position of a company, relative to direct competitors	Personnel-related business processes. KPI: a) level of company provision by necessary human resources (depending on staff categories); b) the ratio between the dynamics of investment volume in personnel development and the value of company intellectual capital; c) return on investment in personnel development (in the creation of intellectual capital).
4) The sustainability of economic growth: reflects the company ability to increase the cost of equity capital by reinvesting profits	
5) Innovative activity and investment attractiveness: reflects the company ability to use its own and engaged organizational knowledge, as well as the company ability to attract the necessary resources for the materialization and commercialization of knowledge.	

The Balanced Scorecard, presented in Table 1, includes two components, consisting of business processes and assigned key performance indicators. Business processes of company strategic management are generally directed to the external environment and determine the level of sustainable and competitive development of the company. Production, operational, personnel and financial business processes are directed to the internal environment of the company. Accordingly, key performance indicators, focused on the external environment, reflect the strategic effectiveness of company operation and development. In turn, the key performance indicators, focused on the internal environment, reflect the functional and operational efficiency of company operation and development. In summary, note that the above proposed approach to building the Balanced Scorecard and determining key performance indicators of business processes aggregates and monitors all relevant factors and events that occur in both the internal and the external environment, as well as determine the trajectory of the company business in the current and long term perspective.

5. Conclusion

The research conducted shows that the Balanced Scorecard is one of the most effective methodic concepts of strategic business management of contemporary companies. The Balanced Scorecard is primarily focused on providing the information needs of strategic management in large and extra-large companies (of national and transnational scale). However, small and mid-sized businesses can also use methodological solutions proposed in this paper, though in condensed version. For example, small and mid-sized companies can assess their abilities to create economic value added, sustainability of economic growth, as well as certain, the most important, results in the production-, operation-, finance- or personnel-related business processes. The Balanced Scorecard, proposed in this paper, is targeted on providing information needs of strategic management in industrial-type companies. The latest is its main constraint. But it is worth noting that the proposed Balanced Scorecard tool is quite adaptable and has universal nature. It can be tailored based on the managerial information needs of retail, service and financial companies.

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Specifics of Forming the Competitive Hotel Complex in the Kaliningrad Region of Russia

Valentin Korneevets¹ & Liudmila Semenova¹

¹ Immanuel Kant Baltic Federal University, A. Nevskogo, 14, 236041, Kaliningrad, Russia

Correspondence: Liudmila Semenova, Immanuel Kant Baltic Federal University, A. Nevskogo, 14, 236041, Kaliningrad, Russia. E-mail: lsemenova@kantiana.ru

Received: October 14, 2014 Accepted: October 21, 2014 Online Published: December 30, 2014

doi:10.5539/ass.v11n3p289

URL: <http://dx.doi.org/10.5539/ass.v11n3p289>

Abstract

Modern tourists field and its effective development do not rely just on existing infrastructure, but also on the condition of the competitive landscape in the region. In this article under review come theoretical aspects of forming the regional hotel complex through the example of exclave Kaliningrad region. Key factors and specifics of creating competitive advantages are analyzed. Future hosting of the world cup 2018 can also attribute to the increase of competitiveness in the hospitality industry and it should be considered in the development of the regional strategy for the regional hospitality industry.

Keywords: competitiveness, regional hotel complex, Kaliningrad region, regional development strategy

Forming a competitive hotel complex as a part of hospitality industry is a high priority and strategic goal for Kaliningrad region. If achieved, it allows to create new jobs, to spur development of the regional economy, while saving and making an efficient use of touristic and recreational potential, cultural and historic heritage.

1. Theoretical Aspects of Forming the Competitive Regional Hotel Complex

1.1 Theoretical Basis for the Development of Competitiveness of Tourist Areas

In scientific literature competitiveness issues are devoted a considerable attention. One of the first Russian studies in which competitiveness is comprehensively analyzed is a monograph by M.G. Dolinskaya and I.A. Solov'yev. It is regarded in comparison with another important element – quality of production. (Dolinskaya, 1991). Another researcher P. Zayavlov adjects to that quality evaluation, quantity evaluation of economic entities with competitiveness characteristics. (Zayalov, 1995).

It should be noted, that competitiveness is a dynamic category, and first of all dynamics is driven by controllable from outside, exogenous factors.

Taking to the consideration the evolution of scientific approaches and principles in the management theory of the competition and competitiveness it should be noted that in the market economy the base of leading position is a proper support and guarantee of existing competitive advantages. The datum line for theory of competitive advantages is a thesis, that any country with the same level of economic development has a certain unique set of competitive advantages. Explicating theory of A. Smith (Smith, 1992) D. Ricardo made a conclusion: "... it is economically sound for all countries to participate in the international trade. Even having an absolute advantage in production of certain goods state has the right to deny it and specialize in a more effective production, purchasing these denied goods and services from countries with fewer resources". (Semenova, 2006, p. 24).

This theory is named a theory of comparative advantages. It explains the two-way interchange of tourists products in the international hospitality industry as a result of difference in price between countries. However, this theory doesn't explain reasons of emergence the competitive advantages. This matter was examined by economists E. Heksher and B. Olin, they pointed out the reasons of emergence the competitive advantages – difference lies in occurrence of inhomogeneous agents of production (Blaug, 1994). M. Porter determines forming on the land a touristic cluster united by common interests as one of the aspects on competitiveness. (Porter, 1990)

Nowadays issues of comparative advantages are devoted a considerable attention. In the words of M. Thatcher "Wealth of the country is not necessarily built on its own natural resources, it is achievable even with their

complete absence. The most important resource is people. State need only establish a framework for the flourishing of talent people" (Thatcher, 2003, p. 16).

Therefore competitive advantages could be present in different ways, have different levels of hierarchy, be related to the commodity (service), enterprise, industry, economy in whole; be based on priced and non-priced factors; be long-term mid-term and short-term; stable and non-stable; unique and simulated and so on.

1.2. Development Factors of Competitiveness of Tourism and Hospitality

Some branches and complexes have distinguishable competitive advantages. For example, hotel enterprise has a more valuable competitive advantage if it has a wider range of services or good location (center of the town, close to points of interest, easy transportation and so on).

Another factor of competitiveness for a subject of the hospitality industry is a repetitive tourists flows, depending upon many factors: level of service, loyalty of local population, the uniqueness of the existing cultural, historical and natural resources. However it should be noted in many industries, especially those, connected to service activities (e.g. hotel sector) competitiveness originates in primary – hotel enterprise. It is evident on the market of hotel services.

To attract tourist flows in a particular regions of the Russian Federation, increase the economic efficiency of development of hotel business it is necessary to study the whole range of external and internal competitive advantages that exist among the participants of the tourist market and forming competitiveness of the industry. This owes to similarity and identity of competitive advantages between organizations in the industry. Internal benefits can include high demand for the service, the high proportion of competitive personnel in the industry, the exclusiveness of the goods (services), etc. External benefits can include a high level of competitiveness of the country, active support of business by state, the openness of the company and markets, high-quality system of training and retraining of managerial staff in the country, the climate and the geographical location of the country, etc.

The hotel sector of a tourist destination has a significant influence, and often plays a leading role in shaping the competitive hotel complex. Despite many common features similar to the tourism industry, for the hospitality industry of the region it is useful to distinguish the following competitive advantages:

- resource (consumer effect from received services associated with the price characteristics; the base for such benefits may be favorable tax and bureaucratic regimes created by the government as part of the hospitality industry development, as well as the advantageous location of the region in the center of tourist flows, the unique natural resources, that creates value of consumption for the hospitality industry in the eyes of consumers, etc.)
- technological (use of mass production technologies, providing economies of scale and increase in customer benefits linked to the price characteristics of the acquired hotel services)
- innovation (formed through the implementation of R&D results, which allows to increase consumer benefits associated with the attributes of the parameters of the purchased services)
- global (connected with forming non-economic (environmental, social) standards of economic activities and their implementation;)
- cultural (caused by cultural singularity of geographic areas) (Semenova, 2006).

The appropriate level of pricing is determined by the advantages of contributing to the competitiveness of the participants in the hotel market. It should be noted, that in recent years prices of accommodation services in the global hospitality industry are constantly rising. In our opinion, the reasons for this are increase in hotel rating due to renovation and reconstruction, development of the event-tourism market, attracting additional tourist flows in tourist attractive regions. In our opinion among such perspective regions in Russia, the Kaliningrad region could be distinguished.

2. The State of Tourism and Hotel Complex in the Kaliningrad Region

2.1 Available Tourist Resources

The Kaliningrad region has a unique exclave geopolitical location: it is located in the center of the European continent, bordered by the Republic of Poland and Lithuanian Republic. Natural and climatic conditions (mild climate, sea coast of the Baltic sea), the presence of unique natural objects located on the territory of the Kaliningrad region (unique national Park "Kurshskaya Kosa" (Curonian spit) is included in the list of UNESCO), allow likely to predict a gradual progressive development of tourism in this territory and sustainable competitive position in the tourist market of the Baltic region.

Among comparative advantages of the Kaliningrad Region, researches distinguish the following (Baltic Status, 2014):

- beneficial geographical location, allowing to attract tourists from Russia and European countries;
- unique natural and ecological, historical, cultural and recreational potential;
- rich historical and cultural heritage of the Kaliningrad region, which combines the east prussian and russian traditions on one particular territory;
- well-developed transportation system
- increase of the tourist industry competitiveness in the Kaliningrad region, through targeted regional policy and integration of the tourist market participants;
- availability of public and commercial organizations for development of tourism in the region
- experience in the international cooperation and long-term projects in hospitality industry and tourism
- use of opportunities of entering into the Federal target program of development of tourism;
- the opportunities to attract foreign and Russian investors for financing the development of tourist infrastructure

Tourism is one of the priority and fast evolving sectors of economy, which has not lost its appeal even after the 2008 crisis. The growth rate of the industry (4 % per year) allow to predict a gradual increase in the pace of development, which is given in the table data below (table 1) (The Governor of the Kaliningrad region, 2014) and the resulting polynomial forecast of development (Figure 1).

Table 1. Indicators of the development of tourism in Kaliningrad region 2007-2013

Indicator	2007	2008	2009	2010	2011	2012	2013
The number of tourists visiting Kaliningrad region, thousand people,	397,0	520,0	390,0	420,0	450,0	500,0	575,0
Including:							
Foreign	55,58	72,8	78,0	52,9	55,5	58,0	...
Russian	341,4	447,2	312,0	367,1	394,5	442,0	...

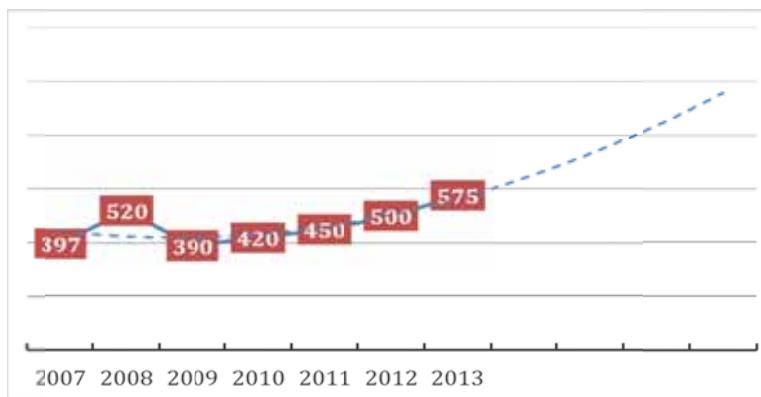


Figure 1. Polynomial forecast of development of tourist industry

2.2 Geography and Structure of Tourist Flows

According to official statistics the structure of the tourist flow in the region is dominated by domestic tourists (86%). Among other visitors representatives of the CIS and EU citizens can be distinguished. Analyzing domestic tourist flows it should be noted that it is dominated by visitors from Moscow (27,9%) and St. Petersburg (22,7%). 13,3% - residents of Central, 10,4% - Volga Federal districts. Russian tourists who visit the region with recreational purposes and use the vacation package accounted for 78% of Russian tourist flow. The second most important segment is foreign tourists, where 50% are residents of Germany, coming mainly in tourist groups with cultural and educational purposes. Business travelers still are a small share in the total tourist flow. Among them, 18% were foreign tourists, and 22% - Russians.

In the first place Russian tourists visit the Kaliningrad region with health and leisure purpose (48 %), which is combined with the cultural and educational tourism (28%). Tourists are attracted by the opportunity to relax on

the beach (34%) (Ministry of Economy of the Kaliningrad region, 2014) Unfortunately, despite the unique natural-climatic and natural resources, the tourist flow in the region is still insufficient.

2.3 Small Cross-Border Movement and Tourism Development

It should be noted that in the Kaliningrad region at the present time, there is a common practice for foreign citizens (from Poland and Lithuania) to cross the border repeatedly (3-5 times a day) for buying excise goods (cigarettes, alcoholic beverages, gasoline). Ratification of the Agreement on small cross-border movement simplified crossing borders both for Russians - citizens of the Kaliningrad region and polish citizens. It had an impact on the frequency of the state border crossings and export (import) of the capital in the neighboring state. "In the period from January 1, 2013 to August 15, 2013, the customs service of the Kaliningrad region within the system of tax-free adopted 56722 fiscal cheque for the sum of about 65 million PLN (in 2010 these checks were 4484, and in 2012 - 40126)". Dominion Bureau of Statistics estimates for the first quarter of 2013 Russians coming to Poland within the framework of the Agreement on small cross-border movement spent 113.2 million PLN (an increase of 89.6%, compared to the same period in 2012, when agreement not acted). The amount of money left by the polish citizens, going in the framework of the Agreement on small cross-border movement in the Kaliningrad region, is estimated at 96 million PLN (an increase of 95.5%). In the second quarter of 2013 Russian citizens spent 124.8 million PLN (an increase of 54.8%, compared with the same period in 2012, with no agreement), polish citizens in the region have spent 87.6 million PLN (increase by 47.2%). This means that during the first half-year period of 2013 Russians left in Poland, at least 238 million PLN, and the polanders in Russia 143.2 million PLN. Significantly, the expenses incurred by the Russians during the first half-year period of 2013, amounted to 6.1% of total expenditures of foreigners in Poland and the costs of polanders visiting the Kaliningrad region was even 49% of the total expenditures of Polanders crossing polish land border (Dudzinska, 2013).

One of the factors limiting arrival of foreign tourists in the Kaliningrad region is a restriction for foreigners on movement within the Kaliningrad region, as there are border areas and territories with regulated entry.

The above mentioned limiting factors do not allow fully develop the hospitality industry of the Kaliningrad region. The most actively developing are regional center – Kaliningrad and local resorts Svetlogorsk and Zelenogradsk. These trends can be traced in the development of the hotel complex of the region: in these geographical areas the accommodation sector actively builds up hotels, guest houses and similar means of placement, though practically undeveloped in the periphery (Table 2).

Table 2. The accommodation sector in the Kaliningrad region

Region member (Note 1)	The number of hotels, guest houses and similar accommodation facilities, units	Placements, units
UD "City of Kaliningrad"	43	3121
MD Bagrationovsky	2	77
MD Polessky	10	82
MD Baltiysky	7	303
Pravdinsky District	1	40
Svetlogorsky District	44	2656
Gvardeysky District	4	40
MD Slavsky	6	104
UD Guryevsky	9	462
MD Chernyachovsky	8	222
UD Gusevsky	6	159
UD Ladushkinsky	3	96
Zelenogradsky District	70	1714
UD Mamonovsky	2	49
MD Krasnoznamensky	7	117
UD Pionersky	2	66
MD Nemansky	4	101
UD Svetlovsky	2	48
Nesterovsky District	8	135
UD Sovetsky	5	542
Ozersky District	6	51
UD Yantarny	6	...
<i>Total</i>	255	10 185

Source: compiled by the authors

The table shows that the market of accommodation looks quite unevenly in the territorial context: a leader in the number of hotels and similar accommodation facilities is Kaliningrad. Problem of the Kaliningrad hotel market is deficiency of any pronounced specific character of the accommodation facilities. They align their activities on different market segments (business travellers, tourists and members of tour groups etc). However, lately develops a tendency to open the hotels with extended range of services (hotels with entertainment centers, SPA-centers, business and congress-halls etc). Kaliningrad is followed by Svetlogorsk and Zelenogradsk. These resorts have a pronounced recreational specifics and located on the Baltic sea coast.

The negative aspect of the competitiveness of the Kaliningrad hotel business is the disparity of hotels and similar accommodation facilities with international standards. As of 01 June 2014 in the Kaliningrad region only 15 hotels and similar accommodation facilities were classified. Among them one 5-star hotel, one 4-star hotel, eight 3-star hotels. 5 accommodations classified into the category of "mini-hotel" on 3-star level (Baltic Status, 2014, p. 17).

2.4 FIFA Requirements for the Hospitality Industry of the Kaliningrad Region

Kaliningrad is one of the cities that will host the 2018 world Cup and in this regard, the hospitality industry of the region soon will be actively modernized and developed. This is due to the mandatory classification of accommodation facilities in accordance with order of the Ministry of culture from 03.12. 2012 and also with requirements of FIFA. Thus, according to the requirements Kaliningrad should have 2 5-star hotels for representatives of FIFA and VIP guests (100 and 50 rooms respectively), 2 4-star hotels (80 rooms each) to accommodate participating teams. In addition, for the accommodation of accompanying guests (sponsors, business visitors) there should be 700 rooms available in at least 4-star hotels. Also it will be necessary to introduce to the market one or two hotels for the press and accredited journalists (at least 3-star level; not less than 200 rooms) and 5 hotels for other media representatives (capacity - 550 rooms). Besides that it is necessary to built campings and 2-star hotels with the capacity of 6000 places for fans. (Sazonova, 2014, p. 16).

All this shows that with the implementation of the above mentioned projects will increase competition on the hotel market of the Kaliningrad region dramatically. With a competent and properly developed strategy the hotel complex of the Kaliningrad region may become competitive on the market of the countries of the Baltic region and in the russian market of tourist services.

3. Future Development of Competitive Hotel Complex of the Kaliningrad Region

Hospitality industry, as mentioned before, is a promising and fast growing area of business. The Kaliningrad region has good potential for its development, however the neighborhood with well-developed, competitive territories - the Republic of Lithuania and the Republic of Poland - stimulates participants of the hotel market of the Kaliningrad region to develop actively. The government of the Kalinigrad region represented by the Minister of tourism is responsible for coordination and leadership of the hospitality of the region. Usually, the federal authorities, those in charge of the tourism development in different regions of the country, monitor the federal programs implementation. These authorities also engage in integrated planning of resources, involved in the hospitality industry, develop the qualification requirements for the personnel, do regulatory framework etc. in conjunction with other ministries.

As one of the strategic objectives for the development of the Kaliningrad region, the formation of competitive hotel-tourist complex can be specified. Complex should meet the demand for accommodation services and accelerate development of the hotel complex of the region by means of budget revenues growth and also increase in the number of jobs, preservation and rational use of cultural and historical heritage. In the process of elaboration the strategic program for the development of the Kaliningrad hotel sector it must be taken into consideration that a large proportion of tourists (approximately 82 %) stops in the region for a short time. One aspect of strengthening the competitive position of participants in the hotel market and as a consequence the whole hotel complex of the region can become the narrow specialization of accommodation.

Summarizing all the above it should be said that the competitiveness of the hotel complex can be determined by competitive forces such as the value of the tourist potential of the region, the demand for accommodation services and its structure, scope and nature of its growth; availability of suppliers, related industries (intra-regional communications); level of competition in the domestic tourism market, the scope and prospects of growth in domestic tourism product; the price level; nature of the organization management in the sphere of tourism (policy, planning, marketing, etc.). Some of the above mentioned determinants are interdependant and complimentary. To achieve a high level of competitiveness in the accommodation sphere the Kaliningrad region needs a constant accumulation of benefits, the discovery and development of new segments, diversification of the tourist product and hotel services. To retain achieved competitive advantages, the quality of tourist services

needs constant improvement, also needed introduction of modern information technologies, perfection of methods of marketing area, improving the quality of service and so on.

One of the factors of regional competitiveness the hospitality industry should be the introduction of new accommodation facilities various in level of comfort, but meeting the world standards. It includes also the hotel chains as indicator of investment attractiveness. Hotel complex of the Kaliningrad region is an attractive and profitable investment. In recent years as the result of increase of tourist the liquidity of investment in construction of hotels have increased. The attractiveness of investing in the construction of enterprises of hotel services is provided on one hand by the gradual consolidation of the image of the Kaliningrad region as the territory of the former East Prussia with the potential opportunities of development of tourism and attractive area for tourists from Russia on the other. Simultaneously to this, the reputation of the Kaliningrad region as virtually the only place in the world of mass production of amber, the unique Curonian spit, and most importantly the beneficial location (Kaliningrad region is the geographical center of Europe) - all this is the base and main precondition, if the necessary infrastructure is provided, for creating in Kaliningrad area attractive and competitive region.

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Note

Note 1. MD – municipal district; UD – urban district; D – district.

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Study of Natural Bitumen of Nagornoye Deposit, Troitskneft JSC (the Republic of Tatarstan, Russian Federation) aimed at Processing Options Determination

Alim Feizrakhmanovich Kemalov¹, Ruslan Alimovich Kemalov¹, Ilmira Maratovna Abdrafikova¹ & Vasil Ilyasovich Gainullin¹

¹ Kazan (Volga region) Federal University, Kazan, Russian Federation

Correspondence: Kemalov Ruslan Alimovich, Kazan (Volga region) Federal University, 8, Kremlyovskaya street, 420008 Kazan, Russian Federation. E-mail: Kemalov@mail.ru

Received: October 15, 2014 Accepted: October 21, 2014 Online Published: December 30, 2014

doi:10.5539/ass.v11n3p296

URL: <http://dx.doi.org/10.5539/ass.v11n3p296>

Abstract

The cost of natural bitumen production at present is very high and 3-5 times exceeds the cost of conventional oils production; the technology developers are facing the challenge of developing processes which allow producing high sale price products at a low cost. The present study was aimed at finding out the composition and properties of natural bitumen from Nagornoye deposit of the Republic of Tatarstan (JSC Troitskneft) to determine the possible ways for its processing as well as to definite the processing options. A conclusion made, that the production of residual bitumen of the high-viscosity oils and natural bitumen of Tatarstan Republic (as well as any other region having raw materials with similar composition) will contribute to increase in their production volume and quality by means of compounding of residual and air-blown bitumen, as in this particular case their advantages are combined. In addition, this will contribute to solution of the problem related to introduction of water-bitumen emulsions and bitumen-polymer binders into the road construction of Tatarstan Republic. The use of natural bitumen for production of various commercial bitumen marks and various bitumen products, makes its recovery economically feasible as its conventional recovery and transportation is noncompetitive against conventional oils. At the same time, profitability of a pure bitumen option can be increased by means of a bitumen-fuel option, provided that the diesel fraction is brought in full compliance with the GOST for S (summer), W (winter) and A (arctic) marks of diesel fuel.

Keywords: natural bitumen, processing, composition, properties, diesel fuel, asphaltene-resin components, road bitumen, construction bitumen, residue

1. Introduction

Since the cost of natural bitumen production at present is very high and 3-5 times exceeds the cost of conventional oils mining, the technology developers are facing the challenge of developing processes which allow producing high sale price products at a low cost. Therefore, studies aimed at in-depth study of structure and properties in order to find possible ways of processing heavy oil is very relevant and promising, especially in view with an increasing proportion of heavy crude in the structure of hydrocarbon reserves development (Lipaev, 2012; Junaid, 2010; Pavel & Silverman, 2010; Telyashev, 2008; Long et al., 2006; Prado & De Klerk, 2014).

The most important indicator of oil quality, which determines the processing method, range and performance characteristics of the obtained petroleum products is the chemical composition and its fraction allocation (Altgelt, 1993; Burruss & Ryder, 2013; Speight, 2014).

Evaluation of high-viscosity oils and natural bitumen along with conventional oils as potential hydrocarbons source (Salama, 2005; Etherington & McDonald, 2005), requires a thorough study of density, sulfur content, low temperature and viscosity properties and fractional and structural-group composition.

2. Method

2.1 General Properties of the Natural Bitumen

The present sample of natural bitumen taken from Nagornoye Deposit, Troitskneft JSC (the Republic of Tatarstan), contained 30% of water and 1.5% of mechanical impurities. After dehydration and removal of

mechanical impurities, the sample was studied for general properties and composition. The examination was implemented in accordance with GOST R 51858-2002 (GOST – Russian state standard, GOST R 51858-2002, 2002), developed by the Institute of Energy Resources Transport (IPTER) and All-Russian Scientific Research Institute of Oil Refining JSC (VNIINP).

The density of the products was determined at 20 °C using a pycnometer. Dynamic viscosity was determined at 25 °C, 50 °C, 100 °C using a rotational viscometer "Rheotest". The principle of studying the rheological properties of a rotary viscometer "Rheotest" is as measured by the shearing stress produced in the sample, placed in a narrow gap between the rotating cone and stationary surface. The rotating cone shaft is connected with a spring, which transmits rotation torque from the cone by a potentiometer. Potentiometer readings are proportional to the rotation torque, which is linearly dependent on the shear stress.

Method for determining the group chemical composition of the petroleum products boiling above 300 °C based on the principles of liquid-adsorption chromatographical separation gaining following groups: oils, benzene resins, alcohol-benzene resins and asphaltenes; and further separation of oils into the fractions enriched in paraffinic-naphthenic, monocyclic, bicyclic, polycyclic aromatic hydrocarbons (Mykhailova et al., 2013). As an adsorbent was used silica gel of a mark ASK (fraction with the size of particles 0.25 - 0.5 mm).

Paraffin content was determined according to standard method (GOST 11851-85, 1986) as well as the determination of sulfur content (GOST 1437-75, 1977).

2.2 Operational Properties of the Natural Bitumen Fractions

2.2.1 Gasoline Fractions

Acidity was determined according to standard method (GOST 5985-79, 1980). The essence of the method consists in the titration of the acidic compounds of the tested product with an alcohol solution of potassium hydroxide in the presence of a color indicator and the definition of acidity for light oil fraction, expressed in mg KOH/100 cm³ (mg KOH/100 ml).

The essence of the iodine number determination method consists in the processing of the tested petroleum product with an alcohol solution of iodine, free iodine titrating with sodium thiosulfate and determining the iodine number of grams of iodine adjoining to 100 g of petroleum product (GOST 2070-82, 1983).

Sulphur content is determined according to GOST 19121-73 by burning the petroleum product in the tube in its pure form with subsequent absorption of the formed sulfur dioxide with sodium carbonate solution and titration with hydrochloric acid.

Octane number was determined according to standard, so-called, research method (GOST 8226-82, 1983). The method consists in comparing the knock resistance of the tested fuel with the knock resistance of the reference fuels, expressed by the octane number. Knock intensity of the tested fuel is achieved by varying the degree of compression.

2.2.2 Diesel Fractions

Cetane number is determined by comparing the hypergolicity of the tested fuel in the engine at different compression ratios with hypergolicity of the fuels with known cetane numbers in the test conditions (GOST 3122-67, 1968).

Ignition temperature was determined according to standard method (GOST 4333-87, 1988) in an open crucible.

Determination of pour point is performed according to GOST 20287-91 Petroleum products. Methods of test for flow point and pour point (GOST 20287-91, 1992). The essence of the method consists in preheating the sample of tested petroleum product, followed by cooling it at a predetermined rate to a temperature at which the sample remains stationary. This temperature is taken as the pour point.

Cloud point is determined analogous to pour point (GOST 5066-91 (ISO 3013-74), 1993).

Actual resins content is determined by evaporation of a tested fuel under a stream of steam in the test conditions and is used for conventional evaluation of the propensity of fuel to gumming during its use in the engine (GOST 8489-85, 1986).

2.2.3 Operational Characteristics of Vacuum Residue and Commercial Marks of Bitumen

Ductility was found by determining the maximum length, which can be stretched without breaking bitumen bathed in a special form, spreaded at a constant rate at a temperature of 25 °C (GOST 11505-75, 1977).

Penetration was determined according to standard methodic (GOST 11501-78, 1980) by measuring the depth to which a penetrometer needle is immersed in a sample of bitumen under a given load, temperature (25 °C), and time and is expressed in units corresponding to tenths of a millimeter (0.1 mm).

Adhesion according standard (GOST 11508-74, 1975) is ability of viscous bitumen persist on sand or marble surface, precoated by them, upon exposure to water.

Brittle point is determined by cooling and periodic bending of a sample of bitumen and determining the temperature at which cracks or breaks of a sample of bitumen occurs (GOST 11508-74, 1975).

3. Results

3.1 Natural Bitumen Characteristics

The results of these studies are given in Table 1. Natural bitumen is classified as high-sulfur (1.81 - 3.5) in terms of sulfur content, as bituminous (more than 895.0 kg/m³) in terms of density and as maltha class (35-60 % mass) in terms of asphaltene-resin components content (43.3 % mass).

With a comparatively high asphaltene-resin components content, natural bitumen has an insignificant paraffin content (0.35 % mass).

Table 1. The indicators of natural bitumen from Nagornoje Deposit

Indicators	Values
Density, kg/m ³ , at 20 °C	1020
Dynamic viscosity, mPa, at a temperature:	
25°C	1280,0
50 °C	360,0
100 °C	32,0
Components content, % mass:	
Sulphur	3,4
Paraffin	0,35
Group chemical composition, % mass:	
asphaltenes	21,8
resins, including:	
benzene	9,4
alcohol-benzene	12,1
Hydrocarbons:	
Paraffin-naphtene	14,6
Aromatic, including:	
monocyclic	42,1
bicyclic	6,0
polycyclic	6,5
Fractions content, % mass:	
Boiling starting (bs) temperature, °C	29,6
bs – 180 °C	110
180-250 °C	0,9
250 – 300 °C	3,2
300 – 350 °C	9,8
350 – 400 °C	8,8
400 – 440 °C	10,8
higher 440 °C	7,3
	59,2

As the gasoline fraction is present in an insignificant amount (0.9 mass), firstly the diesel fraction was analyzed. Table 1 served the basis for development of a true boiling temperatures curve (fig. 1), according to which the bitumen of Nagornoje Deposit is characterized by an insignificant content of gasoline fraction (0.9 mass) and low content of diesel fraction (21.8 % mass).

The total yield of fractions, boiled away at temperatures above 300 °C, for natural bitumen is 81.06% mass, while for Devonian oil, according to literature data (Riazi & Daubert, 1980; Kraus, 2011; Lipaev, 2012), it is 50-55% in average, and 60-65% mass for carbon oil. Such high yield of these natural bitumen fractions is

obtained mainly due to fractions which boil out at temperatures above 400 °C (66.46% mass). Fraction 350-500 °C is the main raw material for catalytic cracking and when processing the natural bitumen at a catalytic cracking plant it could be possible to process larger amounts of this fraction (Telyashev, 2008; Poveda & Molina, 2012; Mustafaev et al., 2013).

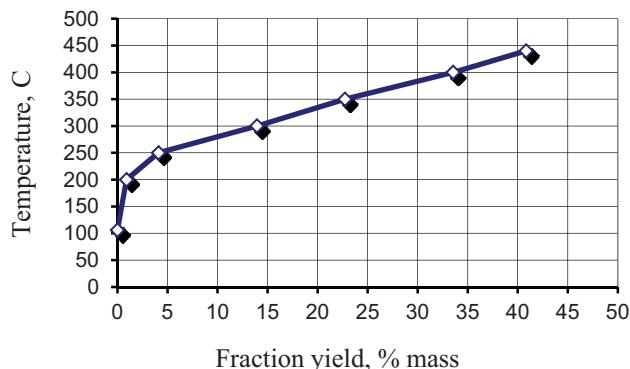


Figure 1. True boiling temperatures curve of natural bitumen

3.2 Operational Properties of the Natural Bitumen Fractions

3.2.1 Gasoline Fractions

Some gasoline performance indicators are given in Table 2.

Table 2. Gasoline characteristics (bs-180 °C fraction)

Indicators	Values	Commodity product
Acidity, mg KOH /100 ml		not >0,8 ÷ 3,0
Iodine number, I, r/100r	0,5	-
Sulfur content, % mass	1,0	no >0,1
Octane number, RM*	52	93 ÷ 95

RM – researching method

According to Table 2, gasoline fraction shall undergo deep hydrotreating and catalytic reforming in order to obtain high-octane gasoline. As the gasoline fraction yield bs-80 °C is insignificant, its refining shall be done together with diesel fraction followed by fractionation of the gained clean product. At the same time, it is unfeasible to provide production of commercial-grade motor fuel at such a low gasoline fraction content. This fraction can be used as a solvent for domestic needs, without hydrotreating.

Two diesel fuel fractions were analyzed:

- sample no. 1: diesel fractions with strippant temperature up to 300 °C.
- sample no. 2. diesel fractions with strippant temperature up to 350 °C.

3.2.2 Diesel Fractions

The main performance indicators of these diesel fractions are given in Table 3:

- Cetane number, which determines high power and economic factors of motor operation; ($CN = (v_{20} + 17.8) \cdot 1.5879/d_4^{20}$). This is the main diesel index, it determines motor actuation, rate of pressure increasing, fuel consumption and smoking at the exhaust. The European Diesel Fuel Standard establishes the CN lowest limit at 48 points. In winter, in order to ensure cold motor start, it is recommended to use fuels with CN not less than 45 points (Riazi & Daubert, 1980; Kraus, 2011).

In other countries, fuel flammability is specified by both a cetane number and diesel index (DI), which is determined with the help of a nomographic chart, when knowing the density at 15 °C and a final boiling point of a 50% fraction. Knowing DI, it is possible to calculate CN, there is a certain dependence between them:

DI	20	30	40	50	62	70	80
CN	30	35	40	45	55	60	80

- fractional composition, which determines combustion completeness, exhaust smoking and toxicity. In addition, along with the rise of fuel final boiling point, the wear scar diameter and friction coefficient are reduced, which is important for diesel motors, operated at elevated pressures.

- viscosity and density, providing regular fuel supply, pulverization in the combustion chamber and filter system operability;

- low temperature characteristics, which determine feed system functioning at ambient subzero temperatures;

Table 3. Diesel fractions indicators

Indicators	Fractions, °C		GOST 305-82 (GOST 305-82, 1983)	
	Sample No.1	Sample No.2	S*	W
Density at 20 °C, kg/m ³	826,0	836,0	no >860	no>840
Cetane number	46	47	no<45	no<45
Fractional composition, boiling as, °C:				
50%	265	280	no>280	no>280
96%	292	340	no>360	no>340
Kinematic viscosity at 20 °C, sSt	3,5	5,5	3,0-6,0	1,8-5,0
Ignition temperature (closed crucible), °C	40,0	45,0	no <40	no<35
Pour point, °C	-24°C	-19 °C	no>(-10)	no>-35
Cloud point, °C	-12°C	-8 °C	no>(-5)	no> -25
Actual resins content, mg/100 cm ³ of fuel	40	30	no>40	no>30
Sulfur content, % mass	1,2	1,4	no>0,2-0,5	no> 0,2-0,5

*S – summer diesel fuel (DF), W – winter DF

4. Discussion

According to Table 3, in terms of content of actual tar both the fractions are at the limit of GOST (GOST 305-82, 1983) requirements; in terms of the pour point, they correspond to GOST requirements for summer fuel. As it was expected, the pour point increases along with increase of the distillates yield: for sample no. 1 – $t_{strip.} = (-24 \text{ }^{\circ}\text{C})$; and for sample no. 2 – $t_{strip.} = (-19 \text{ }^{\circ}\text{C})$. In terms of all the other parameters (except sulfur content), both the diesel fuel fractions comply with GOST 305-82: sample no. 1 - for summer; sample no. 2 - for winter brands of fuel, respectively.

After diesel fraction is hydrotreated its thermal properties shall be put in compliance with GOST 305-82 for winter fuel by the most economically effective way – use of depressor additives.

4.1 Operational Characteristics of Vacuum Residue and Commercial Marks Of Bitumen

Vacuum residues (>350 °C, >400 °C and > 440 °C) were examined for compliance with characteristics, established for bitumen (Silva *et al.*, 2010; Chappat, 1994; Kemalov & Kemalov, 2013; Ongel & Hugener, 2014; Yan *et al.*, 2014; Poulikakos *et al.*, 2014; Lv *et al.*, 2014). Due to low thermal stability of compounds contained in the natural bitumen (mainly organosulfur compounds), it is quite difficult to get residues with deep degree of distillate fractions recovery, even with the residual pressure 10 mm hg.

Natural bitumen is also an excellent raw for residual asphalt production, as it is characterized by high content of asphaltene-resin components (Lipaev, 2012; Mustafaev *et al.*, 2013; Junaid *et al.*, 2010; Lu *et al.*, 2014; Zoorob *et al.*, 2014).

Characteristics of vacuum residues in terms of compliance with commercial bitumen are given in Table 4.

According to Table 4, the studied vacuum residues are closer to the following oil bitumen marks: residue >440°C – to construction bitumen of BN 50/50 mark, residues >350 °C and >400 °C – to viscous road bitumen of BND 60/90 and BND 40/60 marks. Norms for these bitumen marks are also given for reference in Table 4.

The undoubted advantage of these residues is low brittle temperature due to the small paraffin content in natural bitumen. The brittle point is one of the key figures of the road bitumen marks, which has a significant impact on road surface durability. In terms of this figure, the studied vacuum residues comply with GOST requirements.

Table 4. Characteristics of vacuum residue fractions and composition and road bitumen according to standards

Characteristics of vacuum residue fractions			
Indicators	>350 °C	>400 °C	>440 °C
Softening point, °C	45	51	58
Ductility at 25 °C, cm	45	40	35
Penetration at 25 °C, 0,1mm	47	40	30
Adhesion with marble or sand	Compliant to sample No. 1		
Brittle point, °C	-23	-19	-17
Flashing point, °C	230	235	240
Construction bitumen BN 50/50 (GOST 6617-76, 1977) and viscous road bitumen of the marks of BND 60/90 and BND 40/60 (GOST 22245-90, 1991)			
Norms for the marks			
	BN 50/50	BND 60/90	BN 40/60
Penetration at 25 °C, 0,1mm	41-60	61-90	40-60
Ductility at 25 °C, cm	no <40	no <55	no <45
Softening point, °C	50-60	no <47	no <51
Brittle point, °C	-	no > (-15)	no > (-12)
Flashing point, °C	no <230	no <230	no <230

4.2 Possible Ways of Use of Fractions

Modification of the studied fractions can be used to bring the values of all their parameters into full compliance with norms of the specified bitumen marks as well as with norms of other pavement and building bitumen marks.

These residues may serve the basis for preparation of various compositions, including bitumen-polymer compositions for road and civil construction (bituminous mastic and anticorrosion coatings).

In terms of bitumen-polymer composition preparation, the best figures are shown by the residue > 350 °C, as positive influence of polymer compound on bitumen characteristics is in direct relationship to its lube fraction content. From this perspective, for mastic production it is feasible to use bitumen with a lower melting point. Furthermore, along with the melting point increase the bitumen becomes hard and fragile, as the asphaltene content is increased and the disperse medium becomes less flexible and frost resistant. The addition of lube fractions improves low temperature characteristics of the composition.

Quite significant sulfur content (about 3% mass) in vacuum distillates that is so undesirable for lube fractions, is extremely favourable to preparation of bitumen-polymer compositions as in this case sulfur acts as a curing agent, which in particular improves strength of asphalt-concrete mixes based on bitumen-polymer binders.

5. Conclusion

Production of residual bitumen of the high-viscosity oils and natural bitumen of Tatarstan Republic (as well as any other region having raw materials with similar composition) will contribute to increase in their production volume and quality by means of compounding of residual and air-blown bitumen, as in this particular case their advantages are combined. In addition, this will contribute to solution of the problem related to introduction of water-bitumen emulsions and bitumen-polymer binders into the road construction of Tatarstan Republic.

The use of natural bitumen for production of various commercial bitumen marks and various bitumen products, makes its recovery economically feasible as its conventional recovery and transportation is noncompetitive against conventional oils.

At the same time, profitability of a pure bitumen option can be increased by means of a bitumen-fuel option, provided that the diesel fraction is brought in full compliance with the GOST for S (summer), W (winter) and A (arctic) marks of diesel fuel (GOST 305-82, 1983).

Hence, according to the foregoing results of studies of Nagornoje Deposit natural bitumen composition and characteristics, the most profitable trend of its processing is a bitumen-fuel option, which helps to obtain diesel fuels, various marks of residual bitumen and bitumen compositions for road and civil construction.

In this context, there was drawn a plan for further studies aimed at dealing with the following issues:

1. Bringing diesel fractions after hydrotreating to winter marks by means of selection of appropriate depressor additives;

2. Use of vacuum residue for pavement and construction bitumen marks production;
3. Bitumen compositions production (mastic, paint materials) for road and civil construction;
4. Development of water-repellent agents on the basis of natural bitumen.

Acknowledgements

The work is performed according to the Russian Government Program of Competitive Growth of Kazan Federal University.

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The Evaluation of the Agro-Business Resource Potential in Southern Russia

Sklyarov Igor Yurievitch¹, Sklyarova Yuliya Mikhailovna¹, Latysheva Lyudmila Anatolevna¹ & Podkolzina Irina Michailovna¹

¹ Stavropol State Agrarian University, Stavropol, Russia

Correspondence: Sklyarov Igor Yurievitch, Stavropol State Agrarian University, 355017, Stavropol, 12 Zootechnicheskiy Ln, Russia. E-mail: inf@stgau.ru

Received: October 15, 2014 Accepted: October 29, 2014 Online Published: December 30, 2014

doi:10.5539/ass.v11n3p305

URL: <http://dx.doi.org/10.5539/ass.v11n3p305>

Abstract

The article presents the evaluation of the agro-business resource availability reveals the main factors which influence the agricultural industry and market. The author defined that the basis for the stable business activity development is the resource potential. Its effective use contributes to the increase of the effectiveness of branches and sub-complexes of agriculture in the region. The author proves the dependence of the resource potential of the material and technical facilities, human resources; the author defines the agricultural capacity in the agriculture of the region, reveals the dependence of the business activity development of the investment activity in the agrarian sector of the region's economy.

Keywords: resource potential, agro-capacity, resources, land, human resources, raw material, agriculture, agricultural industry, agricultural sector of economy, investment activity, business activity

1. Introduction

The basis for the stable development of the business activity in the agro-business is the resource potential. Its effective use contributes to the increase of the effectiveness of branches and sub-complexes of agriculture in the region (Thurlow, 2008). The resource potential in the context of this investigation includes material and technical facilities and human resourcing. Material resources in agro-business are represented by the main fixed capital assets, including land and stocks (Beierlein, 2013). Work forces of agro-business are characterised by the quantity and quality of the working-age population. Resource potential of the regional economy is assessed by the system of indices, which generally characterize the agro-capacity of the agriculture in the region. The peculiarities of the agro-business are conditioned by the necessity of completion of the market mechanism with the controlling influence of the state (Obst, 2007). The investments in the sphere of agriculture exercise a decisive influence on the agro-capacity parameters; its characteristic is the agro-business participation in the formation of the state's GDP.

The Social and economic characteristic of Stavropol Territory.

Stavropol territory is one of the main agricultural producers in the Southern Russia. It is specialized in corn and sunflower growing; the leading role in livestock breeding is occupied by the cattle breeding and fine-wooled sheep breeding. Gardening, vine growing, poultry breeding, swine breeding and bee breeding are also well developed.

Stavropol territory has 1152 commercial entities of different forms of ownership which interact with Russian Ministry of Agriculture and Ministry of Agriculture of the territory. Among them 453 agricultural organizations are involved in the agricultural production, there are 12.3 thousand of the peasant (farm) enterprises and 412 thousand of private subsidiary farmings. A lot of organisations of different business patterns appeared after the reforming of the agricultural sector of the Russian economy in 1990s. Now we can definitely say that the process of economic decentralization had a positive effect on the resource availability, since the resource economy and production effectiveness in agriculture increased under the growing influence of competitiveness (Stavropol Ministry of Agriculture, 2014).

M. Rizov (Rizov, 2002) noted in his report that the economic reforms in Eastern Europe and developing countries included both the privatization of the agricultural plant assets and restructuring of the state and

co-operative farms. Restructuring of the agriculture led to the appearing of the several types of enterprises such as cooperatives, companies, farm enterprises and their combination (Hagan, 1978). A wide range of types of agricultural organisations can be found in most countries with transition economy. One of the countries having a variety of legal forms of agricultural organisations is Romania. Except the main types of agricultural organisations here one can find hybrid forms such as the combination of the individual farms and associations of big agricultural commodity producers (Gibson, 2001).

At the same time the analysis of the agricultural production of different agro-business organisation forms in Southern Russia shows that the wholesale agricultural industry makes the most effective use of the resources; it has the biggest ratio of all the produced agricultural production. The process of integration into agro-business is accompanied by the annual increase of the agricultural production output. The increase of the production output can be observed both in the sphere of plant growing and animal breeding. This process is observed in all the categories of enterprises.

The record harvests of the grain crops were gathered in Stavropol territory for the past two years. The ratio of the food grain is 83%. This is one of the best results in the Russian Federation.

Despite the fact that the grain production is the main direction in agriculture and its share of the income is 74%, significant volumes of the industrial crops are produced in the territory. The production of the milk and meat as well as marketable eggs and pond-fish in the territory has been stabilized. Poultry and swine breeding are on the upgrade. The increase of the production of the main types of the livestock products is provided due to the increase in productivity of the agricultural animals and poultry. Stavropol territory occupies the second place in Russia for the rate of output increase of marketable eggs. For the past five years the share of the economically feasible enterprises is maintained ion the level of 63% (37% in Russia). (Sklyarov, 2013)

The agriculture is the leading branch in Stavropol territory, this fact is represented in Table 1.

Table 1. Indices of the agricultural character of the economy development in Russia and Stavropol territory, bln. roubles

Indicators	2009	2010	2011	2012	2013	5-year average	2013 % comparing to	
							2009	2012
Gross Domestic Product of Russia	41276.8	38807.2	45172.7	54585.6	56533.6	47275.2	137.0	103.6
including the agricultural products	2461.4	2515.9	2618.5	3451.3	3529.9	2915.4	143.4	131.8
ratio of the agricultural production, %	6.0	6.5	5.8	6.3	6.2	6.2	103.3	108.6
Gross Regional Product of Stavropol Territory	275.0	277.3	316.9	382.5	403.5	331.0	146.7	120.7
including the agricultural products	76.4	67.7	82.8	100.2	103.4	86.1	135.3	121.0
ratio of the agricultural production, %	27.8	24.4	26.1	26.2	25.4	26.0	91.2	100.4

During the investigated period GDP of Russia increased for 37% while GRP of Stavropol Territory increased for 46%. Production rate of agriculture generally in the country increased for 43.4%, for the territory - for 35.3%. Ratio of the agricultural production in Russia increased from 5.8 up to 6.2 %, and it decreased in territory from 27.8 to 25.4%. Average ratio of the agricultural production for the investigated period in the territory is approximately 26% (compare with the values for Russia - 6.2%).

In order to determine the development tendency of the agro-business as the most important component of the life-support system of people we investigate the agro-capacity of Stavropol territory which is the complex of indices that characterise the agrarian character and, consequently, the production safety of the Russian economy (Trukhachev, 2014).

2. Methodology and Methods

While conducting the investigation we initially selected the main factors which influence the agro-business development. These factors are shown in Figure 1.

Each factor includes certain resources which are characterised by the definite indices. Economic resources are the ratio of the agriculture production output in GDP; the share of investments aimed at supporting agriculture producers in the general amount of investments in the economy. Human resources are the share of people involved in the agrarian sector in the general amount of people working in the economy sector as well as other

indices which characterise the potential of the workforce resources in the region. Land resources are the statistics of the land fund (tilled fields, agriculture lands, seeds etc.). Material and technical resources are the agricultural plant assets; stocks.

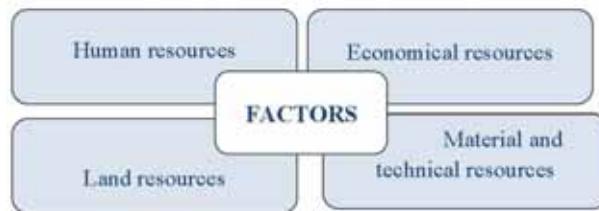


Figure 1. Factors that influence the agro-business development

In the course of the investigation we gathered the statistical information for each of the mentioned resource. The acquired data were processed with the help of the statistical economic analysis (comparison to the previous period, grouping and others).

3. Result

Estimation of agrocapacity of economy of region

In order to assess the agro-capacity of Stavropol territory comparing to Russia in Table 2 we arranged the structural parameters the most important of which are the ratio of the agriculture production output in GDP; share of people involved in the agrarian sector of economy in the general amount of people working in the economic sphere; share of investments aimed at supporting agricultural producers in the general amount of investments in the economy.

Table 2. Dynamics of the economy of agro-capacity parameters in Stavropol Territory, %

Indicators	2009	2010	2011	2012	2013	5-year average	2013 % comparing to	
							2009	2012
Share of the produced agriculture production in GDP	27.8	24.4	26.1	26.2	25.4	26.0	91.2	96.8
Share of food products turnover in the general amount of retail turnover	42.8	47.1	47.3	48.2	50.5	47.2	117.9	104.7
Dependence of the agriculture production to the amount of people's incomes	23.4	18.2	19.2	20.9	18.8	20.1	80.3	90.0
Share of people involved in the agrarian sector of economy in the general amount of people working in the economic sphere	17.6	16.9	16.6	16.7	16.2	16.8	92.0	97.0
Share of people involved in the agrarian sector of economy in the general amount of people living in the rural areas	18.4	17.6	17.7	18.1	17.8	17.9	96.5	98.1
Ratio of the rural population in the general amount of people	43.3	43.1	42.9	42.6	42.4	42.9	97.9	99.5
Rate of remuneration in agricultural sphere comparing to the average remuneration in the country	74.9	74.9	78.0	81.7	83.3	78.6	111.1	101.9
Share of investments aimed at supporting agriculture producers in the general amount of investments in the economy.	15.4	13.3	11.6	12.4	10.5	12.6	68.2	84.7
Ratio of the farmlands area in the general land area	87.5	87.5	87.5	87.5	87.5	87.5	100.0	100.0
Ratio of tilled fields area in the farmlands area	69.4	69.4	69.4	69.4	69.4	69.4	100.0	100.0
Ratio of cultivated areas in the area of the tilled field	73.3	74.0	71.9	71.1	70.4	72.1	96.0	99.0
Crediting rate in the agriculture comparing to the average crediting rate in the economy	148.2	147.7	145.2	142.7	141.2	145.0	95.3	98.9

Share of people involved in the agro-business in the general amount of people working in the economic sphere has increased from 17.6 up to 16.2% in Stavropol territory. The ratio of the rural population in the general quantity of people decreased from 43.3 to 42%. The conditions for agro-business activity remain generally on the same level; it is proved by the statistical data and calculations. The share of the farmlands in the general area of lands as well as the ratio of the tilled field in the farmlands has almost not changed (87.5 and 69.4% respectively). However the ratio of the cultivated areas in the tilled field area decreases from 73.3 to 70.4%. Rate of remuneration in agricultural sphere decreased from 74.9 to 83.3% comparing to the average remuneration in the country.

Comparison of the level of crediting rate in agro-business and average credit rates allowed drawing a conclusion about the inaccessibility of the credit resources which is conditioned by their expensiveness. As for the level of the state support, there appeared a favourable tendency to its increase (Simona, 2007). Share of investments aimed at supporting agriculture producers in the general amount of investments in the economy decreased from 15.4 to 10.5%. This creates a serious problem for the process of updating of the main funds. Due to the growth of output agricultural organisations cannot provide the necessary amount of the agriculture equipment since they suffer the lack of financial resources. This is a global tendency. There is a global concern for the problem of financing of the agriculture. Investments into agriculture are one of the most effective methods of economic growth stimulation; they contribute to the stability of the production volume in agriculture of the regional economy (Lowder, 2011).

The tendencies of territory indices that overshoot the Russian ones show that the Stavropol territory economy is of more agricultural character comparing to that of the Russian Federation, which speak for the favourable conditions for the agro-business activity.

The statistical investigation allowed us to point out that the dynamics of the indices has low variability and, consequently, one can observe the stable character of the trends (Table 3) which is proved by the graphs of dynamics of the main agro-capacity characteristics and agro-support level (Figure 1).

Table 3. Evaluation of the agro-capacity parameters stabilities in the Stavropol Territory economy, 2003-2013

Indicators	Average value	Dispersion	Average standard deviation	Variation coefficient	Stability coefficient
Share of the produced agriculture production in GDP	7.4	2.1	1.5	0.2	0.8
Share of food products turnover in the general amount of trade turnover and food services	7.9	10.9	3.4	0.4	0.6
Dependence of the agriculture production to the amount of people's incomes	18.0	20.9	4.7	0.3	0.8
Share of people involved in the agrarian sector of economy in the general amount of people working in the economic sphere	10.5	1.8	1.4	0.1	0.9
Share of people involved in the agrarian sector of economy in the general amount of people living in the rural areas	18.6	1.6	1.3	0.1	1.0
Share of the rural population in the general amount of people	26.8	3.0	1.8	0.1	1.0
Rate of remuneration in agricultural sphere comparing to the average remuneration in the country	49.9	61.9	8.1	0.2	0.9
Share of investments aimed at supporting agriculture producers in the general amount of investments in the economy.	4.7	0.2	0.5	0.1	0.9
Share of investments aimed at supporting agriculture producers in the gross product of agriculture	21.4	39.7	6.5	0.3	0.7
Ratio of the farmlands area in the general land area	13.6	0.0	0.0	0.0	1.1
Ratio of tilled fields area in the farmlands area	63.7	0.0	0.1	0.0	1.1
Crediting rate in the agriculture comparing to the average crediting rate in the economy	144.1	315.1	18.4	0.1	0.9

In order to increase the response of the resource potential in agro-business it is necessary to provide the balance of all the types of resources and their rational use in the process of production.

Let us consequently study the total of the resource potential of the region according to its types: land; workforce potential; main agricultural plant assets; stocks.

The analysis of presence and level of use of ground resources.

Lands of agricultural designation, the basis of which are the farmlands, occupy the territory designed for the systematic use in agro-business. As for the 01.01.2013 the total area of the land fund in the territory has not changed, it is equal to 6616 thousand ga. (Table 4). The land fund of the territory is divided among 26 administrative districts and 10 cities of the territorial subordination.

Farmlands prevail in the territory; they occupy about 88% of the territory. This fact speaks for the high agricultural development of the land fund. The main type of the farmlands is a tilled field. Its ratio on the structure of farmlands is 69.1% (the ratio of the tilled field in the farmlands has increased for 0.04 for the report

period). This fact speaks for the quite high degree of ploughing (Table 5). Stavropol territory has low level of tilled field use - 60%. The main reason for this is the low business activity in the agriculture, lack of effective system of account and control for the farmlands use.

Table 4. Dynamics of the land resources changes, thousand ga

Indicators	2009	2010	2011	2012	2013	Structure 2013, %
Total area of land, including farmlands, total	6616	6616	6616	6616	6616	-
among them:- tilled field	5787.6	5787.3	5786.9	5786.9	5786.55	100.0
- haylands	3994.6	3995.7	3996.4	3997.7	3998.6	69.1
- pastures	105.2	105.2	105	105.1	105	1.8
- forest	1628.8	1628.1	1627.8	1626.3	1625.8	28.1
- ponds and water basins	113.2	113.2	113.3	113.2	113.25	2.0
- garden plots	127	127	127	127	127	2.2
- other lands	79.2	80.7	82	82.9	84.3	1.5
	125.8	125.5	125.4	125.4	125.2	4.6

Table 5. Level of land fund use, %

Indicators	2009	2010	2011	2012	2013
Farmlands in the total land area	87.48	87.48	87.47	87.47	87.47
Tilled field in the farmland	60.38	60.38	60.39	60.41	60.42
Sowing in the tilled field area	69.02	69.02	69.04	69.06	69.07

The analysis of human resources.

Human resources in agro-business are of great importance since it uses a lot of hand labour. Human resources are the main working force for the performance of agricultural works; provide technical coordination, organisation and control of all the agricultural resources achieving optimum combination and use of means and tools of labour (Glaser, 2009). As for the agricultural production factors, one can say that the human resources significantly influence the business activity both in relation to the quantity and especially quality of the agricultural products. (Background document for the FAO, 2012). The main goal of the workforce management should be the use of the working time in the context of effectiveness, which results in the increase of the production rate indices. Rational use of the agricultural workforces can issue some questions concerning the degree of completeness and efficiency growth of the agriculture labour. Performance potential of the region is one of the most important indicators of the economic growth. Practical calculation of its main characteristics is a difficult task (Alexandratos, 1995).

The strong points of the performance potential are: prevailing of the share of the economically active population (64.7%, the fourth place in the macro-regions of the Southern Federal District and North Caucasian Federal District, and 19th place in Russia); low general unemployment rate which, according to the calculation methods of International Labour Organization was 6.9% in 2013 (6.7% in Russia, 9.8% on the average in the regions of the Southern and North Caucasian Federal Districts, among them 5.1% in Krasnodar territory, 34.1% in the Chechen Republic). As opposed to the most regions on Russia, the quantity of population is not the restrictive factor of the development in Stavropol Territory (Table 6).

The weak points are: low GRP values, low investments into the main capital and low fiscal capacity per one inhabitant of the territory; disproportion between the existing production volumes and population density (5 times more than the average population density in the RF); high degree of irregularity of economic and social development of the territory, depressive state of the eastern zone regions; growing inequality among people according to the income level; increase of the people who are in need of social support; professionals outflow and ageing, high mortality of the working age population, growing lack of the highly qualified professionals (The World Bank, 2012).

One can observe the increase of population in Stavropol territory. In 2000s the increase was insignificant and in 2013 the population of the territory has increased for 85 thousand people comparing to 2009.

Economic activity level of the population in 2013 was 65.1% and increased for 0.2% in relation to 2009. The highest increase of economic activity was observed in the urban area - it increased for 7.8 people. Urban population was 57.5% in the general amount of the economically active population. Occupational level has

increases for 1.8 % for the 2013 it was 61.6% which is higher than the similar index in the North Caucasian Federal district (54.7%). At the same time this index is lower than that of the Russian Federation (64.3%). Among the subjects of the North Caucasian Federal district the Stavropol territory occupies the 1st place for the occupational level.

Small business (farming, private subsidiary farmings) has positive effect on the employment of population, as well as individual labour, production of goods ad services for trading.

Table 6. The evaluation of the labour market and occupational level in the region

Index	2009	2010	2011	2012	2013	2013 % comparing to 2009
Number of gainfully employed population, thousand people	1346.5	1363.6	1373.2	1383.4	1396.8	103.7
Labour force participation rate, %	63.5	64.6	65.1	65.1	65.9	103.8
Amount of employed people, thousand people	1229.1	1270.0	1290.8	1309.2	1340.1	109.0
Employment rate, %	57.9	59.4	61.2	61.6	63.3	109.2
Number of unemployed, thousand people, including men	117.4	93.6	82.5	62.9	45.5	38.7
men	63.9	51.1	51.6	43.2	37.1	58.0
women	53.5	42.5	48.4	43.0	40.5	75.7
Unemployment rate, %	8.7	6.7	6.0	5.4	4.1	46.6
Official unemployment rate, %	2.5	2.0	1.8	1.3	1.0	38.0

Within the next three years the agro-business of Stavropol territory will have stable demand for the qualified labour and specialists. This occurs due to the implementation of investment projects and sectoral development strategies in Stavropol territory.

The analysis of the basic means.

Considering the indices of the main funds dynamics in Stavropol territory one can notice that the cost of the agricultural equipment in Stavropol territory has increased for 35.7% for the period of 2009 - 2013. But at the same time one can observe the decrease of almost all the indices of agricultural equipment presence in the agricultural organisations of the territory (Table 7).

Table 7. Material and technical facilities of the Stavropol Territory

Indicators	2009	2010	2011	2012	2013	2013 % comparing to 2009
Number of combines per 1000 ga of sowing (bedding) of the corresponding plants	3.0	3.0	3.0	3.0	3.2	106.7
Number of tractors per 1000 ga of the tilled field	4.4	4.2	4.1	4.0	3.9	87.5
Equipment update coefficient	1.8	2.2	4.3	2.6	3.9	213.9
Tilled field stocking per one tractor	229.0	238.0	245.0	252.0	260.0	113.5
Park of the main types of equipment	12527.0	13006.0	13485.0	13964.0	14443.0	115.3
Purchased new equipment	231.0	266.0	495.0	293.0	425.0	184.0
Sowing (bedding) of the corresponding plants per one combine	360.0	344.0	379.0	375.0	384.5	106.8
Generating capacity, h.p.	5551.0	5382.0	5271.0	5291.0	5151.0	92.8
Generating capacity per one worker, h.p.	69.0	67.0	66.0	67.0	65.5	94.9
Generating capacity per 100 ga of the cultivated area, h.p.	268.0	271.0	242.0	244.0	231.0	86.2

The analysis of the market of agricultural production, on a grain example.

During the past 5 years one can observe the growth of all types of agricultural production in Stavropol Territory. According to the results of 2013 the main traditional exporting branch of grain production had an increased export for 7.8% comparing to 2009 (Table 8). As the result the capacity of the domestic market, the structure of the grain resources in the territory and their use has changed. In 2009 the share of the production in the resource potential had only 73.1%, and in 2013 it becomes 59.7%. Closing stocks was significantly shortened from 17.7 to 10.9%. The average export price in Russia is lower than the world one.

Table 8. The structure of the grain resources use, %

Index designation	2009	2010	2011	2012	2013
Opening stocks	17.7	16.4	14.5	12.5	10.9
Production	73.7	69.6	63.4	59.7	54.55
Entry, including importing	1.1	3.3	0.9	0.4	0.3
Removal, including exporting	79.2	80.1	83.5	88.2	90.35
Closing stocks	16.4	14.5	12.5	7.4	5.45

Totally the agricultural production in all the categories of business for 2013 amounted to 121.1 bln roubles in Stavropol Territory. Among them 73 bln roubles fall to the share of agricultural enterprises. The share of profit-making agricultural organisations amounted to 89%, these organisations got the profit of 7.1 bln roubles. The profitability of all the business activity in the branch remained on the level of 2012 and amounted to 21%. However the livestock breeding has the increase of this index for up to 7% in 2013.

Estimation of influence of innovations on agrarian sector of economy of region.

Introduction of power saving up effective technologies in agriculture of Stavropol Territory has not received a wide circulation as for this purpose it is required to update completely the production technology and will buy the new equipment and agricultural machinery. To make it for the agricultural commodity producers without attraction of additional financial resources in a category of credit or direct investments is impossible, this is the basic problem. As all large and small agricultural commodity producers which had possibility to obtain the credit - pay payments under the long-term credits received in previous year. They cannot receive a new credit for updating of the basic means in 2014. Therefore influence of innovations on economy of agrarian sector of Stavropol Territory the insignificant, and those grants (about 6 billion rbl. annually) allocated by the government on support of agriculture in edge allow to decide only current problems of landowners with circulating assets. Therefore without the state support a problem with introduction of innovative power saving up technologies in agriculture would not be solved.

4. Conclusion

As the result of the conducted investigation of the resource potential and agro-capacity of the Stavropol Territory we revealed the multiplying change and factors which influence the stableness and effectiveness of organisational-economic mechanisms development in agro-business. The investigation of the agro-capacity in the Stavropol Territory shows high potential of the agro-business development in the region. Generally, the economic potential of the agro-business activity in Stavropol Territory is defined by the following factors:

1. Positive:

- good production and financial indices comparing to other regions of the RF;
- high rates of economic growth (though with the account of their low rates at the beginning), they exceed the average Russian indices and, perhaps, will be kept on that level;
- increase of the quality of financial management and informational transparency of the agricultural organisations.

2. Negative:

- social and economic instability in the region. This is the retaining factor of investments growth in the agriculture;
- significant wear of the material and technical facilities of agro-business;
- low level of agriproduct processing;
- unstable financial results and variations of functional effectiveness of the agricultural organisations;
- exporting restrictions for the agricultural products of the territory;
- lack of investment resources;
- damping prices for the agricultural products imported to the territory.

Despite of the problems in the agrarian economy of the Stavropol Territory, positive tendencies such as increase of the agricultural production volumes prevail. One can also observe the implementation of intensive technologies, increase of investment activity, development of the business activity which all results in the appearing of the stable trend of production effectiveness increase in agro-business. However, there exist

resources for the agro-business effectiveness increase. For this purpose with the assistance of the government institutions in the region it is necessary to create the conditions for the manufacturers which are aimed at stimulation of intensive energy-saving technologies implementation, to decrease the lack of production facilities for the storage and processing of the agricultural production; to provide the inflow of the qualified specialists to the agricultural organisations, make financial resources more affordable, increase the volume of the grant financial support for big, medium and small agricultural organisations, develop long-term programme of interventional policy implementation on the agrarian market.

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Cognitive Receptions Used in Mass media's Texts: Frame

Anastassiya Ivanovna Skripnikova¹

¹ Kazakh National Pedagogical University named after Abay, Almaty, Kazakhstan

Correspondence: Anastassiya Ivanovna Skripnikova, Kazakh National Pedagogical University named after Abay, Dostyk Avenue, 13, 050010 Almaty, Kazakhstan. E-mail: sai.kz@mail.ru

Received: October 15, 2014 Accepted: October 29, 2014 Online Published: December 30, 2014

doi:10.5539/ass.v11n3p313

URL: <http://dx.doi.org/10.5539/ass.v11n3p313>

Abstract

The frame-analysis of the news plots' text component is the base of the article. The research material is news blocks of the Kazakhstani TV-channel "CTC" (commercial television channel) left in air during the period from 2008 to 2013 (5 years). Basic method is content-analyses. On concrete examples it is proved that journalists effectively apply specific cognitive receptions: framing and reframing, which were originally developed in the field of artificial intelligence's creation. It confirms permeability of the borders and susceptibility of linguistic sciences, in particular, cognitive linguistics.

Keywords: cognitive linguistics, framing, reframing, Mass media, Kazakhstan

1. Introduction

According to professor N. N. Boldyrev cognitive linguistics is one of the most modern directions of the linguistic investigations in the world (Boldyrev, 2014). His opinion is supported by a lot of Kazakh researchers, including professor M. Sh. Musatayeva, who thinks that today cognitive linguistics is the most actively studied branch of linguistics (Musatayeva & Akhmetzhanova, 2013). There is no surprise that there exist a great number of publications dedicated to this topic. Nevertheless with the reference to professor S. E. Isabekov, we'd like to notice that the modern world has no unified generally accepted cognitive linguistics, but there are its different models, versions (Isabekov, 2013). And their number increases. The scientists agree to one thing: the concept is the central category of the cognitive linguistics. Let us point out that the definition of a concept by V. Z. Demyanenkov is taken as a basis: concept - as "a seed of thought", quantum of knowledge and similar definition of N. F. Alefirenko: concept - "semantic embryo" or "sense gen of the language sign meaning". Generally the concept is a unit of the mental process. M. V. Pimenova points out the fact that the conceptual system possesses the principle of the holographic character, i.e. the concepts are the structures of indicators which are necessary and sufficient for the identification of the elements of the world behind them (Pimenova and Kolesov, 2011). In other words, concepts can replace the objects of the real world and represent a human thought.

Let us present the quotation of professor from Illinois University S. A. Zhabotinskaya "Cognitive mechanisms of P-senses" and say that the cogitation is the manipulation by the inner representations like frames which are mental "information packages", ways of revealing of verbalized knowledge. The quotation is presented in translation of G. G. Gizdatov (Gizdatov, 1996). It should be explained that a human has as inborn cognitive infrastructure which was being formed in course of evolution for hundreds, thousands and millions years; now it is working in auto-mode (Isabekov, 2013). Partially this explains the existence of a possibility of its revealing, description and grouping.

The question of concepts typology is one of the first theoretical questions of cognitive linguistics which appeared in the process of its establishment (Popova & Sternin, 2006).

Some reliable sources (Bulletin of the Kazakh National University, Bulletin of ChGU, Bulletin of IGLU and others) consider the concept as a generic term and all the other cognitive units are its specific forms; in this or that way they can be narrowed to one of its types. In the study and scientific literature one can often find such types of concept as: frame, scheme, scene, scenario, script.

A lot of Russian scientists study the typology of mental units: A. P. Babushkin, M. V. Pimenova, V. A. Maslova, N. N. Boldyrev, E. S. Kubryakova, G. G. Slyshkin, S. G. Vorkachyov, V. I. Karasik, L. O. Butakova, Z. D. Popova, I. A. Sternin and other. We can briefly learn their main scientific achievements from the review articles by: S. A. Pitina, L. V. Popova "Mental units typology" (Pitina & Popova, 2013) and by O. I. Lytkina "To the

question of concepts typology in modern linguistics" (Lytkina, 2013). We only list main types or (according to the definition of professor N. N. Boldyrev) formats of knowledge. Almost in all investigations the following are mentioned: concept (as a generic notion), frame, scenario (or script), scene, scheme, prototype, image, mental image, notion (idea) and gestalt.

Frame is a multi-component concept, volume representation, certain sum of standard knowledge about an object or phenomenon, which is thought of in the wholeness of its components (*shop – components*: buy, sell, goods, cost, price etc.).

The term "frame" became popular after the publication of works by American scientist M. Minskiy, who was engaged in artificial intelligence developing. The terms "framing" and "reframing" have appeared later. All these were created by means of calquing from English: "frame" (the following translations are lexicographically fixed: 1) construction, building; 2) body, skeleton, carcass, casing; 3) structure, system; 4) body build, constitution; 5) frame; 6) hot-frame; 7) farm, rafter clench; bar; 8) stand; 9) shot; 10) reference system, system of axes (1, 2000); 1) create, develop, form; 2) built, construct; 3) enframe, encase; 4) adjust; 5) develop; 6) express in words, say; 7) accuse falsely; 8) put from pieces, rivet, join (1, 2000); "reframing" (prefix "re" has the following meanings for the verb or gerund: again, anew, one more time, backwards) (Apresyan et al., 1993).

In knowledge engineering frame means the way of compact storage of information in the consciousness.

According to the notion of N. V. Volosukhina, frame is a scenario with the fixed set of stereotypical situations (Volosukhina, 2010). Here is a wider interpretation - frame is a cognitive structure which is based upon the perception of knowledge about typical situations and anticipations, qualities and relations of real and hypothetical objects, connected with these situations (4). In other words, frame is a sequence of actions (and content of participants) taken in this or that situation, formed in mind; this sequence will be replayed with the account of corrections, implemented by the real world. Frame is a kind of universal scheme for assembling the "mosaic" of cognitive images. This is a carcass, basing on which one can quickly "build" different mental operations and take appropriate actions, i.e. speed up the response.

Initially frame is empty: it is simply a structure of text data and has no definite information (Goncharenko & Shingareva, 1984).

We agree with V. V. Goncharenko and E. A. Shingareva and consider that the sense of a text can be expressed in the form of the filled copy of the previously made frame (Goncharenko & Shingareva, 1984).

2. Method

Before studying this topic using definite examples let us underline that in journalism frame is sometimes understood as the carcass of a plot or an article. Regardless of topic and date of issue, any plot has: lead or introduction, off-text, sync, noise video and standard tailpiece (name of journalist, operator, city, name of TV-channel).

Let us analyse the aim and method of frame usage in journalism; content-analysis is to be the main method of investigation. The material for our investigation was the news of the Kazakhstan TV-channel "CTC", which went on the air in the period of 2008 - 2013 (five years). We intentionally chose the five-year period in order to show the tendency to use frames in its development.

It should be noted that "CTC" TV-channel is a republic channel and broadcasts in two languages: Russian and Kazakh, i.e. it is in the system of polylanguage mass media. Polylanguage mass media are newspapers, magazines, radio and TV channels which broadcast using three or more languages.

Due to the historic past and geographic position of Kazakhstan two-language mass media are more characteristic for this country: Kazakh-Russian (Kazakh-language materials are prevailing) and Russian-Kazakh (Russian-language materials are prevailing). Among the printed media, in particular magazines, a special place is occupied by Kazakh-Chinese (most texts are in Kazakh) and Russian-English (most texts are in Russian) as well as Kazakh-Arabic (equal amount of information in both languages) magazines. Let us explain that we also refer two-language mass media to the above mentioned category due to their number, they are considered as the integral part of the above mentioned category.

The text of a journalist, being the part of cultural texts, has a modern world outlook basis where a language is not just a mediator of acquiring new information about the world, events, but also the tuning button of this information (Velitchenko, 2012). There are good reasons why the journalism is called the mirror of life.

Let us proceed to the analysis of the language of mass media. In order to prove the choice of material for the investigation let us quote Ya. N. Zasyrsky and E. I. Pronin: "The attention of linguists and all the wise people

should be paid to the analysis of the mass media texts which, in some sense, concentrate all the peculiarities of the modern language" (Zasyrsky & Pronin, 1999).

Let us underline that the theorists understand the character of innovations and transfer the importance of the role of mass media as a social institution, which functioning is determined by the social-political situation, to the investigation of media discourse (mass media text, taken in the event aspect together with the extralinguistic, pragmatic and sociocultural factors) (Smetanina, 2005).

3. Results

Let us study the lead of the plot by Anna Yalomenko: "Tumult in the underground. Today the rescuers and medical workers evacuated people from the underground. Though everything was performed under the shot of photo- and video-cameras: the rescuers exercised their readiness for the earthquake" (author: A. Yalomenko; date of issue: 25.09.2013) (first is the central frame followed by the transfer to the other frame).

The first two sentences are obviously aimed at attracting maximum attention of public. Only in the third sentence we can extract the information about the exercises and about the fact that the evacuation of people from the trains in underground was only the stage version. But the thoughts of viewers are initially built according to the frame "catastrophe" and then the flow is rebuilt (unconsciously) according to the structure of the frame "exercise".

So, any frame comprises of the top or macro-position (topic) and slots (terminals). Slot is a cell for storage of information (6). For example, frame "exercise" includes the following slots: emergency situation, place, people, actions etc. Metaphorically one can imagine slots as terminals in airport - all the terminals serve one purpose.

A distinctive feature of the linguistic frames are the fact that they fix certain normative way of situation description which is typical for a certain language community, accepted in a definite professional circle for the description of some fragment of the outer world (situations and objects) (Goncharenko & Shingareva, 1984). In this case the professional circle is a community of journalists inside of which there is an unspoken tradition of presenting the information about exercises in such a way.

Another one example: "Incident in Semipalatinsk city: near the railway station two tank wagons with petrol and sulphuric acid ran off the track! The rescuers arrived on the scene just in time and managed to prevent the explosion. Such an unusual scenario was the basis for the tactical exercises of rescuers and railway men" (author: O. Babchenko; date of issue: 26.09.2013). The consumers of this information have different emotions. Initially they have fear: the tank-wagons with petrol and sulphuric acid ran off the track - this can lead to the explosion and ecological catastrophe; then their agitation soothes: this is just the exercises. Then the calm appears: if there are exercises then the rescuers are all set and could eliminate the real threat, if any. Here it is time to remember those senses hidden in the frame, which were discussed by N. V. Volosukhina: "Frames turned out to be a cost-saving way of information transfer, which speeds up its processing since they contain both evident and hidden, connotation meanings" (Volosukhina, 2010). The connotation fact is the readiness of the rescuers, which is not described directly.

A lot of plots dedicated to the tactical exercises are written according to one scheme, one scenario.

Scenario (= dynamical frame) contains the standard sequence of events, conditioned by some repeating situation (6). Since the exercises are conducted on the regular basis, such messages also appear regularly: "*The inhabitants of Petropavlovsk were waken up by the sirens: the emergency services of the city were alarmed. That was the start of republican exercises for rescuers. According to the scenario, there was an incident on the railway: the tank wagon with ammonia went off the track and the toxic gas started to spread across the area*" (author: G. Bazaeva; date of issue: 16.03.2012).

The frame in the static state can be thought of in form of nodes and relations structure. Terminal nodes are invariable parameters of situations and slots are their variable implementation (Volosukhina, 2010). Slots are of individual character and depend on a number of factors: life experience, intellectual development of a human, place of residence etc. But, focusing on the fact which is interested the citizens of Kazakhstan, we can point out several most demanded topics. For example, for Almaty inhabitants these are the topics of earthquakes and snow slides due to the mountains which are situated in the vicinity of the city. "*Tourists under the snow slide! Today several dozens of tourists conducted pilot and rescue works in the mountains of Almaty region. According to the exercise scenario the snow slide covered here three people. The rescue operation took only 15 minutes*" (author: M. Korchevskiy; date of issue: 20.12.2012). And here is almost similar plot: "*The group of tourists was covered by the snow slide near Medeo - that was the scenario for emergency service exercise in the mountains of Almaty. The rescuers are preparing for the winter. Recently in the southern capital was snow. This allowed to conduct*

exercises under the "almost real" conditions" (author: N. Kunina. 15.11.2011). This is one of the framing methods.

It is possible that frames can have more or less conventional character that's why they can define and describe something that is most characteristic or typical for the given society with its ethnic and sociocultural peculiarities (6), here we can use the term "social memory". Since the exercises were an integral part of life in the Soviet society (Kazakhstan was for a long time the part of the USSR), the citizens' response for the conduction of exercises is conditioned by the social memory. "*On the Almaty streets one could hear sirens and special vehicles today. The inhabitants of the southern capital were taught the rules of conduct for the case of an earthquake. On the special signal the inhabitants of Almaty were to leave their houses, offices and start for the nearest collection points*" (author: A. Podoinikov; date of issue: 24.05.2011). Shon thinks that the framing actually provides past experience for the defining unique situations in the present (Yanou and van Hulst, 2011).

According to Hoffman, frames are not formed consciously. On the contrary, they are used and/or developed unconsciously by the participants of interaction in the process of communication. So the journalist's wish to make the text as interesting as possible can be easily understood. According to D. Yanou and van Hulst, frames generally are not created intentionally, they are developed in the course of the interactive process of communication, which almost always depends on situation (Yanou & van Hulst, 2011). One can state that the frame "exercise" in text examples will be the central one, and the frame "catastrophe" will be secondary. Degree of centrality is often a function of the way we interact with a particular category at any given time (Evans and Green, 2006). Obviously, that after the earthquake which has recently taken place in the city no news broadcast starts according to the above mentioned scheme.

Framing is a process where actors create meanings of the events/situations and control their behaviour in these events/situations simultaneously and in accordance to the related meanings (Yanou and van Hulst, 2011). Journalists play quite an important role in the process of framing. According to the "Sociological review" journal "framing means uninterrupted narration about the problem situations and (simultaneously) the narrators' social-political participation in these situations" (Yanou & van Hulst, 2011). A good example is the following plot lead: "*Big tumult in the small town of Ust-Kamenogorsk. The peaceful life was interrupted by sirens today. The vehicles of the Ministry of Emergency situations rushed along the central streets and dense smoke was seen on the outskirts. Alexandr Podoinikov did not give way to the overall panic and found out that that was only exercises "Winter - 2008"*" (author: A. Podoinikov; date of issue: 07.11.2008). Here the journalist decided to define his own position. The author's self-identification as the participant of the events is a part of framing.

Let us also pay attention to the fact that framing consists of two operations: organisation of the past experience and orientation of the future actions (Yanou & van Hulst, 2011). The main goal of the exercises which are regularly mentioned in news is to get the information to people about how to behave in emergency situation: you should not panic, and perform all the instructions of the rescuers etc.

A lot of researchers tend to the fact that the frame exists on the pre-language level; this is the basis for the hypothesis about its meta-communicative nature. Basing on the speaker's voice, presentation of the material and even the place of the event in the news spot, information consumers understands that it does not refer to the real situation (even under the conditions of "long game"): *"In Aryssk region the tank-wagon filled with oil was burning. There is a threat that the fire will spread for the whole train. The oil workers cannot fight the fire on their own. All the divisions of the fire department were alarmed. The fire train headed to the place of incident. That was the scenario for the exercises in South Kazakhstan"* (no author; date of issue: 30.05.2008).

Reframing is an actively developing direction, branch of the psychology. That scenario, which we are trying to live, paying attention, to our parents' life (for example: they have two children and you also want two children) can be sometimes consciously changed by a person; this process is called reframing (6). In journalism reframing is the process of conscious re-programming. Another one example: "*The symptoms of poliomyelitis were discovered by doctors at the 7-years old Tadzhik girl on the Kazakh-Uzbek border. Medical service of the region is alarmed: the child was hospitalised and anti-epidemiology measures were taken on the custom station. That was the scenario for the exercises of medical workers on the custom station of the South Kazakhstan*" (author: E. Drobyazko; date of issue: 19.05.2010). That means that the reframing is the conscious breakage, it is insufficient and almost unnoticeable and can be re-qualified for some game.

All the above mentioned examples of the journalistic texts have all the frames corresponded to the following one. The transformation of frames, their "flow" into each other is performed in the form of a game.

Today framing is widely used in computer technologies. M. Minskiy in 1979 predicted in his work: "Sooner or later it will be necessary to develop something like this. Global space frame (GSF) is a constant set of "typical

positions" in abstract three-dimensional space, which copies are used as carcasses for the assembling of more complicated scenes" (Minsky, 1979).

The scientific works of that time frequently used the concept "framing". For example, in the article "Slavic cryptography: framing of M. A. Bulgakov" the researcher N. V. Khalina describes the framing of the definite author (M. A. Bulgakov): framing is the formation of the necessary frame of emotions for the recipient (10). Due to this fact we think that it is possible to speak of framing of some definite journalist - framing of G. Bazaeva, framing of N. Kunina etc.

All the above mentioned examples refer to the mass media texts (they were spread with the help of media channels). From the viewpoint of the Kazakh investigator S. N. Velitchenko, mass media texts are the synthesis of factual knowledge, artistic materials, personal preferences of a journalist and formats of a publishing house of a mass media channel (Velitchenko, 2012).

Let us summarize: in all the studied examples the journalists effectively used framing and reframing. Something that was initially designed for the creation of the artificial intelligence, transferred to other scientific branches. This proves the transparency of borders and sensitivity of linguistic sciences, cognitive science in particular.

Basing on the above said we consider it possible to point out a special type of frame as a cognitive unit - media frame. Previously in Kazakhstan there was published an investigation dedicated to the media-gestalts. It not only proved the existence of such a sub-type formation, but it proved its necessity (Skripnikova, 2014).

The use of frames in news spots awakes an increased interest of the viewers, which can be proved by the ratings of the "CTC" channel.

4. Discussion

This investigation completely proves the hypothesis about the fact that the modern Kazakh journalism is actively using principles of the cognitive science.

The results of this investigation can be used for the further activity and development of cognitive units' typology.

The investigation has interdisciplinary character, journalism, sociology and politology greatly contributed to its conduction. In the near future it will be possible to broaden the investigation for the account of participation of other CIS (Commonwealth of Independent States) countries' representatives: Belarus, Ukraine, Tajikistan, Kyrgyzstan, Uzbekistan and others where the situation with mass media is the same as in Kazakhstan (polylanguage newspapers, magazines, radio- and TV-channels).

5. Conclusion

The results of the investigation allow us to state, basing on the facts, that the Kazakh journalists of polylanguage mass media have been interested in cognitive technologies for a long time. For the recent years the number of mass media in the country has significantly increased, the competitiveness among them has increased respectively. Cognitive technologies, including framing and reframing, allow enlarging the public as well as fixing the number of already existing information consumers to this or that mass media. Unlike NLP (neuro-linguistic programming) and other similar technologies (forbidden in some countries), lingua-cognitive methods possess no destructive power and have no impact of human consciousness, they influence only the interest "sensors". We can suppose that in the near future framing will replace lingua-cognitive methods in journalism.

The value of the research's results: 1) they confirm possibility of application the lingvo-cognitive analysis' methods on such specific material as mass media's texts; 2) obtained data – the certificate of that fact, that the lingvocognitology "establishes" close connection with the modern media.

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Note

Note 1. The article used the materials, published on the official web-site of the "CTC" TV-channel (11).

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Tenant Satisfaction and Its Evaluation

Olga Vitalievna Lyubova¹, Oksana Aleksandrovna Akhmadeeva¹, Svetlana Yurievna Guzaleva¹, Svetlana Vitalievna Zubkova¹ & Ernst Raisovich Safargaliev¹

¹ Naberezhnye Chelny Institute (filial) «Kazan (Volga region) Federal University», Republic of Tatarstan, Russian Federation

Correspondence: Olga Vitalievna Lyubova, Naberezhnye Chelny Institute (filial) «Kazan (Volga region) Federal University», 423800, Naberezhnye Chelny Mira Prospekt, 68/19, Republic of Tatarstan, Russian Federation.

Received: October 15, 2014 Accepted: October 29, 2014 Online Published: December 30, 2014

doi:10.5539/ass.v11n3p319

URL: <http://dx.doi.org/10.5539/ass.v11n3p319>

Abstract

The competitiveness of any enterprise depends on the consumer satisfaction by goods and services produced. Tenant satisfaction with regard to the rented space is a general assessment, which consists of the quality assessment of real estate, service (interaction) quality and quality of service offerings. The article presents the lease options, which are advisable to use when assessing the tenant satisfaction and necessary improvements. The assessment of consumer satisfaction allows one to control the quality management system effectiveness and to identify the areas, in which it is necessary to make improvements.

Keywords: consumer satisfaction, quality assessment of real estate, satisfaction rating, main attributes of non-residential premises lease, evaluation of the importance, weighting coefficients

1. Introduction

Consumer orientation is a key feature of an effective company management system and one of the basic principles of quality management, developed for use by senior management in order to improve the organization's activities in accordance with ISO 9004:2000.

The ISO 9004-2000 enterprise certification standard, as one of the quality management performance indicators, prescribes a compulsory measure of consumer satisfaction: "Company management should use the measurement of consumer satisfaction as a vital tool" (International Quality Management Systems Standard ISO 9004:2000. Guidelines for performance improvements).

Consumer satisfaction is perception by consumers of the degree, to which their requirements are fulfilled (International Quality Management System Standard ISO 9004: 2000*. Fundamentals and vocabulary).

According to ISO 9000 (International Quality Management System Standard ISO 9004: 2000*. Fundamentals and vocabulary), one should also have in mind that "Even if the consumer requirements have been agreed with the consumer and fulfilled, this does not necessarily ensure consumer's high satisfaction" and "Consumer complaints are a common indicator of low consumer satisfaction, but their lack does not necessarily imply high consumer satisfaction".

Dissatisfaction is the main cause of what is called "the destruction of consumers". In this regard, consumer satisfaction surveys, carried out by Western companies, are the most common in terms of their frequency, especially in the b2b markets. It is believed that to retain the existing consumer is several times cheaper than to attract a new one.

In this regard, the so-called "economy of loyal consumers", or the economy, built on consumer retention, has widely spread (Shirochenskaya, 2004). Awareness of the need for such approach led to the development of the programs on building relationships with consumers, called "commitment scheme", which is an action plan to ensure consumers the most favored nation treatment, developed based on accurate and timely information about the needs and desires of consumers. Results of the study identify priorities for improvement, which then are used as a baseline in the quality management system operation (Glushakova, 2001; Glushakova, 2006).

When increasing consumer satisfaction, his loyalty towards the company increases (Kolobova, 2012; Tarelkina, 2006). Thanks to loyal consumers, the company gets free advertising in the form of sincere recommendations that in practice are more effective than various commercials; this results in the influx of new consumers.

Information about the grievances in terms of quality of products and services disseminates much more intensively than the positive information in case if the client were completely satisfied. Thus, loyal consumers are very profitable. But, according to the experience of the companies, which regularly measure satisfaction, only the higher estimates may be considered acceptable. The high level of consumer satisfaction is based not on the fulfillment of his requests, but on expedience of his needs.

2. Methodology

2.1 Substantiation for the Research on Consumer Satisfaction

In accordance with the applicable provisions of the ISO 9001:2000 standard (International Quality Management System Standard ISO 9004: 2000. Requirements), the consumer holds a central position in the quality management system, which aims at the constant improvement and increasing consumer satisfaction through the satisfaction of his demands. It is necessary to measure consumer satisfaction that will allow monitoring the quality management system effectiveness and identifying the areas that need for improvements. It is more profitable to retain an existing consumer than to attract a new one. At the same time, the longer the period of retention of the customer, the more profitable he becomes for the company. The best way to retain the consumer is to satisfy his needs. As shown by numerous studies in this area (Lee, 2008; Lifits, 2009; and Moshnov, 2010), highly satisfied consumers are much more likely to become loyal to company than those with low degree of satisfaction. Loyal consumer is a cost effective way to attract new consumers through his recommendations. Consumer needs and expectations may constantly change due to the development of business, the influence of competition and technological development. Therefore organizations have to continuously improve their products and processes. According to some authors (Campanella, 2005; Kotler, 2000; and Faskhiev, 2008), the measurement of consumer satisfaction allows to: determine accurately consumer needs and their priority; comprehend how the consumer perceives the organization; assess whether the organization activities meet consumer demands; determine the ways allowing enhancement consumer satisfaction and establishing priorities for improvement; identify areas of divergence, where the company staff misunderstands consumer priorities or their own capabilities towards consumer satisfaction; set goals for the service improvement and its control in terms of satisfaction indicators. It should be borne in mind that the measurement of consumer satisfaction (MCS) can provide accurate data on the level of consumer satisfaction and identify areas, where the consumer is the least satisfied. Though, without the follow-up activities, MCS cannot insure improvements and enhance the consumer satisfaction.

The ISO standard does not govern the specific procedures for conducting research.

2.2 Consumer Needs and the Basic Attributes of the Non-residential Premises Lease

We cannot disagree with a number of authors that consumer satisfaction directly influences the profitability of the business (Faskhiev, 2010; Shaughnessy, 2001).

Tenant satisfaction is determined not only by satisfaction with respect to the quality of provided and used space, but also space location, the possibility of effective exploitation of the territory and infrastructure, as well as quality of deals and interaction (Ahmadeeva & Lubova, 2011; Efimov & Samsonov, 2008), i.e. consumer satisfaction in terms of rented premises is a summative assessment, which consists of the quality assessment of real estate, quality of service (interaction) provided, and quality of service offerings. Each of the three groups includes several parameters. Depending on the business specifics, these parameters are adjusted and supplemented. For the identification of these parameters it is necessary to: select parameters based on experience and intuition; conduct the analysis of documents (which are offered to the consumer and which are used by staff, when interacting with consumers, etc.); complete the existing list of specifications by identified parameters; check with the staff of various departments; discuss the ready option with the CEO or Director of Marketing; and carry out a pilot survey of about 10 respondents to check and adjust the list of parameters. When conducting an interview, it is better to put open-ended questions to get the maximum quality information. Afterword it is necessary to structure and generalize a list of parameters without losing the essence and overusing generalized concepts and standard phrases; to improve wording and get approval on the resulted list of parameters from the working party.

Tenant satisfaction depends on the following components:

1. Quality of the space for commercial use:
 - 1.1 Location (transport accessibility, proximity to major roads, and attractiveness of the industrial zone).

1.2 Characteristics of the area: the quality of the leased premises (industrial, warehouse, and office), the quality of auxiliary premises and public spaces, the building and grounds.

1.3 Infrastructure:

- for business (availability of companies providing service and repair of office equipment, availability of financial sector, business services, etc.),

- for employees (the availability of foodservice, health care, hotel, and shops).

2. Quality of service / interaction

2.1 Service:

- basic services (property management, maintenance of engineering systems, contractual relations management, etc.),

- additional services (security, parking, access control, cleaning, waste disposal, reception, etc.).

2.2 Interaction with the leasing holder (staff competence and courtesy, easiness to contact the person in charge, settlement of claims, etc.).

3. Quality of the offer (the optimal price-quality relationship, special partner programs, flexible contract terms and pricing policies, etc.).

2.3 Data Collection Methods and Research Tools

Data collection methods:

Personal interview. Business consumers are interviewed during the working day on the job at a convenient time. The duration of an interview is on average 10 minutes (but no more than 20 minutes). In case of sufficient number of interviewers and prior agreement with the respondents on behalf of the Company, the interview can be carried out during a period of a few days. Questions should be specifically worded and the questionnaire should be prepared in advance.

1. Telephone interview. Interview through the phone is similar to the personal interview and is carried out during the working hours using a business phone numbers.

2. Survey. Is conducted in writing. Questionnaires can be faxed, e-mailed, mailed, or delivered in person to the office. Collection of filled in questionnaires can be done the same way.

During the study we used mixed methods, including personal interviews, telephone interviews and questionnaires. Questionnaires, which were filled not fully or completed incorrectly, were clarified over the phone.

Basic questionnaire was compiled:

1) for consumers, renting office space, as well as for those renting production and storage facilities;

2) for consumers, renting only production and storage facilities, while renting office space in another organization.

After the first stage of the survey, the questionnaire was revised and reduced, containing only general estimates, for the purpose of conducting phone survey, as well as for distributing among disloyal-minded consumers.

A special questionnaire was developed to identify the need for additional services and infrastructure. This questionnaire is a basic as well.

Data from the questionnaires, accepted for processing, were presented in a form convenient for further analysis.

2.4 Investigated Data Population

The standard does not regulate the process of sampling, but specifies the general requirements and recommendations for measurement, referring to the application of statistical methods. Accurate measurement of consumer satisfaction can be accomplished if it is based on the correct sampling. Many organizations have a large consumer base, especially if operating in the consumer market, and in order to get an accurate assessment of consumer satisfaction there is no need to poll the entire data population. In this case we fall back on sampling.

Steps in developing a sampling plan:

1. Determination of the relevant data population according to the objectives, stated in the study. For b2b-market businesses this includes the formation or obtaining the "list" of data population, i.e. consumers database (the general population).

2. Study of the general population and its structure.
3. Selection of the coverage of observation units that includes continuous research (the study of the entire general population), or selective research (partial study of the general population).
4. Design of the sampling plan, i.e. the determination of sample composition and size.

4.1 Definition of a sample kind, acceptable for the concerned general population and the research objectives. The samples are divided into two large groups: random (probabilistic) and nonrandom (non probabilistic) samples. In our case, if carrying out a sample survey, the following types of samples are suitable: simple random representational, random systematic, and random stratified (fibered). In order to generalize the conclusion, obtained by studying the sample, to the entire population, the sample should have the property of representativeness.

4.2 Determination of sampling volume (size) in the case of a sample survey. The ISO 9000 standard states that to obtain a reliable sample, when conducting consumer associated measurements, one has to use recognized statistical methods.

To determine the sample size, it is necessary to know the indication sample variance value (Cochran, 1976). It is determined, based on the experience of previous studies or according to the pilot study. If pilot study is laborious and lengthy, the sample size is not pre-determined, while specified in the course of study according to the results obtained. To do this, we calculate span of rating, based on the results obtained; if the representativeness is ensured, the questioning is stopped, otherwise the sample size is specified.

5. Determination of the population access methods.

During the study one verifies the best way to collect data.

Adjustment of methods.

6 Achieving the desired sample size.

7. Verification of sampling for the conformance to the requirements.

8. To form, if necessary, a new sample.

2.5 Carrying Out Main Study

The purpose of the main study was to measure consumer perception of the organization.

- 1) Distribution of questionnaires / checklists. Quantity of questionnaires / checklists should be small enough to carry out the pilot study, after which there probably might be need to adjust questionnaires.
- 2) Training of interviewers.
- 3) Pilot study and adjustment of questionnaires.

The main objective of pilot study is to check the suitability of the questionnaire for application, i.e. to identify bottlenecks and problem areas in the questionnaire, to check the questionnaire text in terms of both semantic errors (wording of the questions, the completeness of answers to the questions), and technical errors (correct transitions and links in the questionnaire) (N. Hill, B. Selphie, and G.Roshe, 2004).

- 1) Data collection (conducting surveys and interviews).
- 2) Processing of questionnaires.
- 3) Investigation of consumer complaints.
- 4) Mirror study. Mirror study is a survey of the company staff and management, using the same set of questions as to the tenant respondents. This survey aims at determination of how well company staff understands what is important to the consumer and how deeply consumers are satisfied.

3. Results

3.1 Data Analysis

Data processing, preparation and analysis suggest a multiple-table format with a detailed segment-based analysis. The obtained data were processed using the standard Microsoft Excel.

Research can be carried out using digital or verbal scales. In these cases, the data processing and analysis may differ.

Data processing and analysis using questionnaires with digital scales.

Once a large number of consumers are interviewed to measure the level of their satisfaction and the data are tabulated, it is necessary to carry out some statistical calculations and determine statistical values.

Data processing and analysis using questionnaires with verbal scales.

If questionnaires contain verbal scales, the results are processed using the frequency distribution, i.e. we determine how many respondents answered the question in a certain way. The results can be presented either as a table or chart, where one scale presents the attributes of the product / service, and the other one shows evaluation of satisfaction or importance. Percentage will determine, for example, how many percent of the respondents are satisfied with respect to a certain parameter. In general, it is an exact summary of the results.

Some researchers believe that the actual problem of verbal scales is the lack of a single average rating for each characteristic. For example, it is impossible to compare the evaluation of the importance of location and the evaluation of tenant satisfaction due to location. Thus, in this case it is impossible to analyze the differences in order to identify priorities for improvement.

Analysis of consumer complaints.

In addition to the data, obtained during the surveys, it is necessary to analyze consumer complaints. This can be done by composing a list of parameters, peculiar to incoming complaints, and analyzing the frequency of complaints. Any forms of complaints, i.e. written and oral complaints, whether or not collected in a special way, etc., are taken into account. Complaints can be identified in the process of conducting surveys of consumers, who have refused to participate in the basic survey, though expressed their opinions about certain aspects of the company. The results should be presented in tabulated or graphical form. According to ISO 9000 standard, "Consumer complaints are a common indicator of low consumer satisfaction, though their lack does not necessarily imply high consumer satisfaction" (International Quality Management Systems Standard ISO 9004: 2000*. Fundamentals and vocabulary).

3.2 Progress Report Preparation and Presentation

Preparation of a progress report using numerical scales.

Importance. Despite the fact that the questions regarding satisfaction precede the questions concerning the importance, the report on assessment of importance should always be the first, as the comprehension of the consumer priorities is a logical starting point (N. Hill, B. Selphie, and G. Roshe, 2004).

If a preliminary pilot study has been conducted, the questionnaire may lack the questions with low importance criterion, though involving the questions with importance of average level and the level above average. Assessment of the importance can be presented in tabular and / or chart forms.

Satisfaction. If the scale is digital, than the average satisfaction scores are displayed for each parameter and the attribute as a whole. Graphically, the order of the parameters corresponds to the level of importance.

Any characteristic with an average rating below average value (for example, six points on a 10-point scale) should be seriously studied and possibly investigated additionally. This will figure out the cause of each low satisfaction score based on conducted research.

For each evaluation of satisfaction, when using digital scales, it is necessary to calculate the standard deviation, because evident satisfactory assessment may hide a group of extremely satisfied consumers, as well as a number of dissatisfied consumers (Hill, Selphie, & Roshe, 2004).

Satisfaction rating

The second main result, which is to be obtained from the data collected, is a satisfaction rating. There are several possible ways to determine satisfaction rating:

- 1) To include into the questionnaire a question about the satisfaction by company operation in general. Difficulty with this approach is that the greater the number of parameters, the more unreliable the answer, whereas this generic question about the consumer satisfaction includes a dozens of parameters.
- 2) Since the questionnaire already includes the questions on individual parameters, the second approach is to calculate the overall average for all evaluations of satisfaction. This approach is better, though still not perfect, because some factors are more important for consumers than others, and the more important needs have a greater impact on the judgment of consumer satisfaction than less important requirements.
- 3) Calculation of satisfaction rating should be carried out as a weighted average of satisfaction; this is carried out in two stages:

Calculation of the weighting coefficients.

To calculate the weighting coefficients one uses estimates of importance. To calculate the weighting coefficient, all the importance estimates are added up. Then one determines the percentage of the amount received. The data should be presented in tabular form.

Each satisfaction score (average) is multiplied by its corresponding weighting coefficient.

Complete weighted average is obtained by adding all the weighted estimates and is expressed as a percentage. Satisfaction rating indicates that the organization satisfies consumers at a certain percentage. Maximum satisfaction rating equals to 100%.

Preparation of a progress report using verbal scales.

The report begins with an analysis of importance.

When processing verbal scales, one mainly uses frequency distribution. To simplify the report, one may use satisfaction percentage. For the normal five point verbal scale, this is a sum of the numbers in the first two cells ("highly satisfied" and "satisfied"), representing the sum of the number of respondents, who gave the corresponding assessments.

The disadvantage of this approach is that three of the five data arrays collected is ignored. For example, satisfaction may look acceptable in terms of certain parameters, though within this point may take place the highest percentage of very dissatisfied consumers. The combination ratings in the first two cells are ignored as well. That is, the use of these estimates alone can give a slightly different result than their sum. Where consumers are generally satisfied (as is the case for most organizations), most of them put a tick in the second cell ("satisfied"). But unfortunately, as shown by research in this area, the relationship between consumer satisfaction and his loyalty is often exponential. In other words, the relationship between satisfaction and loyalty is much stronger for those, who indicated "highly satisfied", than for those consumers (much more numerous), who are simply "satisfied". That is, reliable in terms of loyalty are only those consumers, who are very much satisfied; thus when drawing conclusions it is necessary to focus attention exactly on this group of respondents.

Layout of progress report is carried out in a word format with lots of graphics. One can use also the Power Point presentation program.

Structure of the report is generated at the discretion of the person, drawing the report, though taking into account the above noted recommendations.

4. Discussion

The aim of this study was to measure the perception of the leasing holder organization by the tenants. The assessment of the satisfaction with industrial, warehouse and office premises was based on selected lease options.

The study was conducted with the use of digital and verbal scales. As a result, it was revealed that the order, in which the questions were listed in the questionnaire, is not suitable for the report. It was necessary to determine the order of priorities and list the parameters in accordance with their importance to the consumer throughout the progress report.

Information can be clearly represented using satisfaction diagrams, though the most useful results can be obtained, when bringing together the assessments of the importance and satisfaction, identifying further the company performance quality in the areas, most important for the consumer.

The most important are the indicators for which the company was unable to meet the demands of consumers. These are exactly the indicators, which need careful attention to improve consumer satisfaction, so called PFI areas (priorities for improvement). The greater the gap, the greater the problem. The largest PFI, i.e. factor with the greatest potential to improve consumer satisfaction, is associated not with a query that received a minimum score of satisfaction (a quick cashier services), but a query, which has a maximum gap in the estimates of importance and satisfaction.

It is important that the satisfaction rating is updated in the process of monitoring. This gives a measure of satisfaction, which can be controlled in future periods, even if the questions in the questionnaire will need to change due to changes in consumer demand. Basically satisfaction rating gives an answer to the following question: "How well we satisfy our consumers with respect to m variables that are the most important to them?"

If in the future the questionnaire will need to change as a result of changes in consumer priorities, then the satisfaction rating will still remain adequate measure, suitable for comparison. This comparability is applicable to consumer segments as well.

Because of the statistical impossibility of obtaining the average scores from categorical or ordinal scales, there is no satisfactory method of obtaining a weighted average of estimates for the calculation of satisfaction rating. Using a verbal scale in reports, one usually averages satisfaction scores for all inquiries, or presents as satisfaction rating the result, obtained with respect to overall satisfaction.

Variance analysis is also problematic. When using the approach, associated with the first two cells, it is possible to compare estimates of the importance and satisfaction, though the lack of 60% of the scale makes this method too rough. Therefore, when using a verbal scale, it is considered the best to determine PFI based only on estimates of satisfaction. But in the case of verbal scales, one can use the presentation of priorities for improvements using other techniques, such as matrices, profiles, etc.

5. Conclusion

Since the introductory clause of the ISO 9001:2000 standard states that the organizations should focus on "continuous improvement of process, based on objective measurement", it is necessary to conduct a formal investigation of consumer opinions.

Standard 9001:2000 leaves the responsibility for "determination of applicable methods, including statistical techniques", when conducting measurements of consumer satisfaction, to the organization. Application of both digital and verbal scales is allowed.

The numerical scales are processed using mean values and standard deviations, while the verbal scales require using frequency distributions. Numerical scales are more suitable for statistical analysis, expanding the scope of its application. Verbal scales are more convenient and intuitive to respondents with respect to satisfaction ratings. It is considered incorrect to convert verbal responses into numerical scales at the stage of processing the results. Conclusions with respect to satisfaction ratings will be vivid in both cases.

Identifying gaps between importance and satisfaction, one reveals the priorities for improvement. In the case of verbal scales, one can use the presentation of priorities for improvements with the help of matrices, profiles and other methods, including those developed by the researcher.

It is advisable to derive the general satisfaction rating, which must be a weighted average rating. This general satisfaction rating can be further used for comparative analysis in the monitoring.

Actions taken to improve the satisfaction, based on results of the study, will be mainly focused in the designated areas of low satisfaction and increased importance. The actions content lie within the competence of the company, rather than research.

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The Ethnic Identity in the Social Identity Structure of the Residents of Belarus and Russia

Natallia Leonidovna Balich¹ & Victoria Nikolaevna Mukha²

¹ Institute of Sociology of National Academy of Sciences of Belarus, Minsk, Republic of Belarus

² Kuban State Technological University, Krasnodar, Russian Federation

Correspondence: Victoria Nikolaevna Mukha, Kuban State Technological University, Moskovskaya Street, 2, Krasnodar, 350072, Russian Federation. E-mail: v.mukha@bk.ru

Received: October 15, 2014 Accepted: October 29, 2014 Online Published: December 30, 2014

doi:10.5539/ass.v11n3p327

URL: <http://dx.doi.org/10.5539/ass.v11n3p327>

Abstract

The goal of this article is to consider the ethnic identity and interethnic guidelines of the population of Belarus and Russia. The authors conducted empirical studies among the residents of the Republic of Belarus and Krasnodar territory (the Russian Federation) to find out whether people there are ready for interethnic contacts and interactions in various life spheres and how the population of these two countries perceives the representatives of other ethnic groups. Ethnic identity is considered as an element of the social identity structure which also includes other types of identity (socio-cultural, civil, religious, age-related, etc.).

Keywords: social identity, identification, types of identity, ethnic identity, interethnic guidelines

1. Introduction

1.1 Social Identity in the Modern World

Social, economic and political conditions in Russia and Belarus determine the formation of new forms for social identity and actively influence the evolution and mechanisms of its functioning, that is marked both Russian, and the Belarus researchers (Civil, ethnic and regional identity, 2013; Naumenko, 2012). Changes in social identity are, on the one hand, caused by economic, political and cultural shifts. On the other hand, the social identity itself acts as an important resource and factor of social changes. Thus, there is a need of an integrated cross-country analysis of social identity in its features, its formation processes and its influence upon social life.

The concept of “social identity” is defined by sociologists as “the awareness and experience of one’s belonging to various social communities: a small group, a class, a family, a territorial community, an ethno-national group, a nationality, a public movement, a country or the humanity in general” (Yadov, 1995). The feeling of belonging to a social community has significant social and socio-psychological functions: it makes an individual be subordinate to a social group; it provides group protection; and it sets the criteria of assessment and self-assessment.

The general social bases for social identity formation include: the social division of labour; the differences between statuses and roles; the processes of socialization; individual’s relations with various communities and groups; and the differences of cultures. Taking into account the diversity of research approaches, the phenomenon of identity remains one of the most complex and multi-valued in social science. This demands new investigations and applied researches aimed at detecting the main trends and formation features of various forms of social identity.

Individual’s self-determination by various criteria – sex, age, class, nationality, confession, profession, etc. – takes place at different stages through the whole life. An individual determines himself and builds his behaviour in different social contexts differently: it depends on what group he interacts with at a certain moment and what identification is needed to confirm and recognize his membership by the group (Goffman, 2000). At the same time, the individual continues to determine himself as having a certain set of quite constant characteristics which he consider basic and relatively fixed (gender identity, identity with one’s family or friends). The set of basic forms of identities is unique for every individual, but all these identities express individual’s established internal and external relations with his closest environment. Consequently, social identity should be considered as

structured and having many forms of manifestation. These forms are determined by the social context of interaction. So, we can say that there is one identity with a great number of forms (Ganeyeva, 2008).

The idea of multilevel identity is based on the concept of “identity matrix” suggested by S. Moskovichi. According to this concept, human identity is a whole set of various identifications. Information is distributed in the matrix under the direction of an identity or a group of identities that dominates at a certain moment. This determines the corresponding angle of worldview. Another guideline is the recognition of multiple identity as a sign of individual's wide circle of social affiliations and the diversity of the structure of his life activity (Moskovichi, 1998). Identity matrix has a social nature. Its configuration and content depend on the peculiarities of society. It rests upon the components of social identity. It is based on values, meanings and guidelines which form various identities: group (family, profession, generation, etc.), physical (appearance, sex and age), political (civil, national, class), spatial, socio-cultural (language, religion, etc.) and others. The matrix characterizes individual's self-identification and includes individual and collective identifications. When identity matrix is used as an analytical category, it allows conceiving the compound structure of individual (personal) and collective identity.

Let us specify some points concerning the interconnection of individual and collective components in the structure of identity.

Collective identity is formed as a result of social interaction and individual's awareness of his belonging to some community or social group. This “generates” the notion of subjective (individual interpretation of collective ideas) with a psychological importance for humans. Such an interaction results in: 1) the community of ideas, values and interests; the understanding of differences between “us” and “them”; 2) psychological guidelines and behavioral patterns regulating the relations with similar and “alien” groups; 3) group solidarity determined by the personal attachments of individuals and aimed at maintaining the image in the eyes of various groups including “alien” ones. At that, the feeling of empathy to “friends” determines people's social behaviour, when, in the same circumstances, the conscious feeling-into is a ground for helping or altruistic behaviour. Family, clan, ethos and nationality are the examples of such collective identities.

So, the self-categorization of an individual always correlates with categorization coming from a social group or other community. Collective identity starts up the mechanisms supraindividual integration and, simultaneously, the isolating mechanisms based on operations carried out, first of all, in the symbolic (consequently – semantic) universe.

In today's society, collective identities are not so much formed spontaneously as constructed purposefully by various groups of intellectual and political elite with the help of appropriate institutions, up-to-date information technologies and communication means. At the same time, collective identities are formed not only under the influence of corporations, government, elites and their identity policy but also as a result of spontaneous changes in popular consciousness which reacts to socio-economic and cultural shifts. Moreover, rapid socio-cultural changes, as a response to them, stir up such “traditional” forms of collective self-identification as religious, national and civilizational ones. That is why, according to A. Tleuzh (Tleuzh, 2010), the construction of collective identity should be considered both a result of sense-making, ideological and propagandistic activity of elites and a spontaneous changing of mass consciousness stereotypes under the influence of political and institutional shifts, and also social, economic and cultural evolution of the modern world.

Collective identity is a generic notion. At the same time, in each person's consciousness, collective identity interacts with individual (personal) identity. Due to this, we can state a dialectic interconnection between individual and collective identity. This dialectics manifests in the fact that person's self-consciousness and its very identity are impossible without looking at oneself from the side and without relating oneself to others and to one or another community.

Besides, they distinguish a kernel and a periphery in the structure of multiple social identity. The kernel of social identity is a certain number of identity forms which help an individual to outline his position in the society regardless of changing social context. The periphery contains forms of identity that, on the contrary, are totally determined by concrete social conditions of interaction.

Numerous sociological investigations (Identity, 2012) show that the identity kernel is formed by the identifications of a human with a circle of everyday communication: family, friends, relatives, colleagues, etc. These social groups allow satisfying individual's vital needs for communication, protection and self-respect. The second level in the structure of identity contains identifications by such factors as generation, nationality, location, status and others. Individual's identifications with constructed nominal social groups, such as the

humanity, political like-minded people, civil society, etc., i.e. with groups farthest from a certain individual, form the third level in the structure of identity (Ganeyeva, 2008).

1.2 The Problem of Identity Typology

In world science, there are various models for the typologization of identities. E. Erikson singles out positive and negative identity (Erikson, 2006); G.H. Mead analyzed the correlation between the social determination of identity and personal freedom (self-determination) and explicates the conscious identity (the presence of reflection) and the unconscious identity (Mead, 1996); J. Habermas unites personal and social identities into the self-identity in his concept of identity balance (Habermas, 2002). According to S. Huntington, such types of identity are, for instance: 1) ascriptive – age, sex, kindred, ethnicity and race; 2) cultural – clan, tribe, language, nationality, religion, civilization; 3) territorial – closest environment, village, city, province, region, climate zone; 4) political – fraction, group of interests, ideology, state interests; 5) economic – job, profession, position, work environment, field, economic sector, trade union, class, state; 6) social – friends, clubs, teams, colleagues, social status (Huntington, 2000).

Russian science also worked out many typologies of identity. V.A. Yadov (Yadov, 1995) gives special attention to the typology of social identity kinds by such factor as the specificity of objects for identification: primordial (archaic, traditional) communities and groups (for example, family, settlement or ethno-national communities) and modern communities (for example, production team, communities with one political orientation or with the same views and values, groups with similar social status, the citizens of one state or state unions).

Y.M. Popov proposes to single out macrosocial identity which is an anthroposocietal structure of self-consciousness. It includes subjectively realized and experienced ties, relations, assessments and norms of macrosocial community that determine person's place in the space and time of society. The macrosocial identity is an element of subjective reality. Just as it, the macrosocial identity is in a close historical and dialectic interconnection with society and is formed by social processes. The researcher distinguishes the following basic types of macrosocial identity: civilizational identity, national identity, regional identity, civil identity, supraethnic identity, ethnic identity and race identity (Popov, 2004).

M.N. Guboglo, in his turn, distinguishes four types of identity: primordial-instrumental (gender, family); ethno-cultural (ethnicity and religion); socio-constructivist (professional, social and proprietary); territorial-civil (regional and civil) (Guboglo, 2003).

The described typologies of identity denote one more time the complex and versatile character of the phenomena of social identity.

The sociological scheme of individual's identity formation described by Z. Bauman and the typology of identity proposed by Z.A. Zhade became the operational approaches for the analysis of social identity of population in polyethnic regions. In the opinion of Z. Bauman, empathic kinship and intensive contacts create primary groups which provide psychological safety and comfort. They are perceived as initial and objectively given (primordial). Such groups include family and close social circle. The remoteness of people and infrequent (or lacking) contacts promote another type of groups – "Them" and "Aliens". Big groups with no contacts are imaginary communities or secondary groups. They include class, generation, ethnic community and citizenship (Bauman, 2002). The typology of multilevel identity suggested by Z.A. Zhade contains the following levels of identity: ethnic, regional, national, geopolitical and civilizational. These levels are closely interconnected and form a complex system with hierarchical structure (Zhade, 2008).

Let us turn to the analysis of social identity structure of Russians and Belarusians.

2. Methods

The results of sociological research carried out in Krasnodar territory (the Russian Federation) and the Republic of Belarus in 2013 by questionnaire became the empirical base. A representative quota sampling with elements of random selection was used to choose respondents. The sample volume in Belarus was 1589 respondents; the sample volume in Krasnodar territory was 1200 respondents.

3. Results

3.1 The Place of Ethnic Identity in the Structure of Social Identity

S. Huntington noted that cultural identities play an important role in today's world (Huntington, 2000). Ethnic identity belongs to them. Ethnic identity has a special place in the structure of identities because it is basic and self-reinforcing and expresses human's ability to answer the question "Who am I?" towards the ethnic community.

Ethnic identity takes shape during a long historical path and accumulates the experience of an ethnos in understanding the reality and its place in it. Ethnic identity has various expressive means: language, symbols, idea and folk art fitting in with a certain type of mentality inherent in this very ethnos and culture. Identification by ethnos is a status definiteness which includes three main components: ethnic affiliation, the necessity of positive ethnic identity and ethnic safety (Soldatova, 1998). Ethnic identity is not only the acceptance of certain group ideas, the readiness for similar way of thinking (Skorobogataya, 2008) and shared ethnic feelings but also the construction of the system of relations and actions for different situations in ethnic contacts. That is why ethnic identity means the awareness of oneself as a representative of a certain ethnos and culture based on the identification with them and differences from other ethnic groups while adopting the ethnicity and turning it into the ethnic identity.

In human perception, ethnic identity fits to other multiple identities – domestic, role-playing, professional. It does not dominate in the majority of cases. In the periods of unstable political and social system, ethnic identity acts as one of the mechanisms for a steady form of solidarity (Loughlin, 2002). Ethnic identity becomes a psychological ground for ethno-political mobilization, i.e. the willingness of people united by ethnicity to group actions for the sake of national interests (Ryzhova, 2011).

R. Jenkins notes that nominal and real identities should be differentiated. He defines nominal identity as a simple ethnic self-categorization, and he associates real identity with the identity that influences the life of its bearers (Jenkins, 2004).

Ethnic identity includes personal and group identities. Personal identity is described first of all by psychological categories, while group ethnic identity is described by social categories and analyzed on the basis of ethnic communities that an individual belongs to and identifies himself with (Russian Identity, 2007). So, the realization of one's ethnic identity is not something spontaneous. It is to a large extent conditioned by concrete social interests and group needs including political, economic and cultural ones (Drobigeva, 2013).

3.2 The Hierarchy of Identities of Belarusians and Russians

The structural analysis of the social identity of people living in Belarus and Krasnodar Krai showed that these nations put civil (living in the same area), national and age identities in the same places of the hierarchy.

Table 1. The feeling of unity with the following groups and human communities, %

The feeling of unity	Fully		To some extent		Do not feel		Undecided	
	Belarusians	Russians	Belarusians	Russians	Belarusians	Russians	Belarusians	Russians
With the citizens of the same country	45.0	59.7	39.2	33.0	6.7	4.3	9.1	3.0
With the people of the same nationality	35.4	54.8	45.6	34.8	6.6	6.5	12.3	3.9
With the people of the same confession	26.7	38.1	42.0	38.0	12.1	14.3	19.2	9.6
With the people of the same generation	40.3	51.2	43.0	36.2	5.5	7.8	11.2	4.8
With the residents of the CIS	9.6	21.5	39.9	38.7	31.7	32.4	18.8	7.4

The national base that forms a kernel of ethnic identity is a significant but not priority factor of association in the view of people in the two countries. Belarusians feel the unity first of all with the residents of Belarus, and Russians feel the unity with Russian citizens. This allows speaking about the civil identity as the dominant one in the system of identifications. Then positions were divided. Russians have ethnic identity at the second place (54.8% of the pollees feel a full unity with the representatives of their ethnic group). Age identity is at the second place in the opinion of Belarusian (40.3% feel a full unity with the people of their generation). At the third place, Belarusians have national identity (35.4 %), and Russians has age identity (51.2 %). Age identity is very topical in the structure of social identity of Russians and Belarusians. This can be easily explained: individual's age characteristics are one of the main socio-demographic indications and an important reference point in social interaction.

Ethnicity is closely connected with religious factor but religious affiliation is not priority in the structure of self-identifications (38.1% of Russians and 26.7% of Belarusians) in spite of the fact that both the Republic of

Belarus and Krasnodar territory are multi-religious. The respondents identify themselves with the residents of the CIS in a less degree: 32.4 % of Russians and 31.7 % of Belarusians have never felt the unity with them (Table 1).

In general, the hierarchies of significant and non-significant identities in the priority structure of Russians and Belarusians, depending on the intensity, can be presented the following way:

Table 2. The hierarchy of identities in the structure of significant priorities

The maximal feeling of unity	
	Types of identity
Russians	Civil→national→age-related→religious→allied
Belarusians	Civil→age-related→national→religious→allied

Table 3. The hierarchy of identities in the structure of absent priorities

The feeling of unity (zero degree)	
	Types of identities
Russians	Allied→religious→age-related→national→civil
Belarusians	Allied→religious→civil→national→age-related

The visa-free regime between Russia and Belarus yields positive results in mutual tourist, economic, labour streams of both states, washing away borders of Russian and Belarus identity and promoting that to international, interstate association in modern integration processes in politico-legal, economic and cultural space. The majority of inhabitants on either side of border associate itself with Russian or Byelorussians have close relatives on the other side of border. It is confirmed with results of research according to which the considerable part of Byelorussians and Russians feel unification with citizens of the next state (Picture 1-2).

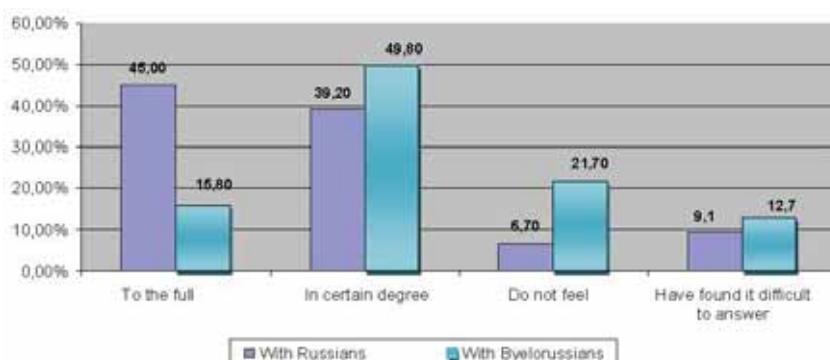


Figure 1. Degree of sensation of unity of Byelorussians with inhabitants of the country and with inhabitants of Russia, %

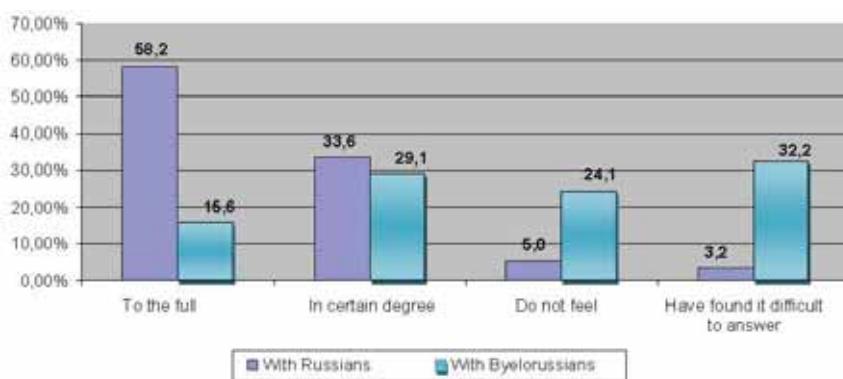


Figure 2. Degree of sensation of unity of Russians with inhabitants of the country and with inhabitants of Belarus, %

4. Discussion

4.1 The Significance of Different Types of Identity

While studying ethnic identity, it was important to consider the subjective significance of different types of identity among the respondents, i.e. whom they believe themselves to be first of all. For this purpose, we included a question with scales in order to find out how deep is the subjective feeling of significance of civil, ethnic and religious identity among Russians and Belarusians. In general, the positions of Russians and Belarusians spread the following way (Table 4).

Table 4. The recognition of different types of identity, %

The type of identity	Fully recognize		Recognize to some extent		Do not recognize		Undecided	
	Belarusians	Russians	Belarusians	Russians	Belarusians	Russians	Belarusians	Russians
Civil	68.4	74.5	22.1	20.6	2.8	3.7	6.7	1.2
Ethnic	37.4	60.7	35.5	26.9	11.9	7.2	15.2	5.2
Religious	33.4	37.2	34.5	40.7	15.1	15.0	17.0	7.1

As the Table shows, 37.4% of Belarusians and 60.7% of the residents of Krasnodar Krai, who took part in the research, consider ethnic identity a fully significant characteristic as opposed to civil identity which is fully significant for 68.4% of Belarusians and 74.5% Russians. Religious identity does not have a priority (33.4% of Belarusians and 37.2% of Russians) ceding its positions to ethnic identity.

The significance of ethnic identity is explained by the fact that it not only allows an individual to be aware of his uniqueness and imprint the distinctions of his group but also is based on a complex of specific cultural evaluation criteria to assess his own and other people's behaviour. In this connection, it is right to mention such category as tolerance in the ethnic context. Tolerance is especially topical in regions with a high level of interethnic contacts.

4.2 Interethnic Guidelines

The topical character of ethnic identity is determined by the specific environment of ethnic contacts: the intensity of interethnic contacts is very high in polyethnic Krasnodar territory. The representatives of different ethnic groups live historically in Krasnodar territory. Today, the representatives of non-Slavic ethnic groups are not isolated individuals but groups with a certain level of ethnic cohesion. This ethnic structure deserves a special attention in the question of interethnic relations which are now tolerant.

The Republic of Belarus is also a polyethnic country. According to the population census of 2009, the representatives of more than 130 nationalities live in the country. About 83% of them are Belarusians (National Composition of the Population, 2009). Due to this it is very important for ethnic identity of both Russians and Belarusians to be able to accept the representatives of other ethnic groups as interaction partners. In order to evaluate this ability, which also is an indication of interethnic tolerance, we used the modification of social distance scale. It estimates the ability and readiness of respondents to take a person of another ethnic group as a member of family, a friend, a neighbor, a colleague, a community member or a citizen. Respondents were to answer a question which evaluates the desirable degree of affinity with people of other ethnic groups. Scale modification allows presenting the distancing situation the following way (Table 5).

Table 5. The readiness to accept the representatives of another ethnic group, %

The readiness to accept them as	Agree		To some extent		Do not agree		Undecided	
	Belarusians	Russians	Belarusians	Russians	Belarusians	Russians	Belarusians	Russians
Close relatives	40.9	15.3	31.5	32.2	15.5	45.2	12.1	7.4
Friends	52.9	36.7	29.9	43.8	7.2	16.3	10.0	3.2
Neighbours	48.9	39.8	31.9	40.7	9.3	15.4	10.0	4.1
Colleagues	50.1	42.1	29.2	43.6	8.2	9.9	12.5	4.5
Residents of my city, town, village	49.4	41.6	31.5	41.1	8.2	13.0	11.0	4.2
Citizens of my country	44.7	39.4	34.1	35.1	9.9	15.6	11.3	5.7
Only tourists in my country	29.8	31.0	27.6	27.4	26.8	27.7	15.9	14.0
I do not want to see them in my country	9.8	15.1	14.8	19.0	55.5	45.9	20.0	20.0

The scales of different contacts made it possible to find out the main forms of interaction and detachment among Russians and Belarusians.

The answers of Belarusians show that these people are ready to accept the representatives of another ethnic group mostly as friends (52.9%), colleagues (50. %), residents of the region (49.4 %), neighbours (48.9 %) and citizens of their country (44.7%). The social distance increases when it comes to family sphere: only 40.9% are ready to see a representative of another ethnic group as a close relative, and 15.5% are not ready to do it. 29.8% would like to see the representatives of another ethnic group only as tourists. The rarest answer “I do not want to see them in my country” was chosen by 9.8% of respondent.

Among the inhabitants of Krasnodar territory, 15.3% of respondents are ready to accept a person of another nationality as close relatives without reserve; 32.2% are ready for it to some extent which is a quite high indication in polyethnic environment. In other spheres (friendship, neighbourhood, business, etc.), the distance reduces significantly. The rarest answer (15.1%) is “I do not want to see them in my country”. In general, the social distance increases in direct interpersonal relations (close relative or friend), while it reduces in indirect intergroup contacts (citizen or tourist). The majority of respondents from Krasnodar territory display a high readiness for interethnic contacts.

As the Table shows, there is a relative indifference concerning the ethnic criterion among Russians and Belarusians in case when the interaction takes place in the framework of companionship, business, neighbourhood and joint residence. However, both Belarusians and the inhabitants of Krasnodar territory display a high withdrawal in family relationships. In fact, this is a natural desire of consolidation by ethnicity.

The comparative characteristics of Russians and Belarusians allowed evaluating the degree of their readiness for an intercultural dialogue and communications. According to the research, the highest level of tolerance is detected in the group of Belarusians.

5. Findings

Summarizing the analysis of empirical data, we can state the actualized ethnic identity of people living in Belarus and Krasnodar territory where conflict-free interethnic communications and ethnic tolerance remain in spite of polyethnic population. This is to a large extent caused by the ethnic diversity and the absence of ethnic fanaticism in these regions. In general, the results of the research are of a certain scientific interest for ethnic sociology and conflict resolution studies. The results can be used for developing further measures aimed at greater integration of the peoples of Russia and Belarus.

Acknowledgements

The research was performed within the framework of the joint project “The Features of Social Identity in the Context of Modern Integration Processes in the Union of Belarus and Russia” supported by the Belarusian Republican Foundation for Fundamental Research (contract # G12R-007 of 15.04.2012) and the Russian Humanitarian Scientific Foundation (project #12-23-01000 a(m)).

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Individual Means of Accommodation on the Resorts of Krasnodar Region

Evgeny Vladimirovich Kudelya¹, Dmitry Vasilyevich Maksimov¹, Vera Vladimirovna Minenkova¹, Tatiana Aleksandrovna Volkova¹ & Juliya Igorevna Karpova¹

¹ Kuban State University, Krasnodar, Russia

Correspondence: Tatiana Aleksandrovna Volkova, Stavropolskaya Street, 149, Kuban State University, 350040 Krasnodar, Russia. E-mail: mist-next4@mail.ru

Received: October 15, 2014 Accepted: November 10, 2014 Online Published: December 30, 2014

doi:10.5539/ass.v11n3p335

URL: <http://dx.doi.org/10.5539/ass.v11n3p335>

Abstract

The main players on the accommodation mean market of the Krasnodar Territory are collective and individual accommodation means. In 2014 a complex investigation of individual means of accommodation in Krasnodar territory was conducted. Its aim was to define the number of non-organised tourists who visited resorts, and incomes, acquired from their service. The prospects of the further development of this sphere in the Krasnodar Territory are the expansion of the offer of hotel services in order to satisfy the demands of different categories of consumers. The sphere of hotel services needs an improvement of the material and technical facilities and further governmental help for the tourism development as well as the aligning of the seasonal disbalance of the sanatorium-resorts and touristic organisations occupation.

Keywords: individual means of accommodation, tourism, Krasnodar Territory, the Russian Federation, hotel service

1. Introduction

The Russian Federation has rich natural and climatic and historical potential. Its effective use will allow to expand the offered touristic and recreation services in our country (Shevyrov, 2008).

According to the data of the Federal Service of State Statistics (Rosstat) the tourist inflow into our country increased for 9% for the first four months of 2013. When analysing the number of the entrants into the Russian Federation basing on the Federal Tourism Agency data for the top directions, one can see that in 102 half year of 2013 14,214,985 people entered into the territory of the country, but only 993,073 as tourists which is only 7% of the total inflow (Khudyakova, 2013).

According to the tourism development strategy 65 regional programmes and concepts of tourism development are to be implemented and developed in the Russian Federation by 2015 (Voinova, 2009). The annual growth of investments into the tourism industry will be about 30% (Stolyarov, 2011).

The conditions of reception, including the state of accommodation services complex influence greatly on the tourists inflow. Hotel business is one of the most actively developing and promising branches in our country. Annual growth of this market is about 10%. Thus, the number of hotel-type objects in 2000 was 9 058. But in 2010 its number has increased up to 12 000. Today Russia has 13 000 functioning means of accommodation (Khudiakova, 2013).

The problems of regions development and ways of their development in the times of profound changes of economic life need deep theoretical proof (Nikolaev, 2006). The Krasnodar Territory is one of the most popular touristic and recreational regions in the Russian Federation due to a lot of factors. Here are the main sea and mountain resorts of Russia. Touristic-recreational sphere in Krasnodar Territory occupies the third place after agricultural and transport complexes (Volkova et al., 2013).

An important and significant component of the touristic and recreation complex of Kuban are individual means of accommodation which 1.5-2 times exceed the abilities of collective accommodation means for some network parameters and volumes of tourists services. The number of tourists who independently organise their rest and those who use the services of individual accommodation means in the resort area of Krasnodar Territory constantly grows. (Sovmen, 2008)

Some time ago one of the retaining factors for the tourists' inflow on Krasnodar Territory was the difficult political environment of some neighbouring regions such as Dagestan, Chechnya, Ossetia, and Ingushetia etc. Now we can see the solution of the political environment in the region, that's why this factor almost does not influence the recreants' inflow in the territory. According to the statistics, most part of the places and accommodated persons are situated in big cities of the Krasnodar Territory such as: Krasnodar, Armavir, Novorossiysk etc. and in resort centres: Anapa, Gelendzhik, Sochi, Goryachiy Klyuch, Tuapse and Temryuk regions. The resort city of Sochi is on the top of this rating.

Activation of touristic and recreation sphere development in the Krasnodar Territory has led to the intensive formation of big and small hotel enterprises, networks as well as increase of interest of the leaders of international hotel service market to this region.

The region specializes on the tourist service which significantly influence the economy. Along with the positive effect made by the tourism industry development, we can point out the fact that the economic effectiveness is several times higher for the international tourism development. On this stage of development the organisations which specialize on the production of touristic equipment, special equipment, souvenirs and food are developing. Along with the tourists the touristic enterprises are the consumers of such products.

The main players on the accommodation mean market of the Krasnodar Territory are collective and individual accommodation means (Volkova et al., 2013).

Collective means of accommodation are: hotels and similar means of accommodation - hotels (including touristic and flat-type hotels), motels, hotel-like boarding houses, hostels and other hotel-like organisations; specialised accommodation means - sanatorium-resorts organisations (sanatories, rest homes, boarding houses with medical care, health improvement camps etc.), rest organisations (homes, boarding houses, recreation centres, campings and other rest organisations), touristic camps, yachting liners (Volkova et al., 2013). Individual accommodation means (IAM) are flats, rooms in flats, houses, cottages which are leased (Tenyanskaya, 2011).

The development of one of the main recreation regions of the Russian Federation has the following tendencies: growth of service volumes of resort-touristic complex organisations, growth of volume of sanatorium and health improvement services as well as growth of hotel services volumes. In order to further develop this sphere, to attract vacationers and increase the budget response the following actions are performed in the territory: development of the food economy; advertising campaign improvement; implementation of the total account of activity of businessmen who are engaged in rendering services for accommodation provision; expansion of inter-regional and international connections (Tkachyov et al., 2011). The investigations both among the consumers (recreants) and service producers (accommodation means) are conducted each year.

It should be noted that the Russian hotel industry is less dependent on the touristic inflow (especially foreign one) comparing to that of the other countries (Panferov, 20009).

In 2014 a complex investigation of individual means of accommodation in resort regions of the Krasnodar territory was conducted. Its aim was to define the number of non-organised tourists who visited resorts, and incomes, acquired from their service.

2. Methods

The investigation was conducted by means of interview of IAM directors and private households (PH) owners. According to the aim and tasks of the investigation a two-stage sampling was used - cluster and quota sampling. At the stage 1 there was defined the number of respondents, which are to be interviewed in every municipal entity (hereinafter - ME) mentioned in the scope statement. In every ME the owners of individual accommodation means were interviewed; there were defined clusters - settlements with the biggest number of individual accommodation means. Regional centres and one or several big resort settlements served as such clusters in each ME. An equal number of respondents out of those for the interview in the given ME was distributed. In the interview clusters the respondents were chosen in a random way.

In order to define the volume of the sampling we used the data of the territorial entity of the Federal Statistic Service in the Krasnodar Territory "The number of persons, serviced by the collective means of accommodation in the ME of the Territory in 2012". It was accepted that these data are proportional to the total amount of tourists in every ME. According to this index 2 MEs, which were aimed for the interview, were divided into 3 groups: Group I - MEs with the big amount of persons, serviced by the collective accommodation means in 2012: Anapa - 419,072 people, Tuapse region - 313,445 people, Gelendzhik - 279,733 people; Group II - MEs with the moderate amount of tourists: Novorossiysk - 77,817, Yeysk region - 64,320, Goryachiy Klyuch - 49,985 people

(tourists); Group III - MEs with small amount of tourists: Temryuk region - 27,827, Apsheron region - 6,490, Primorsk-Akhtarsk region - 5,523 people.

Settlements-places for interviewing of the directors of IAMs: 1) ME Anapa: Anapa, Vityazevo settlement, Blagoveshchenskaya station, Sukko village, Dzhemete village; 2) ME Apsheron region: Khadyzhensk, Apsheron, Guamka settlement, Mezmai settlement; 3) ME Goryachi Klyuch: Goryachi Klyuch;; 4) ME Gelendzhik: Gelendzhik, Kabardinka settlement, Divnomorskoye settlement, Dzhankhot settlement, Betta settlement, Krinitza settlement, Arkhipo-Osipovka settlement, Golubaya Bukhta settlement; 5) Yeysk region: Yeysk, Dolzhanskaya station, Kamyshevatskaya station; 6) ME Novorossiysk: Novorossiysk, Abrau-Dyurso settlement, Yuzhnaya Ozereevka settlement, Myskhako village; 7) ME Primorsko-Akhtinsk region: Primorsko-Akhtarsk, Morozovskiy farmyard; 8) ME Temryuk region: Temryuk, Golubitskaya station, Kuchugury settlement, Taman village, Volna settlement, Peresyp settlement, Ilyich settlement; 9) MO Tuapse region: Dzhubga settlement, Novomikhailovskiy settlement, Olginskaya station, Nebug settlement, Tuapse, Shepsi settlement.

During the investigation every household and everyone who lives in the selected square was interviewed. A questionnaire was filled for every household. Basing on the acquired results we carried out the evaluation of the following indices for the separate resort cities (regions):

- 1) number of units of individual accommodation means;
- 2) number of independent tourists who settle themselves in individual accommodation means;
- 3) amount of income of individual accommodation means;

3. Results

In 2013 the share of households, which rented accommodation for tourists was 23.9% which is almost 5% lower than in 2012 (25.1%). The share of households, which rented accommodation to relatives, was 22.9% which is slightly more (1.8%) than in 2012. At the same time the number of accommodated persons (tourists) per 1 household, has almost not changed in 2013. It amounted to 51 persons. The total number of tourists who visited individual means of accommodation in the Krasnodar Territory, decreased for 4% in 2013 (compared to 2012) and amounted to 4404 thousand people (4818 with relatives). (in 2012 – 5011 thousand people). This can be explained by the decrease of share of households which rented accommodation to tourists.

The analysis of change of indices of IAM activity shows that the following indices have the best dynamics in 2012-2013: average price for accommodation of 1 tourist for 24 hours in shoulder season (129%), average per year (115.8%) and in summer months (in June - 11.7%, in July - 114.9%, in August - 116.8%). Average number of people who rented accommodation per 1 household increased for 5.7%; at the same time the share of households which rented accommodation for tourists and lodgers increased for 3.1% and 10% respectively. The above mentioned positive dynamics influenced the increase of incomes, acquired from the rent of accommodation to tourists per 1 household (for 17.4%) from 184.70 thousand roubles to 216.7 thousand roubles. The average number of relatives per one household (5.5 people) and average duration of residence of 1 tourist (7.5 days and nights) have almost not changed. The average duration of residence of 1 relative has significantly decreased (more than 7%) (the only index with the negative dynamics). This index did not influence the incomes of households, acquired from the room renting, but it will negatively influence the incomes of public catering enterprises, trading enterprises, and public transport enterprises etc. (associating branches). The increase of households number which rented rooms to lodgers (for 14.3%) is very obvious. This index is important since a part of lodgers in the resort territories are the tourists who rent rooms (households) for a period of month or more, i.e. for a long-term period.

The incomes acquired from the rendered services in individual accommodation means of the Krasnodar Territory (without VAT, excise duties and other similar taxes) was 25,587 million roubles in 2012, and 25,851 million roubles in 2013. The rate of growth was 101.04%. This insignificant rate of growth can be explained by the fact that, in spite of the increase of the average price of accommodation for 1 tourist and the average number of people who rented rooms per 1 household, the tourist inflow was decreased for 4%.

The average duration of residence of tourists in IAM of the Krasnodar Territory in 2012-2013 was 7.5 days and nights; the biggest growth was observed in Primorsko-Akhtarsk region (almost for 28%). In other municipal entities this index has almost not changed, except Goryachi Klyuch and Yeysk region, where it has decreased for 27% and 30% respectively. The average duration n of residence of 1 relative (acquainted) decreased for 1 day and night in 2013 and amounted to 12.7 days and nights. The main contribution to the negative dynamics was made by the following municipal entities: Temryuk, Yeysk, Primorsko-Akhtarsk regions, Anapa, Gelendzhik. An insufficient growth was observed in Novorossiysk and Apsheron region.

The average number of tourists who rented accommodation in the Krasnodar Territory per 1 household/letter, increased for 5.7%. This growth was conditioned by Apsheron region (from 43 to 50.3 people), Gelendzhik (from 67.5 to 75.3), Yeysk region (from 59.7 to 79.5 people), Temryuk region (from 64.5 to 66.8 people), Primorsko-Akhtarsk region (from 33.3 to 34.3 people). The decrease of number of people who rented room took place in Tuapse region (from 47 to 41.8 people per 1 household), in Goryachiy Klyuch (from 10 to 8.9 people per one household). In Novorossiysk (from 51.4 to 50.3 people). The index in Anapa has not changed; here the number of tourists per one household of letter was 60.3 people.

The average number of relatives who rented room per one household has not changed. The biggest absolute value is recorded in Temryuk region, where there was the decrease (from 8.9 to 8.3 people), in Primorsko-Akhtarsk (7.3 people in 2013 - the index has almost not changed) and in Gelendzhik where there was the increase (from 6.4 to 7.2 people). The least number of relatives arrives in Tuapse region (3.5 people in 2013), Yeysk region and Goryachiy Klyuch (3.9 people in 2013).

The distribution of tourists for months, who lived in individual accommodation means, was as follows in Krasnodar Territory in 2013: 23.1% in June, 33.7% in July, 38.6% in August and 4.6% in other months. The best index of occupancy of the individual accommodation means during the shoulder season was recorded in Yeysk region - 10.5% of the annual tourist flow, Apsheron region - 8.8%, Novorossiysk - 7.6% and Goryachiy Klyuch - 7.0%. The index of tourists who had vacations in the shoulder season was significantly lower than the average index of the Territory in Gelendzhik region - 3.0%, Tuapse region - 2.3% and Primorsko-Akhtarsk region - 2.0%. In all the investigated regions the most part of tourists arrive during the period of July to August (about 70-76%).

The average territorial share of households which rented accommodations for tourists has almost not changed (increased from 22.5% to 23.2%); at the same time this index has decreased in Goryachiy Klyuch (from 14.7% to 10.7%) and in Apsheron region (from 6.7% to 6.0%). The biggest increase was recorded in Tuapse region (from 21.4% to 25.7%), Novorossiysk (from 22.5% to 24.5%), in other MEs the situation was stable. The biggest number of households rented accommodations for tourists in 2013 in Gelendzhik - 32.9%, Temryuk region - 30.5% and Anapa region - 30.3%. This index (the share of households which rent accommodation for tourists) is significantly lower than the average territorial one in Apsheron region (6.0%), Goryachiy Klyuch (10.7%), Yeysk region (12.0%) and Primorsko-Akhtarsk region (14.7%). In Tuapse region and Novorossiysk this index was slightly higher than the average one (25.7% and 24.5% respectively).

Considering the price of accommodation in individual means of accommodation according to the months (in % of the average level) in municipal entities of the resort area one can point out that this index is high for Apsheron, Yeysk regions and Gelendzhik. In Gelendzhik the price for accommodation in the shoulder season is higher than in June which can be conditioned by the attractiveness of the resort for the holidays. In Yeysk region the price in the shoulder season is lower than the August one which can be conditioned by the attractiveness of the resort during the whole year (the aim of staying here in the shoulder season is medical treatment). In Apsheron region the tourists visit mountains in all the seasons, though the most part of them come in summer (vacations period), but the mountains are visited also in winter, autumn and spring, and the price for accommodation grows not only due to the demand but also due to the heating of the buildings (lodging expenses).

Incomes of the renting per 1 household increased almost in all the MEs except Goryachiy Klyuch (according to the interview data), which can be explained by the decrease of the tourist duration of residence for 2.5 days. The best results (income growth rates) are recorded in IAM of municipal entities of Anapa (143.8%), Primorsko-Akhtarsk (151.6%) and Gelendzhik (115.6%). Though in absolute terms in 2013 the biggest incomes per 1 household in individual accommodation means of the Black Sea shore were recorded for: Gelendzhik (328.7 thousand roubles), Temryuk region (310.0 thousand roubles) and Anapa (292.7 thousand roubles), Tuapse (241.1 thousand roubles). MEs of the mountain and pre-mountain zone has the lowest indices - Goryachiy Klyuch (31.4 thousand roubles) and Ashpero region (107.9 thousand roubles). In Ashperon region this index is significantly higher than in Goryachiy Klyuch and is on the level of MEs of the Azov shore (Primorsko-Akhtarsk region - 113.7 thousand roubles, Yeysk region - 161.7 thousand roubles) and in Novorossiysk (118.2 thousand roubles). Nevertheless it is significantly lower (almost 2 times) than the average territorial level (216.7 thousand roubles).

Generally the incomes of individual accommodation means acquired from the servicing of tourists in 2013 and 2013 were approximately on the same level and amounted to 25,587 million roubles and 25,851 million roubles respectively. The average price of accommodation of one tourist for day and night in the Territory was 548.5 roubles in 2013 which is 17.4% higher than in 2012. The lowest price was recorded in Primorsko-Akhtarsk region (240 roubles), Yeysk region (417.7 roubles) and Apsheron region (426.9 roubles). The highest index was

recorded in Tuapse region (819 roubles), Anapa (677.2 roubles) and Gelendzhik (slightly lower than the average territorial level 545.7 roubles).

In Yeysk region the share of households which rented accommodation for the different categories of people, remained on the same level. The number of tourists increased during all the months (the biggest inflow was observed in August - more than 40%) and the number of tourists who arrived as relatives slightly decreased (-6%). As a consequence, one can see on the one hand the general increase of the number of independent tourists (in Yeysk region by one third, and decrease of the number of relatives); on the other hand one can see the increase of the average number of tourists and decrease of the average number of relatives per 1 household.

At the same time one can see the decrease of the average duration of residence on the resorts of Yeysk region: tourists for 30%, relatives - 12%.

The average price of residence per one tourist in IAM increased in 2013 for 12% (comparing to 2012) and this growth was similar for all months. Despite this fact, the incomes acquired from room renting per one household increased only for 4% which is probably connected with the decrease of the average duration of residence.

In Primorsko-Akhtarsk region the share of households which rented rooms for different categories of people has not changed in 2013 comparing to 2012. An insignificant increase can be observed in groups which rent rooms for tourists and relatives - 5% and 3% respectively.

The increase of the general amount of tourists who lend rooms in IAM was observed during all month in 2013. However, the biggest growth was recorded in shoulder seasons (not in summer months). The number of tourists who arrived as relatives has insignificantly increased - only for 4%. As the result of the two mentioned tendencies there appeared a slight increase of the average number of lodgers per one household: tourists - for 3%, relatives - only for 1%.

Average duration of residence has significantly increased for tourists (for 61%); this index has decreased for relatives (for 7%).

The average price of accommodation per one tourist for 24 hours remained on the level of the previous year only in July; for all the other months including the shoulder season it decreased (for 5-15%). In spite of this fact the incomes acquired from room renting increased almost for 52% which should be connected with the increase of the average duration of residence of tourists in Primorsko-Akhtarsk region.

The number of households which rent rooms for tourists and relatives in Temryuk region remained unchanged, and the number of households which rent rooms for lodgers increased 2 times. The general number of independent tourists who arrived in Temryuk region has changed. However, while investigating tourist arrivals according to months, one can notice the burst of tourists number during the non-summer months (almost 2.5 times increase). At the same time the number of tourists who arrived in June, July and August , remained unchanged: variations within 10% which can be explained even by the weather conditions in some periods of time.

The above mentioned burst of tourist inflow is, obviously, connected with the autumn and spring months and can be evoked by the development of event tourism in Temryuk region. Besides, according to the investigation, one can observe a slight decrease of the average price of residence per one tourist in this period, which could stimulate the growth of tourist arrivals into the region.

The average cost of residence per one tourist during the summer months has increased in July and August.

The incomes acquired from the room renting for tourists by the individual means of accommodation increased for 15% which can be assessed as a positive dynamics.

In Anapa the number of households which rent rooms for tourists remain unchanged since the previous year, but the number of households which rent rooms for relatives has slightly increases (10%)m and the number of households which rent rooms for lodgers has decreased for 13%.

One can see the increase of the number of tourists, accommodating in IAM during the summer months almost for 30% despite 1.5 times increase of accommodation prices in IAM. The average cost of residence per one touring for 24 hours in IAM increased for all months which provide the increase of rent incomes for 44% even under the conditions of decrease of some categories of independent tourists arrival and decrease of the average duration of residence of tourists and relatives (in average for 4%).

In Novorossiysk the share of households which rented rooms for all the categories of tourists, increased. The biggest growth (50%) is recorded for the households which rented rooms for lodgers.

However, the total number of tourists who rented rooms has slightly decreased mostly due to the July and months of low season and shoulder season. There is a tendency to increase the total number of relatives and acquainted for 27%. We should note the decrease of the average amount of tourists who lent rooms in one household, on the background of increase of the average number of relatives and acquainted who live in one household.

In Novorossiysk the average indices of duration of residence in individual means of accommodation are characterised by the positive dynamics; the increase of 10-15% for all months and 60% in low and shoulder seasons are observed.

Such changes of the above mentioned indices provided the increase of incomes of the individual means of accommodation for almost one fourth.

The share of households which rented rooms for tourists in Gelendzhik (compared to 2012) remained unchanged, the share of households which rented rooms for relatives and lodgers decreased for 7%. The total amount of tourists who lent rooms increased; the significant increase was observed in June (34%) and other summer months (increase up to 15%). We can observe a rapid decrease of tourists number who accommodated in the individual means of accommodation during the shoulder and low season (almost for 40%) which can be connected to the price raise in this period for 10%. The average number of tourists and relatives per one household increased for 15%. The average duration of residence remained unchanged for tourists, but it decreased for 10% for relatives.

The incomes acquiring from room renting increased for 15% per one household.

The dynamics of individual accommodation means functioning indices in Tuapse region shows the stable growth for the most part of them. Especially we want to point out the increase of the share of households which rent rooms for lodgers (2 times) and tourists (for 20%).

The increase of the general amount of tourists which lend rooms in IAM amounts only to 6%, so it is important to point out the fact that the increase was provided by all the summer months (for 5-12%), during the other months this index decreased for 10%.

Analysing the above mentioned indices the results of investigation become clear. These results are connected with the decrease of the average number of tourists who led rooms per one household: tourists - for 12%, relatives - for 7%.

The cost of accommodation in the private housing of Tuapse region has increased in summer months (almost for 20%), and decreased in the shoulder season (for 6%). This process provided the income acquired from room renting per one tourist of the household in Tuapse region on the level of 2012. The situation in Goryachiy Klyuch is very unstable and is characterised by the different direction of indices dynamics.

The share of households which rent rooms for tourists is decreasing and the share of households which rent rooms for lodgers is increasing 3 times and the share of households which rent rooms for relatives is increasing for 36%. The number of tourists who lent rooms has significantly decreased in summer months (for 36%), while in other seasons it has 2 times increased. During the off-season the number of relatives was for 70% bigger in 2013. As a consequence, the average number of tourists who lent accommodation, decreased per 1 household for 12%, and the same value for relatives increased for 25%. The duration of residence of tourists in IAM of Goryachiy Klyuch has significantly decreased (almost for 30%), and the same value for relatives remained unchanged. The average cost of accommodation per 1 tourist increased in summer almost for 30% only for the account of costs of June (growth for 37.6%). In other months it increased for 20%. The incomes acquired from renting rooms for tourists in Goryachiy Klyuch (in average per 1 household) decreased almost for 20%.

In Apsheron region the share of households which rented rooms for tourists, decreased for 10% and the share of households which rented rooms for relatives remained unchanged. During the interview we didn't manage to find IAM which rent rooms for lodgers.

The general annual number of independent tourists has insignificantly increased though the dynamics is different for different months: in June and July there was an increase for 12% and 8%, and in other months the dynamics decreased.

The average number of tourists who lent accommodation, increased per 1 household for 16%, and the average number of relatives decreased for 7%.

The average duration of residence of 1 tourist and a relative has insignificantly increased (up to 10%), but the cost of accommodation decreased in summer months, which was especially noticeable in August (for 22%). In shoulder season this index increased for 4%.

So, the incomes acquired from room renting for tourists in Apsheron region increased for 14% in average per 1 household. This can be explained by the growth of number of tourists who arrived in June and July as well as by the increase of the average duration of residence.

4. Discussion

Almost all the interviewers pointed out that the room letters often "hide" tourists, introducing them as tourists in order such data not to reach the Tax Service. That's why the main task of the local government agencies is to reveal such households, but the investigation of this issue needs an additional research.

One of the ways can be the support of IAM in form of compensation of a part of incomes for modernisation and expansion of main funds in case of tax registration as individual entrepreneur. It is necessary not only to develop the financial support mechanism but also to bring to the attention the information about the developed mechanisms of support.

Basing on the conducted investigation one can make the following recommendations:

1. it is important to trigger the activity for diversification of ME touristic product aimed at increase of tourists inflow during the shoulder and low seasons, also with the goal to fill IAM.
2. take measures for bringing to the attention of the end consumers (tourists) the information about the list of IAM, their services, prices etc., also in the form of placing the list of registered IAM at the web site of Krasnodar Territory Resorts.
3. consider the relation of a tourist and non-registered IAM as being illegal under the laws in effect (article 171 of the Criminal Code of the Russian Federation), also for tourists.

The prospects of the further development of this sphere in the Krasnodar Territory are the expansion of the offer of hotel services in order to satisfy the demands of different categories of consumers. The sphere of hotel services needs an improvement of the material and technical facilities and further governmental help for the tourism development as well as the aligning of the seasonal disbalance of the sanatorium-resorts and touristic organisations occupation. Development of the event tourism in the Territory, creation of the brand new touristic product allows providing the occupation of the enterprises of the given branch all year round.

5. Conclusion

The quality of the hotel service under the modern production conditions are the most important component of the effectiveness and profitability of hotels, that's why a lot of attention is paid to the quality (Shelest, 2011). Infrastructure takes a special place in the recreation industry. Under the modern conditions one of the most urgent problems of the market is the development of the complex target programme for recreation services development on the basis of big and small business in Kuban. (Yakhyayev, 2009)

One of the most important functions of the governmental authorities is the formation of the social and economic strategy of the region as the basis for optimisation of territorial competitive advantages for the regional business and increase of the life quality of its population (Varshavskiy, 2009). Among the retaining factors of recreation development in the Krasnodar Territory one can point out the growing ecological strain and traffic congestion problem which has appeared due to the automobilization of the local population and increase of vehicles number in the tourist season (Labzina, 2007). The Shore of Azov Sea and Black sea in the Krasnodar Territory is a leading recreation zone of Russia. It has a variety of touristic and sanatorium-resort services, developed infrastructure and investment attractiveness (Myslivka, 2011).

It should be noted that the hotel business will be actively developing during the next few years; new types of tourism will trigger the quantitative development of the existing means of accommodation and will allow the owners of the hotels under construction to define their target public taking into account a lot of factors among which one can point out the budget of the project and the location of the future hotel. Recreation real estate market has been fallen off of the other segments of the commercial real estate due to the longer terms of realisation, pay-off period and lower profitability. But nowadays there a growing interest to the resort projects appeared; this occurred due to the increasing competitiveness and decrease of profitability in the sphere of office and trade real estate (Volkova et al., 2013).

Nowadays Kuban is one of the leading touristic centre of Russia, the opportunities of its development are great. Great plans for formation of the touristic infrastructure of the international level in the Territory can be realized

only under the conditions of effective integration of Russia into the global touristic complex (Litovchenko, 2008). Now the investors' interests (often of the foreign ones) are of top priority for the local authorities. Chasing the financial investments the local authorities often forget the interests of local people and a lot of investment projects are not considered from the point of view of their influence of the local community development (Ilyasova, 2009).

Russia has unique natural environment, which are far better than that of the neighbouring states that are also oriented for tourists. Russia has better ecological situation in many regions, monuments of ancient architecture and ethnography (Karaev, 2009). The prospects of development of different types of Russian tourism and touristic complex of the country depend a lot on the strengthening of the governmental control of touristic sphere on the national and regional levels (Zaytseva, 2012). Actual tasks and problems of resort-touristic complex development in the Krasnodar Territory as well as the development of separate touristic enterprises which are functioning on the regional level, should be based upon the effective realization of resort-touristic potential and be useful for the local budgets as well as increase the life quality of people living in the resort areas (Kucherenko, 2005).

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The Effective Occupational Socialization of Specialists: a Model and the Reality

Aleksandra Vladimirovna Vaisburg¹

¹ Tver State Technical University, Tver, Russia

Correspondence: Aleksandra Vladimirovna Vaisburg, Tver State Technical University, Nikitina – 22, Tver, 170026, Russia. E-mail: lassie1@inbox.ru

Received: October 16, 2014 Accepted: November 5, 2014 Online Published: December 30, 2014

doi:10.5539/ass.v11n3p344

URL: <http://dx.doi.org/10.5539/ass.v11n3p344>

Abstract

This article analyses the theories of the process of the specialists' occupational socialization: dispositional and role theories, microsociological approaches (phenomenological and etnomethodological). Teaching, psychological and sociological approaches have been analysed. On the basis of this analysis, the author has developed an integrated model of the specialists' occupational socialization, in which: the interpretation of the occupational socialization concept has been given, the basic elements, stages, levels, patterns and factors affecting this process have been spelt out. The main features of the specialists' occupational socialization have been also considered in stages.

Keywords: occupational socialization, specialist, model, features, school, university, employer, employment

1. Introduction

Dynamism of the modern social life, extremely complex and contradictory processes of reforming the Russian society determine the increasing importance of knowledge in many problems solving. The nature, content and features of the specialist's activity develop a special type of person who is the result of a complex and complicated process of occupational socialization, during which the certain values and behaviour patterns of the occupation are adopted. The solution of various socially important problems to a large extent depends on the level of the specialists' competence, which determines their knowledge, abilities and skills. However, nowadays the process of occupational socialization is carried out ambiguously and faces the certain problems.

The features of training the modern highly-qualified specialists are to a large extent determined by the current trends in the science itself, the education and the labour market.

The need for studying the issues of the occupational socialization is due to the fact that, firstly, the complex and contradictory processes are carried out in the modern science: the main paradigms are revised, the applied and academic fields have been increasingly differentiated, "alternating generations" of the specialists themselves could be seen, their public image have been changed.

Secondly, due to the introduction of the Bologna process and the shift towards the double-level training system the system of the higher vocational education has been transformed (in the form of the bachelor's and master's degrees). The Introduction of competency approach is designed to increase the level of the practical training and, thus, the graduates' competitiveness. The specialists' training has been increased due to the growth in the faculties and departments at the public and private universities. All this poses the new requirements for the academic stage of the specialists' occupational socialization.

The studies of occupational socialization are interdisciplinary in nature, as they affect the issues of education, psychology, management, philosophy, sociology, and this question has been still open-ended due to the insufficient development of this subject.

2. Methods

The principles of the dispositional and role theories have been used as the basic approach. The nature of the investigated issue has determined the integration of the major theoretical approaches to the analysis of occupational socialization (the specific historical, system, symbolic interactionism, phenomenological, structural and etnomethodological approaches). The works by Weber M., Bourdieu P., Cooley C., Mead G., Linton R.,

Parsons T., Garfinkel H., Yadov V. A have been used. The modern theoretical researches on the issues of occupational socialization by the modern Russian sociologists: Batygin G. S., Zborowski G. E., Osipov G. V., Radaev V. V., Ryvkina R. V., Shcherbina V. V. et al. have been integrated into the methodological framework.

The methods of the theoretical level have been used at all the research stages and included: the theoretical analysis of the philosophical, sociological, educational, psychological and management literature.

3. Results

From the second half of the twentieth century the concept of the "occupational socialization" has been actively studied in the modern sense by the following scientists: Averyanov L.Y. (Averyanov, 2008), Golofast V., Ivanov O. N. (Golofast and Ivanov, 1972), Andreeva G. M. (Andreeva, 2006), Polishuk V. N. (Polishuk, 2013), Stenina T. L. (Stenina, 2014) etc.

Studying the forms, constituent elements, agents and institutions of occupational socialization is represented in the works by Morozova A. V. (Morozova, 2004), Valeyeva A. V. (Valeyeva, 2007), Kablinova Y. V. (Kablinova, 2006), Balashov V. N. (Balashov, 2002), Probst L. M. (Probst, 2004), Ivushkina V. O. (Ivushkina, 2012), Sadirin V. V. (Sadirlin, 2013) et al.

Studying the factors, stages and levels of the occupational socialization is reflected in the works by Kuchmieva S. I. (Kuchmieva, 2007), Makarova S. N. (Makarova, 2007), Oparina O. D. (Oparina, 2008), Gross A. B. (Gross, 2004), Shatalov N. I. and Gemanov Y. N. (Shatalov, Gemanov, 2013), Kazandayev I. A. (Kazandayev, 2014), Yeriomina O. C. (Yeriomina, 2014), etc.

Under the analysed theories, the author has developed his own complex theory, which gives the interpretation of the occupational socialization concept and spells out the basic elements, stages, levels, patterns and factors affecting this process.

The methods of the theoretical level have been used at all the research stages and included: the theoretical analysis of the philosophical, sociological, educational, psychological and management literature. The methods of abstraction, analysis and synthesis, idealization, induction, the method of ascension from the abstract to specific objects have been also used.

It should be said, that the "occupational socialization" term is relatively new: it occurred in the scientific literature in the twentieth century and now it has been more widely used. The occupational socialization theory was initially considered in the context of various general theoretical compositions: the continental and Anglo-Saxon models (Abramov, 2005); dispositional theory (Weber, 1990; Bourdieu, 2005; Yadov, 1999); role theory (Cooley, 2007; Mead, 2007; Parsons, 2000; mikrosociological approaches - the phenomenological and etnometodological ones (Garfinkel, 2006). From the second half of the twentieth century the concept of the "occupational socialization" has been actively studied in the modern sense further to the stated theories.

While developing the dispositional theory the ideas of Weber M. (Weber, 1990), Bourdieu P. (Bourdieu, 2005), Yadov V. A. (Yadov, 1999) and some Russian scientists were used.

According to the dispositional theory, occupational socialization is a multifaceted, gradual process, which is socially determined by developing the social and occupational orientations of a person. This process defines the occupational choice according to its dispositions (the dispositions to the certain actions and evaluations), which creates a motivational basis for acquiring knowledge, abilities and skills, and contributes to its establishing as a subject of a particular type of the professional activity.

The role personal theory was developed by such foreign sociologists, as Cooley C., Mead G., Linton R. and Parsons T. Nowadays the development of the role theory is reflected in the works by Averyanov L. Y., Golofast V. B., Zinchenko G. P., Ivanova O. I., Lenshin V. P., Paireli S. V., Perinskaya N. A.

In this approach occupational socialization is understood as a process of learning the role, role attitudes and norms, corresponding to a certain social and occupational status, by a person and establishing the competence in implementing the expectations associated with playing a particular social role (Lenshin, 2008). In this case, the proposed role, the system of certain expectations and the role played by a person coincide only upon the existence of the homogeneous social groups and the equality of the group members' statuses. In the role personal theory the occupational socialization agents act as the social control agents. The efficiency of the occupational socialization depends on the successful transfer of the occupational and cultural experience by the main agents and institutions. In this theory, the personal dispositions are interpreted as interferences for the successful socialization.

The theorists of the symbolic interactionism in the foreign sociology consider occupational socialization as a process of learning the system of the social roles by an individual, which is carried out in the primary group by "adopting the role of the other". Cooley C. (Cooley, 2007), the author of the "looking-glass self" and small group theories, believed, that the individual "Self" finds the social quality during the interaction between the individual and group agents. The main rationale of Mead's G (Mead, 2007) approach is the fact that individuals respond to other individuals and the environment, depending on the values and characters, which they give their surrounding the individual perceives and evaluates himself in accordance with the estimates of the others.

The ideas of structural functionalist Parsons T. served as the basis for developing the role theory of occupational socialization. According to his ideas occupational socialization could be seen as an interaction, in which the universal occupational values are learned, and at the same time the ideal type of the social occupational group is developed in the context of the modern society (Parsons, 1998).

In the context of the role theory occupational socialization is seen as a dual process. On the one hand, drawing on the ideas of Parsons T., Averyanov L.Y. interprets occupational socialization as the way of internalising the social norms, which are inherent in the certain occupational environment. This process is carried out due to learning the social and occupational norms, standards and values, occupational experience by the individual and on its basis developing the inner attitudes as the elements of the specialist's personal structure. Occupational socialization - is a complex, ongoing process of "designing" the person, in which the optimal behavioural decision and the permanent occupational development are selected. Internalization leads to the development of intellectual socialization, as a person does not only reproduce the past knowledge, albeit in a highly professional manner, but also produces a fundamentally different, new knowledge, new ideas, allowing the public to take to a new stage of the social development (Averyanov, 2008).

On the other hand, Andreyeva G. M., Yermakova T. M., Lvova O. N., Safin V. F., Spiridonova G. T. indicate, that occupational socialization is a self-identity, realization of the person's potential, the degree of awareness of its subjective and objective role in the interaction with the occupational environment and reproduction of the occupational culture (Spiridonova, 1996).

Thus, occupational socialization is not only the objective, embodying the patterns of the social and cultural education of a man as a person, but also the subjective "self-driven" process. His movement is carried out on the basis of subjective attitudes, actions to change them and to meet the needs of the particular people. Safin V.F. (Safin, 1985) argues that the final of occupational socialization is the labour activity in which a person not only achieves wealth, but also asserts himself as a creator and establishes the human relationships.

In the role paradigm of occupational socialization it is also possible to examine the process of occupational socialization of the person, based on the adaptation theory, proposed by Merton R. and analyzed by Belyayeva L. A., Valeyeva A. V. (Valeyeva, 2007). This is due to the fact, that the adaptive personal abilities are crucial in this process. Occupational socialization serves as a selection of individuals with a high level of adaptability, but there is no guarantee that they have a high level of occupational competence.

Among the trends of the foreign sociology of the second half of the XX century, influenced the study of the occupational socialization phenomenon, the microsociological approaches should be drawn up.

In the context of the phenomenological trend the professional institutions - are the result of many interactions between the representatives of a particular occupation, officials and citizens, which affect the process of occupational socialization. Averyanov L.Y. sees occupational socialization as a process of developing the occupational space and an active search for his place in it, which is carried out within the limits and on the basis of some physical structure, through time and is implemented in the space due to the permanent occupational interaction. As a result of this socialization fundamentally new knowledge is acquired (Averyanov, 2008).

In the works by the representatives of the etnomethodological approach (Garfinkel H.), considerable attention was paid to the study of verbal interaction between the participants of a professional activity and the role of agents in the process of occupational socialization.

Occupational socialization of a person is also considered in terms of the educational, psychological and sociological approaches.

In terms of the educational approach the concept of occupationsl socialization is used to "note the educatedly regulated interaction of the processes of social and occupational development during the shift from one stage to another in terms of training in vocational education institutions" (Balyayeva, 1994).

Psychological and sociological analysis of occupational socialization reveals the following approaches:

1. Differential and psychological approach examines the occupational socialization as the process of forming the individual style of life, a part of which is the professional activity. Occupational socialization - it is human activity, which has any content depending on the stage of its development as the labour subject, which is heterogeneous and depends on various factors, stages and phases of the human development.

2. Social and psychological approach analyzes the occupational socialization as a gradual decision-making process, because of which it is possible to combine the preferences of the person himself and the needs of society as a result of the labour division. According to Kon I.S., in a certain life span of the selected path occupational socialization achieves, on the one hand, the balance between the given objective possibilities, which outline the potential scope of the human activities (social order of society), and, on the other hand - claims, abilities, knowledge and skills of the individual, using which he implements his possibilities, which are inherent in his life situation and his own nature (Kon, 1984).

3. Sociological approach considers the occupational socialization as a series of tasks set by society for a person. Here the concept of occupational socialization is used in two senses. In a broad sense, it is a process of developing the adaptation and integrative features of the person within that component of the general socialization process, which creates the potential for horizontal and vertical mobility in the field of labour relations throughout the person's life. In the strict sense, it could be considered within a particular social and occupational group and have a "strict" occupational orientation.

According to the author's integrated approach, occupational socialization - is a social and psychological adaptation and integration process, in which on the basis of existing inner orientation of the individual, the development of certain personal resources, under the influence of certain agents and institutions learning the occupational role attitudes, norms, knowledge, behaviour patterns and its subsequent life reproduction in a particular professional activity are carried out (Figure 1).

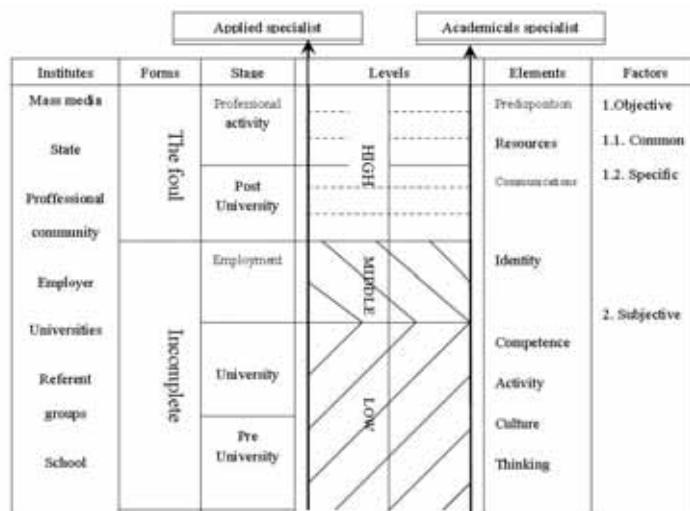


Figure 1. Model of professional socialization of a specialist

Occupational socialization includes the following elements:

1. occupational disposition (a disposition, a desire to become an expert in his field);
2. occupational resources (level of training in the required sciences, etc.);
3. professional activity (implementation of the basic functions of a specialist, which depend on the played occupational role);
4. occupational communications (occupational communication);
5. occupational identity (the degree of identification with the occupational group);
6. occupational awareness (all knowledge of the occupation);
7. occupational competence (knowledge of rights and duties within the occupation);
8. professional activity (involvement in the occupational interaction);
9. occupational culture (a set of norms and values governing professional occupational self-identity of specialists);
10. occupational thinking (identification of the individual himself with certain values and norms of the occupational group).

All of these elements of the occupational socialization process are formed and developed at certain stages of the process. The author identifies the following classification of the stages of occupational socialization:

1. the pre-university one (schooling, career choice);
2. the university one (higher education - bachelor's and master's degrees, specialty);
3. the post-university one (post-graduate studies and doctoral studies in the specialty);
4. employment (choice of one of the occupational roles: the academic or applied one);
5. professional activities and improvement of competencies (occupational mobility and skill development through internship, courses, seminars, conferences, etc.).

As the specialist passes through these stages, he could increase the level of his occupational socialization. The author identifies the low, medium and high levels of occupational socialization. The low one is usually achieved by passing the pre-university and university stages of occupational socialization. It includes the specialists, who have got the initial idea of the occupation and a degree in the specialty, but they do not want to engage in this professional activity, they are not going to obtain employment and to work within their specialty.

The medium level is developed while passing through the pre-university, university and employment stages. The specialists, who have reached this level of occupational socialization, are carriers of the occupation, they are engaged in the professional activity, self-identify themselves with a particular occupational group, but they do not do anything to further develop their skills and they are slightly associated with the occupational community.

A high level of occupational socialization is achieved by passing through all the stages (pre-university, university, post-graduate, employment, professional activity and improvement of occupational knowledge). This level of occupational socialization is primarily reached by a small proportion of specialists. They have a strong intrinsic motivation to engage in this professional activity, occupational self, the individual style of work, achieve a high level of occupational mobility in career (due to improvement of their skills by postgraduate and doctoral studies), have strong ties to the occupational community, constantly improve and enhance their skills in internships, conferences, seminars, etc.

Occupational socialization, depending on passing through the specific stages and levels by a specialist could take the following forms: the partial and full ones. Partial occupational socialization means, that from the entire required scope of knowledge and occupational culture a person has learned only one part of it. The partial socialization sometimes results in such specialist's state, when he could be out of the occupational community.

Full occupational socialization is characterized by learning the entire scope of knowledge and culture of an occupational group, in this case, each specialist acquires the scope, which is required for playing his occupational role and problem solving. This is absolute compliance with the occupational group requirements and the successful performance of the occupational functions.

All these stages and levels of occupational socialization are influenced the objective and subjective factors. The objective ones include the general and specific factors. The general ones include: the social and demographic, political, social and psychological, spiritual and moral factors. Among the specific factors the following ones are identified: availability and quality of vocational education; capacity of the local labour market for these professionals and demand for such personnel; social and occupational mobility; generational and political membership of a specialist (Sokolov, 2009); the nature of the professional activity of the person himself (teaching, academic or commercial orientation) (Tartakovskaya 2010); the region of residence; the nature of social networks, which include any professional (relations with customers, authorities, leading occupational societies in Russia and abroad, participation in discussions, congresses and conferences); the public opinion; prestige and profitability of the occupation. The subjective (internal) factors of the specialists' occupational socialization are their social and demographic status, personal motivation, as well as intellectual capital (personal resources) (Panchenko, 2005). Among the factors of personal motivation the following ones could be: motivation for entering the university, the motivation for the learning activity and motivation for the occupational choice of a person. In turn, they include the following groups of motifs: the social, physical, prosocial, infantile, based on the interest in the occupation, teaching and cognitive, as well as development motifs.

It should be noted, that some conflicting interaction between the stages, levels and forms of occupational socialization could be seen. This is due to the influence of these factors, as well as the fact, that the stated levels and forms of occupational socialization are not always characterized by the presence of vocational education, occupation, etc., as there are enough examples of highly occupationally socialized specialists, who do not meet these requirements. This process could have intervals (eg, military service for men, maternity leave for women, etc.). In general, it is quite difficult to measure the level of the occupational socialization of a particular specialist,

so in addition to the above indicators such criteria, as the following ones, should be also taken into account: a number of monographs and articles, participation in conferences, the presence of honorary titles, position, a number of studies, won grants, trained PhDs, etc.

The main institutions and agents of occupational socialization are the following ones: the state, education institutions (school, university), the occupational community, employers, the employment services, the mass media (the general and specialized ones), reference groups (a family). At various stages of occupational socialization any agents and institutions come to the forefront, but there are also those, which have a significant impact throughout the entire process.

Social institutions are the main agents of the occupational socialization of a person. Their importance for occupational socialization is very large, since the spontaneous behaviour of an individual is turned into the simulated, predictable and adjustable one by them. As a result, the social and occupational roles, norms and values are learned (Probst, 2004).

Occupational socialization integrates the interaction between many social institutions: the economic, social and cultural, political, scientific, educational and other ones. Each social institution has a socializing effect on the process of occupational development and performs the function of normalization, regulation and control of the occupational relationship:

- the social and cultural ones preserve and reproduce the social, occupational values, ensure the involvement of an individual in a specific occupational subculture;
- the economic ones act as a material reward and punishment for individuals;
- the political ones establish the loyalty of the current political system to a particular professional activity;
- the organizational and managerial ones provide an efficient, rational, as well as functional and role individual's behaviour in a formal organization (occupational rights and duties, occupational roles, responsibility, as set forth in charters, codes, and job descriptions);
- the approval ones establish the legal rules governing the professional activity;
- the orienting ones establish the occupational behaviour, determine the corporate moral and ethical occupational spirit;
- the ritual and symbolic ones regulate the specific occupational communication standards (rituals, ceremonies).

However, at different stages and for different target groups the particular social institutions come to the forefront during the occupational socialization.

As the specialist passes through the certain stages and levels during occupational socialization, he chooses for himself and plays one of the chosen occupational roles, although in some cases playing these roles could be mixed.

Drawing on the classification by Zaslavskaya T.I., the author identifies the roles of academic and applied specialist (Zaslavskaya, 1991), each of those has different features. Closer relationship with the professional academic community, high scientific activity, earning extra money by researches and grants, occasional skill development, preparation of scientific papers are typical for the academic specialist. The work on a variety of commercial orders, care about his prestige and image, active interaction with such agents, as the authorities, organizations, customers, specialty in the field of organizing and executing the researches with the further deepening of occupational socialization in line with the specific work performed are typical for the occupational socialization of the applied specialist.

4. Discussion

According to the model of this process developed by the author the features of occupational socialization in modern Russia (the main stages, levels, forms, institutions, elements, roles, factors) will be further considered.

The stage of the professional identity of future specialists in modern Russia is characterized by underdeveloping the system of occupational guidance for pupils, a lack of specialized classes and the mass media attention to the process of occupational development of the upper-form pupils. At this stage of occupational socialization the key role is played by such objective factors, as region of residence, the prestige and profitability of the occupation, and the subjective factors include - the social and demographic status, personal motivation and the intellectual capital.

At the stage of professional identity the following features of occupational socialization could be seen: only a small proportion of pupils have evident occupational preferences; most of them have no clear personal motives for entering and understanding of the specialty.

At the university stage the specialists' occupational socialization is determined by the fact that nowadays a lot has been done for developing the education in Russia. It has gained the public recognition and institutionalization, as well as turned into a leading institution of occupational socialization. The issues of the modern education have a significant influence on the process of the specialists' occupational socialization and determine its features at the university stage. The following ones should be drawn up among them: a low level of the occupational and professional identity awareness; low social activity, reluctance to participate in seminars and conferences, a lack of interest in occupational development and papers; rather tenuous relationship with the professional community could be seen by most students in their first years at college (Smirnova, 2008).

The latest studies allow identifying some more features of occupational socialization at the university stage: at the stage of studying at the university the predominance of theoretical training and an acute shortage of skills (Toshchenko, 2008); the absence of the sufficient level of knowledge in the subjects required for the occupation; students' employment during their training.

At this stage, such objective factors, as the region of residence, availability and quality of the vocational education, as well as the subjective factors - the social and demographic status, personal motivation and the intellectual capital of a student have the greatest influence.

By the main body of graduates such elements of this process as the following ones are insufficiently developed: professional activity, resources and communications, professional identity, awareness and competence, professional activity, culture and the way of thinking.

All these features of the university stage do not allow the majority of the modern Russian specialists to reach even the medium level and the full form of occupational socialization.

Nowadays at the post-graduate stage of occupational socialization there are ample opportunities for undertaking further training in graduate and doctoral studies.

The features of the postgraduate stage of the occupational socialization of most specialists are, as follows: weak motivation, activity and commitment to train in graduate and doctoral studies; formal training in graduate studies (especially in men); combining training and employment; at the postgraduate stage the inflow of the specialists from the other associated sciences, which start to socialize occupationally in line with the occupation from this stage in particular. These features have to a certain extent the negative impact on increasing the professional level and achieving fuller form of occupational socialization.

At the stage of employment and professional activity a lot of changes, as compared with the Soviet period could be seen in modern Russia (Gottlieb, 2008).

The current situation in the labour market, the existing problems while getting a job and during the professional activity determines the features of the specialists' occupational socialization at this stage.

Thus, the main institutions, which have an impact on the stage of employment and professional activity in contemporary Russia are the employers, the state and the professional community.

The features, which describe the university stage of the specialists' occupational socialization remain to a large extent at the stage of employment and professional activity. At the same time, the specific features, which are typical for this stage only, occur: the low level of occupational mobility; commercialization of occupational values; negligence of the professional code; rare participation in the events intended to improve one's own occupational level (vocational courses, internships, etc.); weak commitment to publishing the results of one's own researches in periodicals; low motivation for work; absence of the new breakthrough ideas. Planning for the future professional activity often takes place not only in the context of the occupation obtained.

The process of the specialists' occupational socialization in modern Russia has also a great influence on such factor, as the place of residence. The experts note, that in large cities a relatively high level of vocational training, their demand in the labour market and the ample employment opportunities take place. Many specialists, who have graduated from the regional universities, seek employment in large cities.

5. Conclusion

However, according to the author, the process of occupational socialization, which is the basis for developing highly qualified professionals, is carried out inadequately nowadays, as many agents of occupational socialization have partial socializing influence. Accordingly, the society should be interested in the development of the targeted programs intended to change the current situation, which contribute to overcoming the barriers, impeding the process of the effective occupational socialization.

Under the conducted theoretical analysis, the author has developed his own model of the specialists' occupational socialization. It includes an interpretation of the occupational socialization concept, the constituent elements, levels, forms, stages, mechanisms, main institutions, as well as the factors, which determine it. This model could be used by the social structures, employers, the administration of education institutions and professors in order to improve the system of the vocational guidance, training and retraining of specialists in the higher education institutions, solving the problems of young specialists.

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Economic View on Corporation as an Open Socio-Technical System

Vladimir Leonidovich Kurbatov¹

¹ North Caucasian branch of the federal government's budget educational institution of higher professional education "Belgorod State Technological University after V. G. Shukhov", Mineralnye Vody, Stavropol Territory, Russia

Correspondence: Vladimir Leonidovich Kurbatov, North Caucasian branch of the federal government's budget educational institution of higher professional education "Belgorod State Technological University after V. G. Shukhov", 24 Zhelezноводская Street, Mineralnye Vody, Stavropol Territory 357202, Russia. E-mail: krubatov-bgtu@list.ru

Received: October 17, 2014 Accepted: October 27, 2014 Online Published: December 30, 2014

doi:10.5539/ass.v11n3p353

URL: <http://dx.doi.org/10.5539/ass.v11n3p353>

Abstract

The article methodologically justifies a content of corporation model as an open system by comparing of traditional and socio-technical conception of its functional and elemental composition. The problems of organization management system approach in conditions of turbulent external environment are examined. The analysis of the last researches and publications on an interesting subject is submitted.

Keywords: corporation, an open system, environment, linear models, strategy

1. Statement of the Problem

Concept of corporation as an open system is based on general systems theory. According to system theory all the processes occurring in a real world, phenomena and events exist in the general relationships and interact as a relatively discrete elements, endowed with qualitative and quantitative sides varying in time and space. Therefore consistency is a sign, inseparable substantial property and one of the most important characteristics of a corporation,

Corporations as open systems are considered from the point of view of internal system communication and their communication with the external environment. The system is maintained by flows of energy and materials coming into it from the external environment, and after extending a process of change, they emerge in the form of goods and services. The problem of the management of open systems is that corporations are in dependence on the environmental conditions, providing the means for their existence. Being viewed from a systems perspective, organization management system is effective when the transformation of inputs gives an additional positive effect on the output. If we consider an open system, we should calculate the cumulative effect of the interaction between the enterprise and the external environment.

When an open system is operating in a turbulent external environment, a great attention should be given to the feedback system which is a result of system elements interaction with the outside world.

2. Analysis of Recent Research and Publications

N. Gless, J. van Gig, F. Glazl, B. Liverhud, F.Zh. Guiyar, J. N. Kelly, B. Z. Milner and M. MacDonald devoted their works to the research of organization as an open socio-technical system. In particular, F. Glazl and B. Liverhud (Glazl & Livehud, 2000) approach to a corporation as a biological organism, F. Zh. Guiyar and J. N. Kelly (Guiyar & Kelly, 2000) consider the organization is an actual human body. B. Z. Milner lays stress on the complexity of the corporation as a body. However, it is necessary to systematize the published studies, and highlight features of the corporation as an open "live" system.

The purpose of the article is methodological substantiation of model content of corporation as an open socio-technical system.

3. The Main Material of the Study

There are systems with linear and non-linear feedback in the methodology of open systems. A system in which a certain action leads to an advance predictable reaction is a linear system. A system in which the results of performed actions are less predictable is a non-linear system.

The outside world often changes so that, as opposed to short-term, in the long term it is impossible to predict and fix such changes in the plans of organizations leaders and also to establish a clear relationship between actions and their results. Comparing linear and nonlinear models of open systems, N. Gless (Boddy & Peyton, 1999, pp. 95-96) claims that the modern business world is more nonlinear:

- reality 1. Corporations are complex open systems, which are under the constant influence of the external environment. Management plans are often violated by external processes or internal political and cultural developments in the corporation;
- reality 2. Changes in the environment occur so quickly (there are always new realities and threats) that even the top-level manager does not have time to "feel" what is happening and make a detailed informed decision. It should be also taken into account that the main characteristics of the environment may become different by the time of the implementation of the decision.
- reality 3. Since the simple linear model of cause and effect is inadequate to external environment, so using it management often leads to a completely unexpected (positive or negative) results.

Negative feedback in the linear system is used to return the system to its original position. The difficulty of feedback in nonlinear system is that the results are significantly sensitive to even slight differences in initial conditions. Minor impacts through a series of actions and reactions may be amplified so that the net effect will be totally incommensurate with the original changes. Consequently, return to its original state is not possible in a nonlinear system and the feedback is always positive.

According to the classification by J. van Giga (Wang, 1981), organization as an open system can be considered in the framework of soft systems. If we represent the organization in terms of the theory of soft systems, it can be considered as a social system or organism as an open "live" system. This approach to the study of organizations is found in many research papers (Glazl & Livehud, 2000; Guiyar & Kelly, 2000; Milner, 2004; Milner, 1999). B. Z. Milner notes the particular complexity of the corporation as a body, and believes that it contains "... interests of individuals and groups, incentives and constraints, rigid technology and innovation, absolute discipline and creativity, standard requirements and informal initiatives. The corporation has its face, its own culture and reputation ". (Milner, 2004)

If you systematize the studies you can get the following aspects of the corporation as an open "living" system:

- orientation on the strategy;
- adaptation to changes in the environment and impact on it;
- priority of effective corporation;
- people is the most important resource ;
- management focus on communication;
- democratic management style; self-control, self-discipline;
- only in the public interest action;
- orientation to innovation, etc.

M. MacDonald believes that the application of the concept of the corporation as an open "living" systems requires reorientation to highlight the qualitative composition of managerial influence from "thinking with functions to thinking with processes" (McDonald, 2000, p. 27). Sometimes authors (Guiyar & Kelly, 2000) compared these processes in a corporation with "life engines " or "bio-corporate equivalents of muscles." Thus they become instruments which should change ideas into concrete action aiming on achieving the goals. Processes are thus interconnectedness and a change in one of them affects all. If processes are formed and aligned correctly and appropriately are managed by system of values and indicators, they establish a smooth system of value creation so that the boundaries of these processes will disappear virtually (Guiyar & Kelly, 2000, p. 164).

General view on organizations was being formed and developed along with the evolution of management theory, the formation of which has a number of historical stages (Glazl & Livehud, 2000; Boddy & Peyton, 1999; Milner, 2004; McDonald, 2000; Bor, 1998; Vihansky, 2002; Korgova & Borisova, 2001; Kravchenko, 2002).

When forming the management as a science, trends and schools emerged. The authors of these schools, scholars and practitioners created their models independently of each other, in a different context, seeking to different results, so management schools appear contradictory. However, if we proceed from the assumption that the principles presenting in each of the schools allow us to construct a model of the future situation in the control

system of conservancy facilities, all schools of management and research areas may be grouped into management models. In this sense the concept of competing values proposed by R. Quinn is useful. It ties fundamental theoretical developments and relations between them into a single structure cited from (Glazl & Livehud, 2000, pp. 57-63).

The most important characteristic of models classification is the value (both positive and negative) of any processes, activities, facilities for the manager and the employee. Value is interrelated to interest, but the interests of different individuals, groups, the whole staff, consumers and the public do not often coincide. Hence, the values do not coincide. Therefore, models were called models of competing values (Glazl & Livehud, 2000, p. 61).

Schools and scientific fields of management, in accordance with the theory of competing values, give four groups, which are based on different models of: the internal processes, rational goals, open systems, human relations.

Models of rational goals from a historical point of view are referred to the first type. They include the ideas and principles of scientific management schools and management studies (cybernetics). The main essence of the use of models of rational goals is to build improved, more efficient processes.

Models of internal processes, including school-based bureaucratic and classical (administrative) management are referred to the second type. The main essence of these models is to identify the processes of labor in management and production with labor processes in production, using the separation of administrative work on managed objects, functions, tasks, stages, levels of organizational management structure, and to modify repetitive routine tasks in the standard, the solutions results of which are already known or previously planned. The objective of the use of the first type models is to elevate productivity of each individual worker and all of the workers involved in the process of products and services manufacturing, and the objective of the second type is to increase productivity in the management process. Models of human relationships, developed at Harvard School of Management, are referred to the third type. It's an alternative to internal processes models. Whereas the basis of models of the second type is the formalization of relations and connections between the elements of organizational management structure - departments, agencies and managers, models of the third type are aimed at establishing informal ties and relations among members of the same team - managers. In this connection, a set of interests of different groups is considered to use as a model for the integration of human needs with the needs of the business entity and is structured in the form of management goals.

Model of open systems, based on the science of management Research Institute (cybernetics) and the concept of socio-technical systems is related to the fourth type. Feature of these models is their orientation to environmental changes which are caused by a sharp increase of communication links of every business entity with resource providers, target consumer markets, intermediaries, contact audiences, and greater competition in the markets for the manufacturers. Further, these models are developed in the situational management, which focuses on the study, analysis and prediction of changes that occur in the elements of the environment so as to develop timely, relevant managerial solutions on reducing the impact of negative impacts and enhancing positive ones.

All management models were developed at different times in response to the current important problems. However, recognition of this in fact does not mean you must choose new developments only. Sometimes the emergence of new challenges stimulates "fresh" ideas, but their appearance does not exclude the "eternal" problems. In spite of the fact that temporary theories focus on improving flexibility of governmental organizations, finding ways to adapt to changes, it cannot exclude the necessity of control, as required by the circumstances or ingrained way of thinking. Management theory is developing in a circle or spiral, not linear, because "timeless" problems are being added by newly emerging problems. For example, during the transition to open systems model, attention is paid to the speed and flexibility and not to the size of economy on the scale, on integration and not on specialization, on management stimulating innovation rather than control. But such emphasis does not reduce the value of specified priority management characteristics of other models.

All of the above is intended to help evaluate the corporation not only as a business entity, the result of which is to output, and as an equal partner in the process of creating customer value. Consequently, the result, which is obtained as the output of goods and services is a resource qualitatively transformed in internal processes which are characteristics of the enterprise as an open "live" system.

The internal processes that corporation as an open "living" system applies for a qualitative change also serve as an internal resource. According to this logic, the impact of the environment on the function of all participants in the production of a particular consumer values should be understood as a external environment resource which can be used to change the quality of incoming and internal resources. Consumer, whose needs are satisfied by

participants creating some kind of customer value, gets not just a good respectively but a resource that allows him to achieve its goals. The degree of assistance the customer by participants in the creation of customer value, is determined by the efficiency of the entire process. So participants of creating customer value have a common function - transformation and evaluation of inputs according to internal resources. In this context, the user is not an exception. He also becomes a direct participant in the process of creating customer value. Knowledge on using the customer value, which the consumer has and may use for the purposes of consumption, is his internal resource. In the absence of such knowledge, there is often the possibility of adding the resource proposed to the consumer, for example, by means of the establishment of a specific product information support.

At the same time, all the participants creating consumer value must have their internal resource - an information on the qualitative composition of the goods which are offered to the customer. These data must be present in the information accompanying impact. All subsequent steps of quality changes of inputs into an output (via the use of internal resources of a certain participant in the process) bring goods closer to such a state that is necessary for the customer to implement his objectives of consumption.

Systematic approach to the study of the corporation is another major conceptual idea of models of open systems. This approach defines the principles of the methodical construction and analysis of the corporation from several sides (aspects): elemental, structural, functional, integrative, communicative, historical (Guiyar & Kelly, 2000).

Essential elements of corporation as an open "living" system detect elemental aspect, which determines the degree of generality of the system.

Structural characteristics of corporation as an open "living" system (kind of structure, defining communication, quantitative and qualitative relationships) are established by the structural aspect.

The essence of the functional aspect is the justification of functions of corporation as an open "living" system in general and its subsystems. Also the functional aspect brings these functions in line with the purposes of the corporation.

Integrative aspect is manifested in finding out contradictions in the work of the corporation, in developing ways and means to resolve them, in identifying the main link, which maintains the integrity of the corporation as a system and finally in defining the objectives of the corporation as an open "live" system.

So-called "habitat" of the corporation is determined by the communicative aspect. It justifies types of subordinate and coordinating relationships with other organizations and the strength of such relationships.

The historical aspect involves forecasting prospects for the future by studying the history of the corporation, the stages of its development and the current level of it.

The essence of the system pronged approach is the assertion that any organization as an open "living" system consists of seven essential constituent elements: 1) identity; 2) policy, strategy, program; 3) the structure; 4) individuals, groups and climate; 5) individual functions, organs; 6) processes, the general course of business; 7) physical means (Milner, 2004, p. 12).

Various essential elements of corporation are merged into the subsystems which are not opposed to each other but form a "fruitful tension in relationships" that becomes the main engine of corporation development. Attention then is moved from the study of the internal aspect to interaction between internal and external ones. This occurs through the assessment, during which each organization gives authentic response in accordance with its aims and values. (Kurbatov & Naumenko, 2014)

The general sense of systems theory is that, when you create any kind of systems, it is necessary to consider the relationship between their various elements. According to socio-technical concept, corporations are considered as an interdependent system with giving analysis of its social and technical components. The challenge is to integrate them rather than optimizing one of the subsystems. (Kurbatov, Glagolev, & Fursova, 2013)

Socio-technical view on the corporation as a kind of concept of "live" open systems is as follows.

Technical corporation subsystem is connected to organizational and information subsystems through material means of labor used by the organization and also to marketing subsystem. Social subsystem is the human side of the business, its legal issues. (Kurbatov, Naumova, & Kuznetsova, 2013) It partly includes industrial and technical (organizational) and information (management) subsystems: rational selection and placement of personnel; maintenance and regulation of work and rest of staff; coordination of work processes; valuation of labor costs per unit of basic products produced; development of processing activities to stimulate the activities of employees and the introduction of more productive technologies and styles of administration. Environmental problems solved by organization are also of great importance.

Elemental aspect characterizes organizations as socio-technical system in more detail. This approach highlights cultural and techno instrumental subsystems in the technical subsystem of corporation. Means connected with the natural environment are separated to a subsystem of the physical means which form the environmental subsystem.

4. Conclusion

Essential and structural understanding of the corporation as an open "living" system gives the notion that it is an ordered set of elements and subsystems that are dependent and interact with each other, and with a turbulent external environment, forming an integral unity - a living organism. Integral unity of a corporation is a quality trait that distinguishes the organization from the business entity itself and from its environment, determines the methods and features of the corporation in creating customer value.

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Scientific and Theoretical Aspects of the Staff Recruitment Organization within the Concept of "Talent Management"

Nina Victorovna Dmitrieva¹, Natalia Alexandrovna Zaitseva², Olga Sergeyevna Kulyamina³, Anna Anatolyevna Larionova⁴ & Serafima Anatolevna Surova⁵

¹ Institute of Technology Tourism, Moscow, Russia

² Baltic Federal University, E. Kant, Kaliningrad, Russia

³ Russian State Social University, Moscow, Russia

⁴ Moscow State University of Design and Technologii, Moscow, Russia

⁵ Russian International Academy of Tourism, Moscow, Russia

Correspondence: Natalia Alexandrovna Zaitseva, Baltic Federal University. E. Kant, Alexander Nevskystreet, 14, 236041, Kaliningrad, Russia. E-mail: zaitseva-itig@mail.ru

Received: October 26, 2014 Accepted: November 27, 2014 Online Published: December 30, 2014

doi:10.5539/ass.v11n3p358

URL: <http://dx.doi.org/10.5539/ass.v11n3p358>

Abstract

The purpose of the study of scientific and theoretical aspects of the staff recruitment organization within the concept of "Talent Management" was a generalization of existing scientific approaches and results of original author's research in this area. The article presents the research results of organizational problems on effective staffing system at enterprises that use the concept of "Talent Management". In particular, the article studies the main theoretical and practical approaches for organizing and conducting various types of interviews, when selecting employees and rotating them within the organization in accordance with the plans for staff training and development. The article also describes the principles of the structured interviewing techniques and one of its kinds, namely competency based interview, built on STAR or PARLA techniques, allowing one to evaluate not only professional, but also social and psychological competences of applicants. Importance of preliminary preparation for the structured interview is substantiated and the author's scheme of a structured interview is suggested. In addition, as a result of the study, the author generalized peculiarities of application of research methodology and evaluation of meta-programs, based on the linguistic analysis of applicants' and employees' discourse. Author describes the main types of meta-programs, allowing assessment of the applicants' motivation and their preferences in terms of the business relations development, applicants' ways of thinking and making various production and management decisions. Author gives original recommendations on preferences, when choosing candidates for certain positions in the organizations with regard to the objectives of the organization within the concept of "Talent Management".

Keywords: talent management, recruitment, competency, interviewing, meta-programs

1. Introduction

The concept of "Talent Management" has been scientifically grounded and described in the late 90s of the last century. David Watkins (Monacko, 2008) is considered one of the founders of this concept. The essence of this concept is creation of a personnel management system, which is capable of encouraging a high creative potential of employees and involve them into the innovation process (Farzaneh, 2006; Afrazeh, 2005).

Despite the fact that the innovation concept is actively discussed all around the world, including Russia, the Russian science and technology still lags far behind the global indicators. Thus, if at the beginning of this century, new advances in science and technology have been used by 80% of the companies in Western Europe, in Russia this figure was just 5% (Rakitov, 2004).

However, most studies in the framework of the "Talent Management" address the issues on development of an appropriate corporate culture and incentive systems (Nonanoetal, 2005; Ghorbanietal, 2013). The problem of candidates selection, consistent with the objectives towards the implementation of concerned concept at a specific enterprise, is still largely unexplored.

2. Methodology

The main focus in recruitment of specialists for enterprises that have implemented the concept of "Talent Management" should be placed on development of requirements to the candidate and the assessment of his compliance with these requirements (Edwards et al., 2006). In this article author considers the second aspect, i.e. how to assess the suitability of the applicant to take the announced position.

Currently a great scientific and practical material has been accumulated on research and application of various techniques and technologies for assessment of candidates during the interview in the process of intercommunication.

Interviewing techniques used during the intercommunication. The following methods can be noted among the most well-known interviewing techniques (Ivanova, 2014; Komarov, 2007; Raigorodskiy, 2006).

- *Structured interview*, which is conducted according to a previously developed scheme and contains a list of questions, agreed with the responsible / interested corporate employees. A list of questions is different for each job. Since all candidates are given the same questions, the interviewer has the opportunity to compare their answers and choose more objectively the one most suitable for the position profile.
- *Free unstructured interview* is practically conversation with the candidate in a free style. Typically, this method is used when selecting candidates for the creative positions, because standard questions in this case do not give a complete idea of the person. Furthermore, for the application of this method, a number of applicants for a position should be small.
- *Situational interview* is often used for the selection of candidates for managerial positions and positions with a high level of responsibility. Typically, special psychological tests, adjusted for specific features of the job duties, are used for situational interview. When evaluating the responses to the test questions, one should comprehend that there are no absolutely correct answers, though the responses for questions are more or less close to the right answer.
- *Biographical interview* is used to confirm and clarify the information provided in the curriculum vitae (CV). Almost all other methods of interviewing include the elements of a biographical interview. According to statistics, at present this method of interviewing, in its basic form, is used no more than in 15% of interviews with the candidates for senior management positions. This is because the higher the level of the employee in the corporate hierarchy, the greater the impact of his personal traits, life values and motivational map in the company production activity.
- *Standard biographical interview* is a series of questions aimed at establishing the accuracy of the information specified in the CV and obtain detailed information on education, work experience and competences of the applicant. Today biographical interview is used in about 15% of the interviews with the candidates for the top positions. The logic of conducting this interview is as follows: the higher the position occupied by a person, the greater the impact of his personal traits, life values and motivational map.
- *Case interview* is based on the technique where the applicant is given a description of a certain situation (real or abstract) and is requested to describe his behavior or decisions to emerged problems. Such cases can use the situations, similar to actual production situations both with regard to the professional competencies and personal qualities of the candidate, his souls and values.
- *Stress interview* is one of the interview varieties, in which the candidate is placed into the specially created discomforting situation. Since this kind of interview somewhat makes it possible to assess qualities, such as communication skills, stress tolerance, flexibility, and others, it is more suited for the interviewing candidates in the service business sector (employees of the contact zone), sales and customer service managers, as well as leaders at all levels. In everyday work these employees often run into unconventional and even conflict situations. This interviewing technique is also used in situations, where candidates are selected to work at the department, directed by a person with sophisticated and grave character. However, one should not be too enthusiastic in using this method. As is shown by the results of Career.ru studies, 52% of respondents compare the interview with the employer to appearance in front of a large audience, while 48% compare the interview with an exam. At that, 4% of respondents compared their emotions after the interview with a parachute jump, whereas 3% compared it with a jump into the pool with crocodiles (Research Center of SuperJob.ru portal)
- *Panel interview* is a combination of group and stress interview. The procedure for conducting this interview suggests that during an interview the candidates are communicating with several company employees, who ask questions, usually at a rapid pace, not giving enough time to think about the answers. One variety of the panel interview is a technique, which experts in the field of personnel management call "Carousel". In the course of carousel interview, different employees ask the applicant the same questions. For example, the

applicant begins to tell recruiter about himself, and then another interviewer comes into the office and asks to tell his story again, after a while a third interviewer comes and the story repeats from very beginning. At that, the first and second interviewers can go out and come in several times to ask the same questions. In fact, the interviewer's task is to track the response of the candidate to such a situation and to assess his readiness to work under constantly changing unstructured conditions («Planet HR» project).

Technology of conducting structured interview. As follows from the above described types of interview, used in the intercommunication process, the most effective interview, when selecting candidates for the enterprises that use the concept of "Talent Management", is a structured interview. Consider its application technique as exemplified by one of its sub - kinds, namely, competency-based interview. In various modifications it is called also as STAR-method or PARLA-method. According to the classic rules of such kind of interviews, each competency should include at least two questions.

It is desirable that all questions were constructed based on the STAR model, i.e. in the following order: Situation - Task - Action – Result. In each question the recruiter asks to tell the specific situation, in which the candidate had to deal with certain specific problems and how they were solved. In the PARLA the assessment is taken in a similar manner using the following algorithm: Problem - Action - Result - Learned - Applied (Ivanova, 2014).

We would like to dwell on the specifics of preparation for the stress interview. Personnel service manager should determine in advance, what stressors will be used and how to interpret the results. Based on the study of the existing approaches to stress interview and author's practical experience (Dmitrieva et al., 2013; Zaitseva et al., 2013), we propose the following form for the stress interview (Table 1).

Table 1. Example of stress interview form

Description of stress situations	The purpose of using stressors	Who is considered to have passed the interview successfully
You gave the applicant a lot of simple tests, not related to his professional activities, at that, providing no explanation.	Usually filling of such test forms is very annoying. In addition, after receiving this test form, the applicant begins to think that the interviewer just does not know how to conduct interview or shows that in fact the conversation will be free-and-easy and informal. This is conducted to check whether the applicant is able to perform monotonous work without losing composure.	Anyone, who patiently and thoroughly filled in all the tests.
You are interviewing in unsuitable conditions (in a small or noisy room, do not offer applicant to take off over clothes, etc.)	These techniques allow one to test candidate's endurance and tact.	Anyone, who did not experience much inconvenience caused by the environment, where the interview was taking place, did not require moving to another place, as well as asked for permission to take off over clothes.

The most important condition for the successful conduction of any kind of structured interview is a good preliminary preparation of an employer. Moreover, this preparation begins with creating a position profile, which lists not only biographical characteristics of the "ideal" candidate, but his professional competences, personal qualities and other additional information, including consistency with the objectives of the "Talent Management" concept (Survey findings).

3. Results

Based on the research of methodological and practical approaches, as well as author's original developments, we can suggest the following form for a structured interview (Table 2).

Summarizing the existing scientific approaches and our own practical experience, we can identify the following principles of conducting structured interview (Chernetsova, 2011; Volodina, 2010).

- Specific questions and their number for each vacancy are determined in advance, i.e. before the interview. It is not recommended to retreat from the selected list of questions and their sequence during the interview; also various elaborative questions are not allowed;

- The use of mostly open-ended questions (How? Why? Whence? etc.) is a compulsory condition. These questions require from the applicant, to a greater or lesser extent, more detailed information that is needed for the meta-programs analysis and linguistic analysis of the applicant's discourse (Lilly, 2001);
- Personnel service manager, who conducts the interview, should not express his emotions and opinion on the applicant's answers to the questions;
- It is important to comply with the time limits; about the same time is given for the interview with each applicant (usually it is the maximum possible time);
- During the interview, the interviewer is required to make the necessary notes and records.

Table 2. Example form for a structured interview

Stage #	Stage content	Investigated questions
1	Welcoming of candidate	Introduction of partners to each other, thanking applicant for his interest and participation, substantiation of the invitation for interview.
2	General information	Filiation, marital status, place of residence.
3	Education	Successes in the secondary school, special education, training programs and professional development, education plans.
4	Professional development	Basic profession, professional changes, professional plans.
5	Leisure	Family, interests, hobbies, and sports.
6	Information on the employer's organization	Information on the enterprise, job and requirements to candidate, working conditions, the company incentive system.
7	Discussion of the contract terms and conditions	The previous earnings, expected earnings, the opportunity of additional revenue, the special conditions.
8	Completion of an interview	Quick summary, direction to the next steps, thanking for the interview.

Thus, we can conclude that the effectiveness of a structured interview technique will depend on the professional competence of the interviewer, including his awareness in the candidates' psychological constitution.

Applicants' meta-program evaluation procedure. Meta-programs survey and evaluation methodology, based on the linguistic analysis of applicants' and employees' discourse, has not yet sufficiently widespread in the world. The conducted study allows us to conclude that just the individual components of this approach (analysis of individual meta-programs) are used most often.

Since this methodology has a great potential to produce objective and comprehensive "portrait" of an employee or candidate, we consider the nature of this approach and justify the practical recommendations on its application in the framework of the "Talent Management" concept.

The study of existing research allows determining the essence of meta-programs as "patterns" that we use to estimate what information will be allowed into consciousness. Based on dominance of a particular "pattern" type in an employee or applicant, we can form a preliminary value judgment about the person and his adequacy for the job that he occupies or aspires.

Typically, there are three types of meta-programs:

- Meta-program "external–internal" type of job reference. Type of job reference shows how person's own and external opinion are correlated in decision-making and self-esteem. The internal reference primarily means orientation on person's own opinion, life values, his vision and attitude. External reference is focused on the opinions of others, the unbiased results, the accepted norms and public opinion. As a rule, each person has a mixed reference, as a combination of both, though feeling an aptitude to a certain type of reference. It should be noted, that the employees working on regular positions prefer external reference, while top managers prefer internal reference (Ivanova, 2014).
- Meta-program "result – process". As a findings of the interview with the candidate, one assesses applicant's orientation whether on the result (result-oriented) or the process (process-oriented). Preferred type of job reference of employee or applicant depends on the specificity of a particular type of activity. For example, for an accountant preferred is orientation on the process, while for the project manager (the manager to open new stores or offices) preferred is the result.
- Meta-program "activity – analytic abilities – passivity". The assessment of whether the applicant or employee is focused on active or passive participation in various activities, as well as his ability to think analytically, allows more accurate assessment of the candidate's readiness to professional performance of

official duties under the current job, as well as making assumptions, whether company employee will be successful or not in his horizontal or vertical rotation.

Each type of meta-program can be revealed based on specific approach. Table 2 shows examples of the author's questions allowing one to determine the type of job reference (internal, external or mixed) that is preferred by an applicant, for example, from sales staff.

Table 3. Example of questions to reveal type of job reference in sales personnel

Question	Answer	Reference type
Do you consider yourself as a good sales representative (sales manager)? Why?"	Yes, I do, because there were no claims on me. No, I do not consider myself as a very good specialist, because I'm not quite satisfied with the results and I think that I need to learn a little more sales techniques and work with objections. Yes, I think so, because I can easily establish contact with potential customers, identify their needs and thus achieve good sales. And the boss praises me and points at as an example to others. Usually, I decide myself, whom to give some discount. In some cases I can increase a little bit percentage compared to the level, allowed by the company, if I understand that the client may become permanent and provide large sales volumes.	External Internal Mixed Internal
How do you make the decision to give discounts to wholesale customers?	I do not care about it and do everything strictly according to the standards defined by the company. To me more important is to meet the requirements of the management than to take a risk and maybe get a big client. I have clear guidance on discounts, received from the parent company, and always doing them, without going beyond the specified limits. But in each particular case, I listen to my intuition and can take the risk, providing the maximum discount to customer, who is perspective to my mind.	External Mixed

In addition, when selecting personnel within the concept of "Talent Management", it is important to assess, which candidate has the "result-oriented" type of job reference, and which has "process-oriented" type of job reference. For this purpose we suggest the author's methodology of evaluating applicants, using the questions presented in Table 4.

Table 4. Examples of questions to identify the type of job reference in terms of result– process

Question	Answer	Type of job reference
Describe your duties in a previous job.	In a previous job I had to meet the requirements of the job description, i.e. ensure staff recruitment, their adjustment to ensure the timely selection of candidates for the vacant positions.	Process
	I had to ensure selection of candidates for the vacant positions in a timely manner and with the best result.	Result
	My duties included drafting personnel documentation, interviewing candidates, etc.	Mixed

Creation of a team, able to work hard, requires employees with analytical mindset, a proactive stance in dealing with certain problems. In this case, certain kinds of work require employees, who have the reference of "passivity". For example, work of accounting staff welcomes a candidate with "process" and "passivity" orientation that means strict compliance with the requirements of the statutory and regulatory documentation (Table 5).

In addition to the above considered references, it is important to evaluate the candidate's reference in terms of "avoidance" or "achievement". In the first case, the candidates usually use negative forms of expressions in their responses. For example: "a good team is not one, in which there is mutual respect and mutual support, but the one, in which there is no conflicts" (Table 6).

Table 5. Examples of questions to identify the type of job reference in terms of activity– analytic ability– passivity

Question	Answer	Type of reference
Describe your actions in a previous job in the event of a problem (conflict) situation in the team.	When our team was involved in a conflict between two employees that, as a result, has gripped the entire department, I immediately attempted to reconcile the parties.	Activity
	...I thought that it was not my business, because my interests were not affected in this conflict.	Passivity
	... first, I analyzed the causes of the conflict, the interests of each party, and then I offered to take part in their reconciliation.	Analytic ability

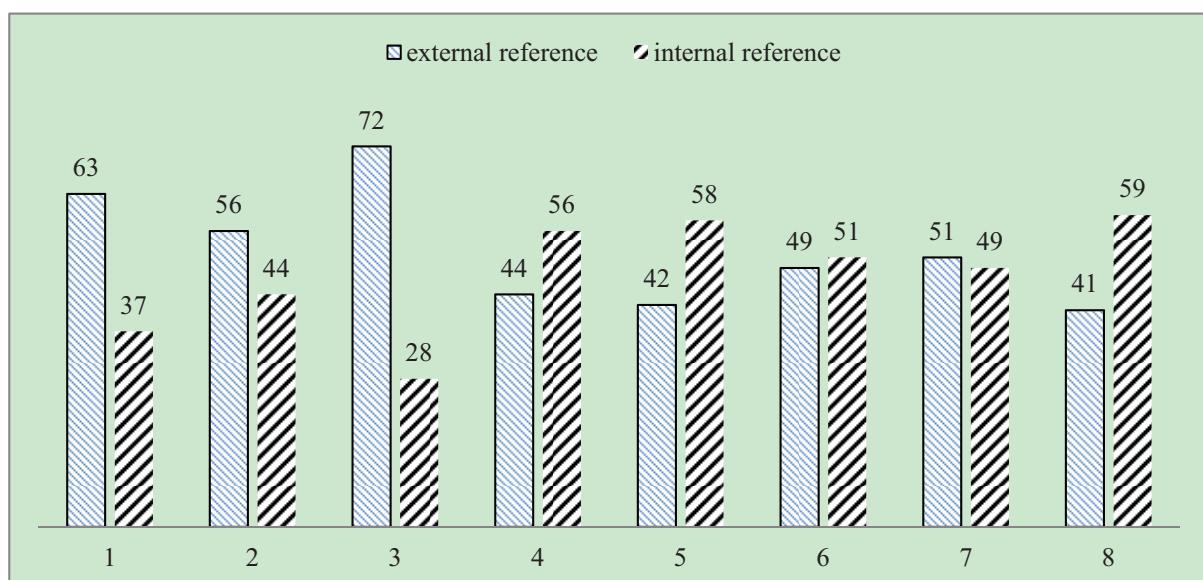
Table 6. Examples of questions to identify the type of job reference in terms of avoidance– achievement

Projective question	Possible answers	“avoidance-achievement” reference type
Why do people tend to make a successful career?	To fulfill their potential and have more opportunities and resources for work.	Achievement
	Not to be a looser, because the one, who did not succeed in making a career, in our society is considered a looser.	Avoidance

Thus, the above techniques allow us to assess not only the motivation of the candidates, but also evaluate with a certain probability, how a particular applicant will behave in a given situation and which behavior model he will use out of his own set of stereotypes.

4. Discussion

Based on the author's assessment methodologies of applicants' types of job reference, a certain study was conducted (a sample of 540 people were tested during the study period from January to September, 2014). According to the results of this study, the following data were obtained on the structure of job seekers with different types of references (Figure 1).



1 - Police staff members; 2 - Staff members of the Investigating Committee of the Russian Federation; 3 - Service personnel (except of n. 1 and 2); 4 - Employees of service and trade industry; 5 - Education staff; 6 - Employees of the industrial enterprises; 7 - Employees of the financial sector; 8 - Employees of IT-business and consulting.

Figure1. Results of the study on job reference types of the applicants from different scopes of activity (based on author's original research, 2014)

1 - Police staff members; 2 - Staff members of the Investigating Committee of the Russian Federation; 3 - Service personnel (except of n. 1 and 2); 4 - Employees of service and trade industry; 5 - Education staff; 6 - Employees of the industrial enterprises; 7 - Employees of the financial sector; 8 - Employees of IT-business and consulting.

Thus, based on the results of the conducted study, it can be concluded that the applicants, related to activities that require a strict adherence to established norms and rules of conduct (police and the Russian Investigative Committee staff members, as well as other military staff) tend to external reference (56-72% of applicants from these groups have external job reference). Close to them were candidates in the financial sector (51% of applicants had external reference) that is also determined by the specifics of their activities. The opposite pattern is observed in IT-business, consulting, education, as well as trade and services industries. In these activities only 41-44% of applicants had external job reference.

Thus, we can conclude that the predominance of job seekers with internal job reference in service and trade sectors has a negative impact on the performance of the established service standards. Therefore, the use of the above methodologies to identify the type of job references will allow identifying the most suitable candidates in the framework of "Talent Management" concept.

5. Conclusion

Based on this study, it can be concluded that for different purposes of enterprises, which are using the concept of "Talent Management", various techniques may be used; moreover, these techniques can be combined. At that, it has been proved that meta-programs investigation method is one of the most promising techniques for the selection of candidates. It allows recruiter not only to evaluate the potential ability of staff to undertake new functional responsibilities, but to reveal in the course of interview with the candidates their willingness to work in a certain corporate culture that prevails in a particular organization.

At the same time, it should be recognized that any recruiter may commit a certain percentage of errors while selecting personnel. It is almost impossible to completely eliminate mistakes, especially given the fact that the decision in respect with the candidate is made not only based on choice of recruiter, but a person taking the final decision. However, continuous training in the field of recruiting, as well as professional self-development in this area enhances the effectiveness of the selection process of candidates and encourages the achievement of the development goals of an enterprise or a company, which use the concept of "Talent Management".

The conducted study indicates the need for further work in the field of science-based approaches to the assessment of the candidates and their conformity with the objectives of each particular enterprise towards implementing the "Talent Management" concept (Yeremina & Lavrov, 2010). The research on the effect of different types of job references on the employees' models of conduct should be also continued in the future.

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Modern University Teaching Meaningful Reconstruction: Combining Teaching with Research

ZHAO Tao¹ & ZHU Ye²

¹ Faculty of Education, Southwest University, Chongqing, China

Correspondence: ZHAO Tao, Faculty of Education, Southwest University, Chongqing, China. Tel: 1-888-325-7525. E-mail: 517805746@QQ.com. ZHU Ye, Faculty of Education, Southwest University, Chongqing, China. Tel: 1-830-609-9811. E-mail: 841924774@QQ.com

Received: November 24, 2014 Accepted: December 10, 2014 Online Published: December 30, 2014

doi:10.5539/ass.v11n3p366

URL: <http://dx.doi.org/10.5539/ass.v11n3p366>

Abstract

For universities, teaching is the prerequisite and basis of research, and it promotes the increasing improvement of scientific research level; the scientific research is a source and power of teaching, research promotes the deepening of teaching content. The effectively integration of teaching and research gives a new meaning to the modern university teaching. The modern university teaching should be a process that absorbing creative achievements and making students have an access to the real knowledge, and that is the right teaching. The role of modern universities teacher is not only to preach, teach and disabuse, but also as a teacher and a researcher. It is said that "the best investigator should be the best catechist, the best catechist should be the best researcher", and it makes a new identity for college teachers. Under the background of combing teaching and research, the article tries to interpret the new meaning of the university teaching and the teachers' new responsibility.

Keywords: teaching, research, teaching and research, teaching meaning

1. Introduction

In university, teaching as the main activity to spread truth and profound knowledge, which should always adhere to the highest principle of the truth, and this principle will get useful supplement with the research entered. The exact relationship between teaching and research began in Berlin university which founded by Humboldt in the 19th century. Initially, the idea of combining between teaching and research got the sound function of the university which worked in the lecture- teaching mode. It was a major feature in teaching with research joined, and it was also a measure to improve the quality of teaching, promote student's creative thinking ability and practical capacity. Effectively combination of "teaching and research" made the development of higher education quickly at one time, which made scientific research became an important function of university. But In the mid-19th century, Newman thought that the unique function of a university is teaching universal knowledge to students and strongly opposed to the principle of combining of teaching and research. But the tide of history could not be stopped, with the rapid development of social sciences, "teaching and research" as a basic function of university had been gradually accepted by public all over the world. By the early 1900s, Van Hise proposed the social service as a function of university in the Wisconsin university. After that, "Wisconsin Idea" was diffused in many countries. Until now, teaching, research and community service have become widely recognized as three basic functions of higher education institutions.

2. The Ideal and Reality of Combining Teaching and Research

"A combination of teaching and research", began in the early 19th century, was an innovative concept of German universities. When Humboldt designed the principle of the new college, he said the university teaching must be combined with scientific research, the teachers should get innovative scientific research into their own teaching activities to promote their teaching, only like this way, and their teaching was the real meaning teaching in universities. Thus, the specific impress on teacher's professional life of Berlin University was: the excellent scholars not only had outstanding achievements in scientific research, but also had the most outstanding in teaching. According to German's concept, a university professor was a teacher, who also was a scientific investigator; but people paid more attention to the latter one, so we would say like this: in Germany, as a scientific researcher, who also taught college students in class." However, today, the "perfectly combination of teaching and research to promote the teaching "is an ideal for Humboldt, but the idea was not as he had imagined.

In reality, the relationship between teaching and research was far from simple and linear, as the famous American scholar Burton Clark said, "Although research had already got into the university and established a link with teaching in a certain period, but to some extent, there still existed the teaching including no scientific research that called" teaching drift "and there still existed the scientific research including no teaching that called "research drift". So he said, "research and teaching were far from a natural match, they were able to organize within a single framework only under a special condition." The separation of teaching and research leads to the teacher's role confusion. It was a value selection that emphasis on research but contempt teaching made university teacher as a researcher prominent increasingly, but as a teaching role marginalize increasingly. Since the modern universities establishment, science research and social service has already became an important and indispensable duty for the university. Thus, university teacher not only had the responsibility to teaching, but also had the responsibility to do scientific research and social service works. "University teachers have already got into a place that full of professional challenges including knowledge production, technical assistance, community development and many other areas." However, this phenomenon had already existed in universities not only in our country but also all over the world. Yan Caihong was a teacher, who got full marks in students evaluating teaching activities in Shanghai Jiao Tong University, but he had not been commented on the associate professor until he death, because the number of his published papers was not enough (Note 1). Zhu senhua, who was loved by students in the department of Philosophy, Zhejiang University in China, owing to lack of the published papers, he could not be employed (Note 2). But only 25 -year-old Zhang hongwei, who was teaching in Guangxi University of China, because of outstanding research, he was named professor (Note 3). These events made this problem more prominent and led to a large number of teachers began to appear a strange phenomenon in China: teachers were not busy with teaching. Professors, especially a well-known professor, who teaching students have already became a luxury. The teacher, who wanted to become a good teacher, was no longer due to his contribution in teaching, but decided on his research and the number of published papers. And so on, these events made the problem about "emphasis on research but contempt teaching" had become more and more prominent and intolerable, which required us must understand the relationship between teaching and research. Therefore, we call for that "teachers should back to their own work in the condition of the effective combination between teaching and research, which will give a new mean to teaching.

3. The Conditions of the Effective Combination between "Teaching and Research"

The value of university teacher's teaching service is compared to that of scientific research, the former one is difficult to outstanding in a short time. It takes three generations to make a gentleman. The value of teaching service is a long-term and prospective. Instead, the university teachers' research achievements can bring direct benefits to themselves and university. These research achievements were published to the public. The level of teachers' research always be evaluated by some experts. Only in this way, the teachers' professional prestige will be built up gradually and the academic level of a faculty or academic units will be recognized by their peers" (Derek Bok, 2008, p. 20). Thus, it is the tendency for university management to regard the university teacher's scientific research as the main criteria that select and evaluate the teacher's ability. "Publish or perish" had became a university teacher's professional survival rules (Gong, 2011, p. 1). Therefore, if we want to achieve "the effective combination of teaching and research" in a university, we should satisfy the following conditions need.

3.1 The Types of Universities Classification Is a Premise of the Effective Combination of Teaching and Research

The combination of teaching and scientific research is not complete equality, but according to the type of school assignment. In recent years, the education authorities distinguish the university into research-universities, research-teaching-university, teaching-research-universities and teaching universities according to the type of university (Wu, 2002, p. 11). These different types schools have different requirements in the teaching, scientific research and social services. We can not regard the teaching and research as a whole nonadjustable contradiction, the contradiction between teaching and research is mainly reflected in the distribution of the time, but they are mutual promotion and complementary in content and nature. Research-university is different from the regular colleges. Its core mission is undergraduate education. Undergraduate education is a necessary but not sufficient condition to achieve the mission of research universities. Research universities not only aim at training undergraduate in basic professional knowledge, but also integrate their knowledge and creative ability, which needs to apply the thought of scientific research, process and methods into undergraduate teaching. The core mission of the research-universities which develop the undergraduate education is combine the teaching with the research; teaching-research or research-teaching universities are mainly in undergraduate education and develop graduate education moderately, these kinds of universities must base on a high level quality teaching and then carry out the scientific research activities. It also should according to their professional characteristics and

advantages to allocate their teaching and research. They should be good at find their own superiority and highlight their own advantages and features, reflect the lifeblood of disciplines in order to play the advantages of their belongings. The undergraduate teaching is the core of the teaching-oriented colleges or universities, which regards the training applied talents as a fundamental task, takes specialized technical innovation and development as the core, takes the local economic construction and social development as the mainly target. These kinds of colleges offer applied talents for development of local social-economic. Therefore, the establishment of a diverse system of higher education provide the preconditions for the effective combination of teaching and research.

3.2 Establishing the Diverse Evaluation Criteria for the Universities Is a Necessary Condition of Combining Teaching and Research

Currently, there exist one major issue that the criteria for evaluation is too single in the process of assess all colleges and universities. Especially it's only taking the assessing research-universities as a criteria to evaluate all universities. This assessment as a role of identification and guiding, it's naturally causing a series of subsequent reactions that the university pays attention to what the school administration concern about and then make a choice. Therefore, many universities under the guidance of a higher assessment criteria, regardless of their training objectives and tasks to blind compare with each other and even regardless of the their self-limiting condition to emphasis on "research first". As a result, the number of scientific research superficial prosperity but the quality was not high. At the same time, the level of teaching was going down. The university administration, under in the process of the diversification of higher education system, should take diversified assessment criteria to ensure the quality of all colleges and universities. It's also should depend on the type of university to divide the different quality standards and use the different criteria to evaluate the quality of various types of colleges and universities (Derek Bok, 2008, p. 20). Thus, it's avoiding the current situation that many universities emphasis on research but contempt teaching. What's more, it also avoids the different tape of universities to blind comparison. Only like this way, it can make different types of colleges and universities to play their own advantages, which is a necessary condition for combining teaching with research.

3.3 It Is an Effective Guarantee for the Combination of Teaching and Research to Improve the Management and the Evaluation of Higher Education

From the perspective of management science, it promotes the effective combination of teaching and research is an important measure to strengthen the management of teaching and research. Now, it exists a widespread phenomenon that emphasis on research but contempt teaching in universities, It's over highly emphasis on the number of research achievements and forces teachers to do more research achievements (such as publish a number of papers, etc). Some teachers are lack of attention on their teaching work, and aim at get more time and energy to engage in their research work. They are unwilling to engage in the basic education, this phenomenon is more common in research-universities. As the former dean of Harvard College Professor Harry Lewis in his book "The lost soul of excellence: why forgotten education by a famous university" (Lewis, 2006) said that "today, many research-universities had already forgotten that teaching was their primary task, which was replaced by the academic and scientific research. This was called "the lost soul of excellence". These issues become obstacles to improve their teaching quality. Therefore, teaching and research should be taken strictly evaluation and rational management by the management agencies, no matter what types and levels of universities. To some extent, it will make this combination more valuable under in a high quality of teaching and research condition. Therefore, it's an effective guarantee for the combination of teaching and research to improve the management and evaluation of higher education

4. "The Combination of Teaching and Research." Creates a New Meaning of Teaching

From the perspective of the economics knowledge, the scientific research is subjective form of cultivate innovative talents, knowledge production, and knowledge application; it's also the main method for university, which is a think-tank or a knowledge base in society. Scientific research is a think-tank for colleges and universities.

Teaching and research are two aspects of a thing. In other words, teaching and research is a mission of the university teacher. Teaching and learning are two aspects of a process what university teachers need to complete. Teaching is a process, which contained sharing of knowledge, explore, and discover knowledge. The university is a place where knowledge-transfer, knowledge innovation, and cultural transmission. Academician Qian Weichang once said, "The wall must be dismantled between teaching and research in university. If there is no scientific research joins in the teaching, it will be a no view or no soul education." (Qian, 2003, pp. 16-20) Combination of university teaching and research in order to reflect their significance of teaching. University

teachers should get their scientific research achievements into their teaching activities, which is the real meaning of the teaching. University teacher should become a lancer who majors in both teaching and research. The way of university teaching is not only a form of university research, and university research should not be separated from teaching. The best researcher should be the best teacher and the best teacher should be the best researcher. Why we can say that "the best researcher is the best teacher", because "only can the research lead the people to touch a real learning process and even realize the scientific spirit". That also because it will not have an outstanding teaching without research. It's hard to arouse the outstanding awareness and action.so it's also hard to cultivate outstanding talents. The aim of university education is cultivate talents who should possess the scientific research and the innovation ability. Scientific research is necessary for the teachers who carry out an effective teaching. Karl Theodor Jaspers, the world famous educator in Germany, who is one of the four sages once said, "the people who engaged in scientific research could teach their scientific research achievements to others." (Jaspers, 1991, p. 152)

Teaching is a way that the university teachers can express their research results or elaborate a point of view. So, to some extent, the teaching is not the full significance of teaching without research involved. However, it is not easy to find a balance between the teaching and research. This is not only the core issues in the university, but also the role orientation issues of university teachers.

5. Conclusion

Combining teaching and research is a part of university teacher's duty. University has its own special character when it compares with the general educational, it's mainly performance in the process of scientific exploration, both teachers and students are combined into a academic community, teachers guide students to carry out research activities to achieve " unity of teaching and research ". The sense of combining teaching and scientific research is embodied in the fact that scientific research activities are required to offer new ideas and inspiration to knowledge structure, with which teaching concerns and then offers directions for graduates and postgraduates with more extensive and more updated knowledge. Thus, in this sense, the combination of teaching and research is a part of the university teacher's responsibility. As Stanford University President John L. Hennessy in his book named "Teaching at Stanford" wrote that: "Stanford University promises that it would became an outstanding in their science research and teaching. We gave emphasis on teaching and the same as we gave emphasis on the scientific research work; we believed that this was not only possible but essential. As a teacher at Stanford, who was an academic staff or assistant, your knowledge in the relevant fields has been recognized, but we demand that you also have set an example in teaching work".

Combining teaching and research should highlight the basic duty of teaching, in order to promote the teaching much better. Only by getting actively involved into the scientific research activities can teachers meld knowledge gained and innovated through scientific innovative activities into teaching and course system. Encourage the teachers who are major in research get their research achievements apply into their teaching, and encourage the teachers who are major in teaching regard their part of teaching contents as the research achievements." In order to overcome the teachers who are major in research neglect the teaching and the teachers who are major in teaching ignore scientific research. It's better to promote this interaction between each other, it should get rid of those types which simply determine tasks and authorized strength and establish consecutive and reasonable conversion ratio. It has different task allocation for different types of teachers. But a combination of both is better to service for teaching. Over all, it's in the form of teaching that passed the knowledge down. As in Germany, University teachers participate in the scientific research activities and the basic motivation is to spread scientific knowledge. Addition, its purposes is to serve the teaching. Such as Germany's Bauer Health puts it, "In Germany, the direct purpose for people to create knowledge is oral teaching, and this is not the same place in another ". Therefore, teaching becomes the teacher's duty as a starting point and end point; it should be the basic duty for each teacher.

Jaspers regard the combination of teaching and research as the supreme fundamental principles, but he still puts forward a particular requirement for this combination: "university teachers are not only as research scholars, but also more sensitive to their commitment to teaching responsibilities and fulfill this responsibility in their own research activities, It's play an important part to the teaching significance of scientific research." (Jaspers, 1991, p. 153) Teachers should show the process of exploring scientific truth to students, guide students to explore the spirit of scientific research, which can play an important part to the value of the combination of teaching and research.

Combination of teaching and research is a realistic choice for higher education. It's also help teachers do better in teaching, University is the soul of education, university is the root of science and the university is the soul of

culture. The root of the university teacher is that "teacher should settle down to read authentic and lean over to teaching". In other words, teaching is the university has become the root of the school; teacher has become the fundamental of the teacher. Research is better serve for the teaching, the ultimate goal of the combination is to more effectively complete the core mission of universities, which called "talent cultivation". This is the life of the university. In this sense, "the combination of teaching and research" is just a means to give university teachers teaching effectively.

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Notes

Note 1. "Liberation Daily" published a report in China on March 16, 2005, it said that his teaching is very good, but until his death in his 57-year-old, because of lack of papers, he is still just a lecturer.

Note 2. "People's Daily" published about a teacher on November 24, 2005, whose name is Jewson in the Department of Philosophy, Zhejiang University. He is "laid off" by the University.

Note 3. "China Youth Daily" on February 23, 2005. An article about "a 25 -year-old person who was promoted to a professor, we can know the issue about "Emphasis on research but contempt teaching".

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Reviewer Acknowledgements

Asian Social Science wishes to acknowledge the following individuals for their assistance with peer review of manuscripts for this issue. Their help and contributions in maintaining the quality of the journal is greatly appreciated.

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