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Website Usability and Cultural Dimensions in Malaysian and Australian Universities

Zanariah Jano¹, Shuhaida Md. Noor³, Rabiah Ahmad², Mohd Shamsuri Md Saad¹, Rosli Saadan¹, Mohamad Bokhari¹ & Aida Nasirah Abdullah¹

¹ Centre for Languages and Human Development, Universiti Teknikal Malaysia Melaka, Melaka, Malaysia

² Centre for Research and Innovation, Universiti Teknikal Malaysia Melaka, Melaka, Malaysia

³ School of Communication, Penang, Malaysia

Correspondence: Zanariah Jano, Centre for Languages and Human Development, Universiti Teknikal Malaysia Melaka, Malaysia. Tel: 60-60-17-641-6822. E-mail: zanariahjano@utem.edu.my

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Abstract

The extent to which web sites in Malaysian and Australian universities comply with usability guidelines of the U.S Department of Health and Human Services was analysed. In order to discover the reasons some websites comply with more guidelines on certain features than others, cultural dimensions in relation to usability of each country were also analysed. Content analysis was employed to measure the usability compliance. Twenty-nine guidelines were selected and twenty university web sites from each country were randomly selected. The findings showed that the trend of standardization was emerging for language and organization category. However, there was also a clear evidence of the need for website designers to consider the impact of local culture as some cultural reflections in terms of *high/low* context orientation were noted. In terms of culture, unexpectedly, Australian university websites depicted a higher *uncertainty avoidance index*. This study will be an addition to web design literature and facilitate universities and individuals to develop effective strategies to elevate the image of universities in the global context. Future studies should examine other cultural dimensions such as *collectivism* versus *individualism* and *power distance*. Future studies may also use interview method to gain an in-depth analysis of factors which influence the cultural projection in university websites.

Keywords: university, websites, usability, compliance, cultural dimension

1. Introduction

1.1 Background

As the web is a primary interface between the organisation and its clients and stakeholders, it is high time to ascertain the importance of web design elements to be included in a website. However, a large number of software products or systems with poor usability still exist (Goransson, 2003). Some studies discovered the users' frustration of the website experience because of the poor performance. Elliot & Fowell (2000) and Lohse & Spiller (1998) noted customers' frustration with the quality of the websites. Elliot and Fowell (2000) further ascertained that poor attributes in responsiveness of customer service, ease of site navigation, simplicity of check-out process, security and personal information contributed to the frustration. In the domain of higher education, little is known about the use of the Web (Poock & Lefond, 2003).

Moreover, the cultural dimensions are applied to the selected usability guidelines to hypothesize which guidelines will be favored by each culture. Hofstede's (1980) cultural dimension was applied; *Uncertainty Avoidance*: "intolerance for uncertainty and ambiguity (Hofstede, 200, p. 401). Hall's (1976) *low/high context* culture (high context culture convey message in a long-winding and lengthy explanation while low context is the opposite) was also utilized. Australia ranks low in uncertainty avoidance, while Malaysia ranks high in uncertainty avoidance. Hence, Malaysian university websites should employ sites with rules and regulations to ensure that uncertainty level is decreased among users. Hall's (1976) *low/high context* culture indicates that high context culture convey message in a long-winding and lengthy explanation while low context is the opposite. Hall (1976) divides the context into two; the Eastern and Western. The former embraces the high context realms while the latter the low context's.

On the whole, the aim of the study is twofold; to identify variances in usability guideline implementation of university web sites in Malaysian and Australian university websites and to analyse cultural causes for the differentiation of usability guidelines. A content analysis is conducted to ascertain the level of usability in both Malaysian and Australian university websites and the cultural dimension as well. The findings of this paper will be an addition to web design literature and facilitate universities and individuals to develop effective strategies to elevate the image of universities in a global context. Knowledge on other cultural preferences of web design will be an asset for web developers. Strategies for the localised versions of web sites will intrigue the stakeholders in the global context. The paper will also explain the validity of both the cultural dimension and cultural categories proposed by Hofstede (1980) and Hall (1976).

1.2 Relevant Scholarship

Usability is defined in various ways; "ease of use," - how easily people can use any product's controls or displays such as a tool or computer display (Nielsen, 2002); "how well users can learn and use a product to achieve their goals and how satisfied they are with that process" [U.S Department of Health and Human services (HSS)]; product effectiveness, efficiency, and user satisfaction (ISO, 1998); "the capability to be used by humans easily and effectively" (Shackel, 1991, p. 24). Despite the differences in defining usability, researchers are focusing on the relevance of the human factors for an optimization of interfaces.

Measuring web usability for universities is essential as universities have to compete globally as their brand has become a business asset just like their human, capital and financial resources (Moore, 2004). A number of students accessing the Web is increasing. In 2004, 45 percent of adults and 57 percent of teenagers used the internet to search information about a college or university they were planning of attending (Hitlin & Rainie, 2005). Bao & Ellis (2007) conducted a content analysis on 31 universities around the world on features of web standard and usability, using Nielsen & Tahir's (2002) heuristic guideline and Nichani's (2006) information architecture aspects. They revealed that British and Australian universities were more compliant with Web standards and usability issues. Other universities have various ways in organizing information on their homepage. Kang & Norton (2006) conducted a content analysis of 129 university web sites in the US in terms of usability, content and interactivity. They noted that most web sites showed excellent performance in projecting usability elements with simplified design, minimal navigation menu, high navigation speed and an inclusion of site map. Consequently, web usability is essential for universities to attract the stakeholders.

Many studies have been carried out to shed light on the effects of cultural differences on web usability as universities are connecting across cultures in the globe. Thus, the emerging issue is whether to adopt standardized or localized versions. The former indicates the features of websites are culturally neutral. Ess and Sudweek (1998) argued that communication would be transparent because the technologies could homogenize the features of design and content of web sites. However, several researchers found the significance of cultural influence in their studies (Alostath & Khalfan, 2007; Aydin et al., 2010; Cyr et al., 2005; Simon, 2001). King (2008) studied websites in the UK /Ireland, North America, Central America, West Africa, Pakistan/India and argued that usability itself may also be influenced by context. While some cultures may focus on the performance of usability, others may focus on satisfaction (Caidi & Komlodi, 2003).

Some usability guidelines which exist in the extant literature are HHS, ISO 9241-151 and Joint information System Committee for higher education (JISC). Bevan (2005) compared and evaluated the three guidelines and concluded that HSS have been widely accepted as "an authoritative source of guidance". Moreover, they have been rated by 8 website designers and 8 usability specialists and ranked for importance based on the rating. (Koyani et al., 2004; Kelly et al., n. d). This transparent methodology provides "confidence in the validity and usefulness of the guidelines (Kelly et al., n. d)". The present study utilizes the guidelines of HHS which feature language and organization category.

Moreover, cultural dimensions were applied to the selected usability guidelines to hypothesize which guidelines would be favored by each culture. Hofstede's (1980) cultural dimensions were applied; *Uncertainty Avoidance*: "intolerance for uncertainty and ambiguity (Hofstede, 200, p. 401). Hall's (1976) *low/high context* culture (high context culture convey message in a long-winding and lengthy explanation while low context is the opposite) was also utilized. Hall's (1976) and Hofstede's (1980) cultural dimensions can be used as frameworks for predicting and analyzing intercultural communication online, particularly for "developing the graphical elements of website advertisements, either of consumable goods, such as fast food, or of universities" (Ess & Sudweeks, 2005). Moreover, guidelines proposed by Marcus and Gould (2000) were used to categorise the usability features to the respective cultural dimension. This study utilises the following research questions and hypotheses

1.3 Research Questions and Hypotheses

1.3.1 Research Questions

R1: Do websites of Malaysian and Australian universities differ in complying with the standard usability guidelines in terms of *language* and *organisation* category?

R2: Do websites of Malaysian and Australian universities differ in complying with the standard usability guidelines in terms of individual features of *language* and *organisation* category?

RQ3: Does culture influence the differentiation of usability guidelines of the university websites in Malaysia and Australia in *language* and *organisation* category?

1.3.2 Hypotheses

The *high/low context* category consists of the language dimension. *High context* (HC) communication is identified by Hall as involving "more of the information in the physical context or internalized in the person" (Hall, 1976, p. 79); greater confidence is placed in the non-verbal aspects of communication than the verbal aspects. Communication in LC cultures is described by Hall as "just the opposite [of HC communication]; i.e. the mass of information is vested in the explicit code" (Hall, 1976, p. 79). In contrast, people from *low context* (LC) communication style communicate how they feel directly whereas a person from a HC culture will set the context and the setting and let the message evolve without referring to the problem directly.

H3a: Malaysian universities, which represent high context culture, use more number of words and sentences than do Australian university websites.

The *uncertainty avoidance index* includes features from organisation category. *Uncertainty avoidance* refers to the extent to which a culture seeks to reduce risk typically favouring rules and structure. Websites with high uncertainty avoidance focus on the deterrence of errors, few options, and a navigation features which prevents users from getting lost in the site (Hofstede, 1980). Websites with low *uncertainty avoidance* promote exploration and provide many options.

H3b: Malaysian universities with a higher uncertainty avoidance index will have more limited homepage length than Australian university websites with a lower uncertainty avoidance index.

H3c: Malaysian universities with a higher uncertainty avoidance index will use site maps more than Australian university websites with a lower uncertainty avoidance index.

2. Method

This section illustrates the content analysis method, samples, procedure, and sampling procedure.

2.1 Content Analysis of Websites

The complex mix of old and new features of websites makes the medium a challenge for web content analysts (Newhagen & Rafaeli, 1996). Studying the content of websites is academically crucial but also challenging and interesting as it is an effective method for discerning patterns and themes in textual and graphic data. Websites are used to educate people, change people's minds, or compel action. As argued by Scharl (2006), studying and analyzing web content helps us to see what some real website producers and developers consider while making their websites.

Content analysis is chosen because it is used in a variety of fields, such as marketing and media studies, literature, sociology, psychology, cultural studies, and educational research. Content analysis is also applied as it is an appropriate method for answering most of the research questions in this study. Meanwhile, the quantitative method will be used in this thesis to explore what Sinha et al. (2001) suggest, that a subjective website experience can be quantified in terms of more specific dimensions of website quality such as content, interactivity, navigation, etc., in a reliable way. The measure is quantified through a descriptive analysis.

Quantitative research involves an attempt to analyze human behavior in terms of statistics (Horna, 1994). Charles R. Wright states that content analysis is a systematic technique which classifies and describes communication content according to certain predetermined categories (see Berger, 2000, p. 173). Technical objectivity requirement, stated by Wright entails that the 'categories of classification and analysis be clearly and operationally defined' (see Berger, 2000, p. 173). Leeuwen and Jewitt (2001, p. 14) assert that visual content analysis is a systematic, observational method used for testing hypotheses about the ways in which the media represent people, events and situation. Content analysis provides a quantified dimensional description of fields of representation. The methodology can be used to provide a background 'map' of a domain of visual

representation (Leeuwen & Jewitt, 2001, p. 27). A quantitative method for the content analysis of the websites was applied to investigate the availability of the units of analysis coded.

2.2 Samples

20 websites from Malaysian and Australian universities were selected. In conducting this study, the websites of universities in Malaysia and Australia are chosen because Australian universities may provide interesting and diversified ways of designing their websites because of the advanced state of the country in aspects and the use of the ICT. The results of this study are expected to show significant differences in the usability and interactivity dimensions of Websites across these universities. In terms of cultural orientation, these countries are most likely to show observable cultural differences as they represent two distinct cultures (Hofstede, 1980; Hall, 1976). The samples were taken from the database of the Ministry of Education of Australia and the Ministry of Higher Education of Malaysia.

2.3 Procedure

The researcher chose the list of universities both in Malaysia and Australia. The universities were coded and given number in the Microsoft Excel spreadsheet. Then, the RANDBETWEEN function was used to randomly select 20 universities from each country. The second stage of selection involved an elimination of universities that did not fulfil the criteria. The universities must possess the following criteria:

- The web sites are good and well developed. They are not under construction.
- The web sites can be searched via the Yahoo and Google Search Engines.
- The web sites must have at least one type of social networking sites (Blog, Flickr, Face book).

The university websites were filtered and 40 university websites from Malaysia and Australia were selected. Next, two coders who were fluent in both Malay and English analysed the website based on the given criteria. The coding process was done using SPSS application like the independent sample t-test to discover the significant differences among universities in Malaysia and Australia on the usability features. The next stage involved two coders namely Coder A and Coder B for the coding purposes. They were post graduate students at the Universiti Teknikal Malaysia Melaka, and they were trained by the researcher specifically for the purpose of this thesis. They were paid for incentives. To proceed with the coding tasks, all the coders were trained to code websites not included in the main study. Coder A and B eventually coded all the variables. The data were compared and inventory coding was reconciled. Then a check-list was produced and named as an 'Inventory Coding'

For the next step, Coder A and B, independently, applied the coding whilst re-evaluating the websites. During the re-evaluation process, some modifications and adjustments whereby some minor changes were applied to the checklist as and where necessary, and finally the final inventory coding was produced. Several steps were applied for the content analysis of websites in this study as shown in Figure 1. The analysis features the progression from the homepage to the subsequent page.

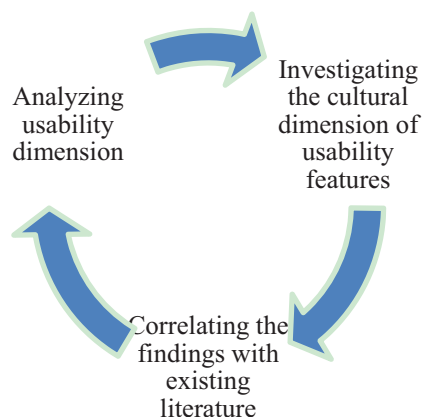


Figure 1. Procedure for analysis

2.4 Unit of Analysis

Many researchers have not always agree on how deep in a site one must go to test interactivity. Some suggest that only homepages should be analyzed and others feel that the study should focus on other levels as well. Hwang et al. (2002 and Paul (2001) analyze the homepages and others focus on two or more levels (Okazaki & Rivas, 2002). McMillan et al. (2008) propose two levels, the home page and the level one to measure interactivity. She notes that fewer features are found at home page and there is a positive correlation between homepage and level one. Interestingly, more research should be conducted to gain more insights into the layers of websites which promote interactivity.

The homepage, which is located at the very top level, is a flagship of the site, and normally has different designing elements compared to other pages, such as a larger logo and a more prominent placement of the company name or site name, and a more prominent placement of the company name or site name (Nielsen, 2000). Ivory (2003) and Nielsen (2000) reveal that homepages have measurably different characteristics than the other pages. Symonenko (2006, 2007) stresses that corporate homepages often have links to “About”, “Products/Services”, and “Contact” for content categories in which the homepages direct their visitors. The information or the content on Level one, two and three of the websites are geared towards the respective topics or audiences (Symonenko, 2006). Three to five level hierarchy is ideal for web content analysis (Brinck et al., 2001; Larson & Szerwinski, 1998; McCracken & Wolfe, 2004; Morville & Rosenfeld, 2002; Symonenko, 2006, 2007). This study, hence, analyses all the four levels of sites identified on websites of Malaysian and Australia based on this rationale.

2.5 Data Collection

2.5.1 Analysing Level of Usability

The data for this analysis was collected from 20 websites of Malaysian and 20 Australian universities from December 6 to December 17, 2010. A coding instrument was developed to capture the level of usability of university websites in the Malaysian and Australian university websites. To address questions related to the level of usability of university websites, this study analyzed the characteristics of university websites on the dimensions of language and organisation. Using the HSS schemes, language consists of *make action sequences clear, avoid jargon, use mixed case with prose, limit the number of words and sentences* and, *compose sentences in active voice* while organisation consists of features like *use a fluid layout, eliminate horizontal scrolling, align items on a page, “link to the homepage from any other page on the web site, limit homepage length, place important items at top centre, enable cross-browser compatibility, place primary navigation menus in the left panel, use site maps, provide feedback on user’s location, provide a search option on each page, maintain design consistency, show author credentials and contact information, provide printing option, use a clickable ‘list of contents on long pages and include hints to improve search performance.*

The coding process was done using the independent sample t-test to discover the significant differences among universities in Malaysia and Australia on the interactivity and usability features. Initially, the score of the interactivity and usability categories were compared by an independent sample test (T-test). Then, the similar test was applied to compare the difference among the individual features in each category. The findings were reported in three sequence; overall features of category, university websites’ performance for Malaysia and Australia and individual feature of each category. Specifically, a high level of usability is characterized by the score of the high end (5 or 7), moderate to well (3-4) and poor (1-2).

2.5.2 Analyzing Level of Cultural Dimension

Then, the categories and features which showed significant difference were assessed in relation to cultural dimension. The significant features of interactivity and usability were assigned to respective cultural category. T-test was administered to find the significant difference of cultural values between Malaysian and Australian university websites. Predictor variables used were high/low context in terms of language (*limit the number of words and sentences*) and uncertainty avoidance index (*limit homepage length and use sitemap*).

3. Findings and Discussion

3.1 Usability

R1: *Do websites of Malaysian and Australian universities differ in complying with the standard usability guidelines in terms of language and organisation category?*

On the whole, there was significant difference between websites of Malaysian (M=4.6, SD =0.47) and Australian universities (M=4.9, SD=0.24) in complying with the standard usability guidelines in terms of language category

with $t(28.3) = -2.82, p < 0.05$. However, there was no significant difference between websites of Malaysian universities ($M=3.8, SD=0.30$) and Australian universities ($M=3.9, SD=0.41$) in complying to the standard usability guidelines in terms of organization with $t(38) = -1.15, p > 0.05$. Table 1 demonstrates the score of usability index for both Malaysian and Australian university websites in terms of language category.

Table 1. t-test score for language and organization category

Category	Malaysia		Australia		t	df	Sig (2-tailed)
	M	SD	M	SD			
Language	4.6	0.47	4.9	0.24	-2.82	28.290	.009
Organization	3.8	0.3	3.9	0.41	-1.15	38	0.26

R2: Do websites of Malaysian and Australian universities differ in complying with the standard usability guidelines in terms of individual features of language and organisation category?

In terms of language, only one feature, *Limit the number of words and sentences*, showed significant difference; Websites of Malaysian universities features $M=3.1, SD=1.93$ and $M=4.8, SD=0.79$ for websites of Australian universities with $t(25.1) = -3.64, p < 0.05$. Other features fell within the range of mean of 4.7 and above while *Use mixed case with prose* and *Compose sentences in active voice* scored a mean of 5.00 which indicated a full compliance. Table 2 illustrates the t-test score for individual features in language category.

Table 2. t-test score for individual features in Language category

Category	Feature	Malaysia		Australia		t	df	Sig (2-tailed)
		M	SD	M	SD			
Language	Make action sequences clear	4.9	0.44	4.7	0.97	0.83	38	0.41
	Avoid jargon	4.9	0.67	5	0	-1.00	19	0.33
	Limit the number of words and sentences	3.1	1.93	4.7	0.79	-3.64	25.13	0.00

In terms of organization, two features showed significant difference for Organization category; *Limit homepage length*: websites of Malaysian universities ($M=2.2, SD=1.74$) and Australian universities ($M=3.6, SD=1.96$) with $t(38) = -2.39, p < 0.05$, *Use site maps*: websites of Malaysian universities ($M=4.4, SD=1.31$) and Australian universities ($M=3.3, SD=1.94$) with $t(33.4) = 2.19, p < 0.05$. On the contrary, fourteen features indicated no significant difference in complying with the usability guidelines. Table 3 features the score.

Table 3. t-test score for individual features in organization category

Category	Feature	Malaysia		Australia		t	df	Sig (2-tailed)
		M	SD	M	SD			
Organisation	Eliminate horizontal scrolling	2.7	1.93	3	2.05	-0.56	38	0.58
	Align items on a page	5	0	4.9	0.22	1.00	19	0.33
	Link to the homepage from any other page on the web site	4.7	0.97	4.9	0.44	-0.83	38	0.41
	Limit homepage length	2.2	1.74	3.6	1.96	-2.39	38	0.02
	Place important items at top centre	4.6	1.15	4.9	0.22	-1.53	38	0.13
	Place primary navigation menus in the left panel	3.9	1.77	4.8	0.89	-2.03	28.1	0.05
	Use site maps	4.4	1.31	3.3	1.94	2.19	33.4	0.04
	Provide a feedback on user's location	4	1.34	4.6	0.94	-1.64	34.1	0.11
	Provide a search option on each page	3.9	1.7	4.7	0.92	-1.73	29.3	0.09
	Maintain design consistency	5	0	4.9	0.22	1	19	0.33
	Show authors credentials and contact information	4.8	0.61	4.3	1.39	1.33	38	0.19
	Provide printing option	2.9	1.99	2	1.76	1.43	38	0.16
	Use a clickable "list of contents" on long pages	1.2	0.89	1.6	1.35	-0.96	32.9	0.34
	Include hints to improve search performance	1.7	1.49	1.4	1.23	0.69	36.7	0.49
Use a fluid layout	5	0	5	0				
Enable cross browser compatibility	5	0	5	0			Full compliance	

A good rating was shown for language category for websites of both countries; 4 out of 5 features of language showed compliance to standard usability guidelines. In terms of organization; two features had full score ($M = 5.00$) for compliance with usability guidelines. This agrees with findings of King (2008) which found that use a fluid layout is passed by nearly all websites in his study. On the other hand, the grey areas include *Limit homepage length*, *Eliminate horizontal scrolling* and *Provide printing options* which scored a poor to moderate rating for both websites of Malaysian and Australian universities. This is contrary to King's (2008) findings who discovered that eliminate horizontal scrolling was adhered by most websites.

Overall, interestingly almost all features of language and nine features of organization category are rated from good to excellent which shows that websites of both universities are heading towards standardization. This is contrary to Bao and Ellis's (2007) findings which discovered that British and Australian universities are more compliant with Web standards and usability issues than others around the world.

3.2 Usability and Cultural Dimension

Based on the findings, one language and two organization features showed significant difference. Table 4 illustrates the score of usability features in relation to cultural dimension.

Table 4. Cultural dimension and respective usability features

Cultural dimension	Feature	Malaysia		Australia		t	df	Sig (2-tailed)
		M	SD	M	SD			
Low/high context	Limit the number of words and sentences	3.1	1.93	4.7	0.79	-3.64	25.13	0.00
Uncertainty avoidance index	Limit homepage length	2.2	1.74	3.6	1.96	-2.39	38	0.02
	Use site maps	4.4	1.31	3.3	1.94	2.19	33.4	0.04

Thus, according to categorization by Marcus and Gould (2000), three hypotheses were devised as follows:

RQ3: Does culture influence the differentiation of usability guidelines of the university websites in Malaysia and Australia in Language and organisation category?

H3a: Malaysian universities, which represent high context culture, use more number of words and sentences than do Australian university websites.

H3b: Malaysian universities with a higher uncertainty avoidance index will have more limited homepage length than Australian university websites with a lower uncertainty avoidance index.

H3c: Malaysian universities with a higher uncertainty avoidance index will use site maps more than Australian university websites with a lower uncertainty avoidance index.

In terms of language, *Limit the number of words and sentences* for websites of Malaysian universities features $M= 3.1$, $SD=1.93$ and $M=4.8$, $SD=0.79$ for websites of Australian universities with $t(25.1) = -3.64$, $p < 0.05$. Hence, H3a is supported. The finding is as expected by Hall (1976) in his *low/high context* dimension; the Eastern culture of *high context* orientation tends to use more words and sentences to convey message. This also confirms the results by Aydin (2010) who stated that Turkish websites displayed higher context oriented features. Organization wise, two results are as follows:

- The score for *Limit homepage length* for websites of Malaysian universities was ($M=2.2$, $SD=1.74$) and Australian universities ($M=3.6$, $SD=1.96$) with $t(38) = -2.39$, $p < 0.05$. Websites of Malaysian universities had more *homepage length* than websites of Australian universities. Hence 3b is not supported.
- The score for Use site map for websites of Malaysian universities was ($M=4.4$, $SD=1.31$) and Australian universities ($M=3.3$, $SD= 1.94$ with $t(33.4) = 2.19$, $p < 0.05$). This showed that websites of Malaysian universities featured more site maps than websites of Australian universities. Thus, H3c is supported.

As a result, only one hypothesis was supported for organization category; *Use of site map* (websites of Malaysian universities ($M=4.4$, $SD=1.31$) and Australian universities ($M=3.3$, $SD= 1.94$ with $t(33.4) = 2.19$, $p < 0.05$). Interestingly, Australian university websites showed a higher *uncertainty avoidance index*. This is similar to a study by Aydin (2010) which found that US websites demonstrated more *uncertainty avoidance* features compared to Turkish websites. Similarly, Callahan (2005) also found that all websites features correlated with Hofstede's (1980) index except for the *Uncertainty Avoidance* measures. Does this mean that Western universities have internationalization strategies to attract students from the East or as argued by Callahan (2005), whether the aspects of uncertainty avoidance index of Hofstede should be revised?

5. Conclusions

Overall, in terms of usability, almost all features of language and nine features of organization category are rated from good to excellent which shows that websites of both universities are heading towards standardization. However, there is also a clear evidence of the need for website designers to consider the impact of local culture as cultural reflection is observed in terms of *high/low context* orientation. In terms of culture, unexpectedly, Western university websites such as Australia depict higher *uncertainty avoidance index*. Thus, the issue is whether the lower uncertainty avoidance countries tend to absorb the values of the high indexed ones for the purpose of internationalization or the latter may favor cultural dimensions of the lower indexed ones. Cyr et al. (2005) reflect that homogenization of web design across the world may have occurred because web sites adopt the design conventions of similar web sites across the globe. Indeed, the two opposing trends, standardization and localization exist in web design realm and are continuously evolving. The intricate interplay of these trends is worthy of web designers' attention.

The study is limited in terms of the samples, scope of cultural dimensions and genre used which prevent the generalization of the findings. More university websites from other countries should be included to obtain more understanding of how they comply with the usability compliance. Future studies will examine the other cultural dimensions such as collectivism versus individualism and power distance. Future studies may also use interview method to gain an in-depth analysis of factors that contribute to the standardization of usability elements and projection of cultural values in university websites. This study has pragmatic implications for universities in both developed and developing countries for internationalization strategies.

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The Power of Social and Political Networking for Recruitment and Promotion for Strategic Positions: A Gender Perspective on Work Relations at Workplaces

Dewan Mahboob Hossain¹ & Rohaiza Rokis²

¹ Department of Accounting and Information Systems, University of Dhaka, Bangladesh

² Department of Sociology and Anthropology, International Islamic University Malaysia, Malaysia

Correspondence: Rohaiza Rokis, Department of Sociology and Anthropology, International Islamic University Malaysia, P.O. Box 10, 50728 Kuala Lumpur, Malaysia. Tel: 60-36-196-6109. E-mail: rohaiza@iium.edu.my

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Abstract

Gender issues at the workplaces receive immense importance from the researchers all over the world. This study emphasizes on the core questions: how men and women maintain networks in the organizations and whether their networking strategies are different from each other. Most of the studies on this issue conducted so far are mainly based on the developed economic-based nations. This particular study however looks into this issue in the context of a developing economy of Bangladesh. By taking an old, well-reputed and large public University as a case, this study concludes that men and women have different networking strategies. Women's networks mainly revolve around women. Moreover, women are not that much interested in establishing and maintaining networks like men in the workplaces. Rather, women remain more concerned with their family affairs. These situations apparently do not directly beneficial to women on a whole. Working women are deprived from recruitment, promotion and obtaining strategic positions at the workplaces. Men, on the other hand, due to their solid and significant social networking manage to maintain positive working avenues and therefore secure their positions further.

Keywords: gender, networking, politics, promotion, recruitment, workplace

1. Introduction

This article is related to how employees of different genders maintain networks in the workplaces. Though gender issues in the workplaces are not new areas of study anymore, most of the studies concentrated mainly on the developed economies. This study demands a novelty as this is a case study on a workplace of the education sector of a developing economy.

2. Background of the Study

Kessler and McKenna (1978, p. 7) define gender as the 'psychological, social, and cultural aspects of maleness and femaleness'. Gender is perceived as the socially defined difference basing on the biological dissimilarity between the sexes (Marchbank & Letherby, 2007). According to Ferrante (2011, p. 269): "Gender is the socially created and learned distinctions that specify the ideal physical, behavioral, and mental and emotional traits characteristic of males and females". Gender remained as a significant issue of interest among the researchers worldwide. Wharton (2005, pp. 9-10) mentioned about three reasons for which the issue of gender should be studied. Firstly, gender 'shapes the identities and behavioral dispositions' of the people in the world (Wharton, 2005, p. 9). Secondly, gender shapes social interaction. Thirdly, gender constitutes social institution by setting some rules in the different areas of social life. That means, there are differences in the patterns of behavior and interaction between the two genders. The expectations of the society from the people of different genders are also different. That is why, in different aspects of our lives, in many cases, the people of different genders behave and interact differently in order to meet the differentiated social expectations.

These days, work and workplaces influence our life and lifestyle in a significant manner. For many years, most of the societies in the world maintained a gendered division of labor. Rosaldo (1974) highlighted that in almost every society, men work in the public sphere and women remain in the domestic sphere. Similar comments were

found in Vogel (1983), who identified that a division of labor exists in capitalistic society, which ultimately causes the inequality between sexes. A capitalist society requires production and reproduction. It needs necessary labor for production and surplus labor for generating profit. Men meet the demand for labor by working outside and women perform the household works and biological reproduction of working-class offspring. Though this division of labor can still be seen in many parts of the world, in most of the societies, these days, women are coming out of the home and joining the workforces.

Women's issue in the workplaces is a well-researched area. Over the years, researchers in the different parts of the world have worked extensively on the various aspects of women's work life. Most of these researches concentrated on giving a comparative picture of men's and women's status in the workplace. Gender inequality in the workplaces was researched from many different angles.

Some of the researchers have worked on the financial issues. It was highlighted in many empirical investigations that men get better financial benefits in the organizations in comparison to women (Henslin, 2006; Haralombos & Holborn, 2008; Hakim, 1996; Heath, 1981; Lauer & Lauer, 2006; Solovic, 2001). It was seen that women generally get employed in the less paid jobs in comparison to men. It was also seen that women are facing discrimination in case of recruitment and promotion (Hunt, 1975; Brown, 1976; Ramsay & Parker, 1992; Knights & Morgan, 1990; Solovic, 2001). Bradley (1999, p. 82) mentioned that 'the structures of gendered power' support the dominance of men. Some researchers investigated whether women face any hindrances in getting the strategic positions in the organizations (Kendall, 2004; Crompton, 1997; Giscombe, 2007). It was found that there is a "glass ceiling" in the organization for women. It is hard for them to reach the top positions of the organizations. Most of the top positions of the organizations are for the men. Other than all these, researchers also highlighted women's strategies to maintain a balance between their works and their families (Jacobs & Schain, 2009; Hakim, 1996; Hussain, 2008; Rohaiza, 2009; Hoscschild, 2003; Haas, 2005). Study results convey the fact that women face difficulties in making a balance between their work and family life.

It can be said from this discussion that in many ways, workplaces are dominated by men. Women get discriminated in various aspects of their job life. The experiences of men and women in the workplaces are different. This particular article also focuses on whether the networking capabilities and strategies differ between men and women. The study is based on the social network theory.

The next section of this article highlights the objectives and the methodology of the study. Then the theoretical framework of this article is described. After that a brief description of the case is presented. Then the findings and analysis of the study are given.

3. Objectives and Methodology of the Study

This study is a case study on the workplace of a higher learning center – a University of a developing country – Bangladesh. Berg and Lune (2012, p. 325) defines a case study method as 'an attempt to systematically investigate an event or a set of related events with the specific aim of describing and explaining these phenomena'. The crucial point of case study is a particular unit called the case. According to Willig (2001), a case can be an organization, a city, a group of people, a community, a patient, a school and others. While applying the case study method, researchers utilize different sub-methods like interviews, observations, documents and record analysis, work samples and others (Gillham, 2000). In this particular study, by taking into consideration the issue of confidentiality and anonymity, the case is simply to be known as the University. The networking pattern of different genders is the phenomenon that is currently investigated. This case study applies an in-depth interview as the sub-method. This University was selected as a case because this is one of the oldest and largest public universities of Bangladesh. It is also holds the most reputable quality in teaching and learning in the country.

The main objective of this study is to highlight the nature of social networking from a gender perspective. The specific objectives of this study are to:

1. explore gender differences in social networking system; and
2. ascertain whether social networking system is useful/beneficial at work.

This study is a qualitative study based on an in-depth interview method. The interviewees are the teaching staffs of the University. Both male and female teaching staffs (also called either teachers or faculty members) were interviewed. In total, twenty teaching staffs (ten male and ten female) were interviewed. The interviews were mostly tape recorded with the consent of the interviewees. In some cases where interviewees hesitated for tape recording, notes were taken. The interviews were transcribed and analyzed manually. The original names of the interviewees were not used in this article. Pseudonyms were mentioned.

4. The Theoretical Framework of the Study

This study applies the social network theory. Social network theory is one of the relatively new and underdeveloped theoretical trends in sociology (Kurtosi, 2004; Ritzer & Goodman, 2004). A social network deals with a limited set of actors and their relations (Kurtosi, 2004; Wasserman & Faust, 1994). Rather than focusing only on the individual actors, network analysis concentrates on the features of the relationships among them. The actors in a network may be individuals, groups, corporations or societies. These actors may not have equal admittance to different resources like goods, services, wealth, power and information. According to Ritzer and Goodman (2004), social actors contribute each other with various resources and the asymmetrical allocation of different limited resources results in cooperation, contradiction and competition.

Over the last few years sociologists have shown immense interest in the 'gender based analysis of intra-organizational networks' (Kurtosi, 2004). According to Kurtosi (2004) human beings have a homophilic nature of relationship. This means that people want to make relationships with those who are similar to them. Generally people who tend to be part of a homophilic group have parallel characteristics in terms of sex, age, race, nationality or educational background. Same-sex friendship is a common phenomenon among human beings. It was found that, in organizations, men are more likely to keep informal relationships with men and women are more likely to have informal relationships with women (Brass, 1985).

The nature of relationship varies between male and female. Lever (1978) found that boys like to have bigger play-groups whereas girls prefer to have the company of only one friend rather than having groups. Girls look for intimate dyadic friendships. Moreover, in their social networks, women's information sharing is mainly related to family and relations, whereas, in a male network, the information sharing is more related to career, jobs and free-time activities (Smith-Lovin & McPherson, 1985). It was also found that men can make use of informal interactions in a better way than women in getting promotions whereas women mostly depend on the formal structures in getting promoted (Henning & Jardim, 1977).

From this discussion it can be said that the previous researchers have highlighted that the networking techniques differ between men and women. Men are more capable of utilizing their networks for the benefits of their careers. As mentioned earlier, this study sets its objectives on these issues.

5. A Description of the Case – The University

This study is based on a developing country – Bangladesh. This study concentrates on the workplace of education sector. The University was established in the early 1920s with three faculties and twelve departments consisting of sixty teachers in total. After the independence of Bangladesh (in 1971), the University was declared autonomous by the Government of Bangladesh. The University Order was published by the Government in 1973. In this order it is mentioned clearly that this University does not discriminate in relation to sex, religion, race, creed, class and color. This Order identifies total nineteen officer positions and among these some of the positions that the faculty members of the University can hold are: the Vice Chancellor, the Pro-Vice Chancellor, the Treasurer, the Deans, the Provosts and the Proctors.

From the informal discussions with the interviewees and some other persons in this University, it was found that networking (particularly political networks) plays an important role specifically in case of recruitment, promotion and getting strategic positions in the University administration. In order to understand this, a description of the real situation is needed.

The Vice Chancellor (VC), the Pro-Vice Chancellor (Pro-VC) and the Treasurer of the University are mainly appointed by the Chancellor of the University. The post of the Chancellor of the University is filled up by the President of the country. So, the people who will be appointed in these posts depend on the decision of the Government of the country. The Deans of the faculties are elected posts and they are elected through votes of all the faculty members of their respective faculties. Other than these officers, the University has some authorities like the Syndicate, the Senate, the Academic Council, the Finance Committee, the Selection Boards etc. A good number of positions in these authorities are held by the elected faculty members. So, social networks tremendously facilitate workers in securing these positions.

In comparison to other institutions, the University has a peculiarity in terms of appointing people in different strategic positions of these offices. It can be noticed that many of these posts are actually elected posts that are secured through direct voting of the faculty members of the University. The University makes all arrangements to make the election process successful. Social networking plays a vital role in getting the nominations as election candidates and winning in the elections.

The selection of the candidates for the election is also unique in comparison to other organizations as well as somewhat political in nature. It is to be mentioned here that this University has a huge contribution in the political history of Bangladesh. Similarly, the students and the teachers of this University had immense contribution in solving different political crises of the country and the tradition still continues. Moreover, section 56(2) of the University Order 1973 states that the teachers and the officers of the University have the freedom to hold any kind of political views and get associated with any kind of legal organization and associations.

For this, it is seen that most of the faculty members of this University are somehow directly or indirectly involved with the political parties of Bangladesh. It should be mentioned here that there are mainly two big political parties in Bangladesh: The Bangladesh Awami League (BAL) and the Bangladesh Nationalist Party (BNP). Most of the citizens in Bangladesh mainly hold the ideologies of either of these two parties. Basing on these political ideologies, the faculty members of this University are also followers of either one of these two parties. There are mainly three political groups among the faculty members: the White group (following the ideologies of BNP), the Blue group (following the ideologies of BAL) and the Pink group (following the socialist ideology). These political groups play an important role during the time of elections for several posts for the teachers. In most of the cases these groups set their own panel of candidates who will compete in the election. Before election the candidates get time to convince the faculty members so that they vote for these candidates.

According to the opinions of the interviewees of this study, political alliance, in many cases, affects the decisions in relation to recruitment and promotion of the faculty members in this University. It has become a common tradition that the people in power will be helpful to those people of similar ideologies. During this study, through many informal conversations with the faculty members of this University it was noted that in many cases, political alliance become an important deciding factor on whether a person would be recruited in or promoted to a particular position. All these are dependent on a good networking with the people in different powerful authorities of the University.

But it was also found that manipulation in the recruitment and promotion process was not always easy as this University always gets a huge attention in the media. In the eyes of the print and electronic media, this is a very important educational institution of the country and any corruption will be made public when it is identified by the media. The researchers have also seen many newspaper reports related to manipulation in recruitment and promotion. But it has to be mentioned here that this institution is considered as the main think tank of the country. The students and the teachers have contributed immensely in almost all sectors of the country. It is considered as the most respected educational institution of the country because of its glorious history.

Another interesting tradition in case of recruitment is that though recruitment is done through open circular in newspapers available to all the citizens of the country, in general, there is an informal tradition that only the students who have passed from this particular University are to be recruited to their respective departments. Very few outsiders are recruited. In general, the top position holders in the merit list of the University examinations are hired as faculty members. It is a normal informal tradition that top position holders are recruited from each batch of students.

The next section of the article presents with the interview results of this study. The findings provide with an idea about how men and women strategize their networking in order to get benefits/opportunities from the relationships within the University.

6. Findings and Analysis

This section of the article presents with the findings of the study. It shows that, in this particular organization, men and women follow different strategies in creating and maintaining their networks. The relative importance of networking in the eyes of men and women is also different. The interviewees also mentioned that men can use their networks in a more efficient way in comparison to women.

The interviewees highlighted that men take the issue of networking more seriously than women. Almost all the interviewees irrespective of their sex mentioned that women's network is not as effective as that of the men. Maintaining good network requires meeting and making relationship with people. Most men can give time for that and most women cannot. The family responsibility and maintenance issues came as the causes of this.

For example, Abida Begum, a senior female Professor says that most of the male teachers meet each other in the University club at the evening. Going to the club is not a common practice among women as at evening they go home and take care of their children. So they do not get enough chance for 'socialization' and thus cannot build networks like men. According to her:

“The club is a good place for ‘socialization’. You will rarely see a female teacher visiting there and socializing with the colleagues. But you will find the male teachers even at ten o’ clock at night – playing cards, tennis, chatting with the colleagues, having political discussions in the club. Women cannot do that. Moreover, it is also not safe for the women to stay outside at night. This is not a safe city. ... generally the club is opened at five in the evening. This is a very ‘unsuitable time’ for the female teachers as they have to take care of their families and children.” [Female, Professor, Ex Chairman of a Department].

It is clear from the above interview excerpt that building network at the University is important, and one strategy is via ‘socialization’. Yet it is not readily viable for women staff of the University.

6.1 The Role of Network in Case of Recruitment and Promotion

Informal networks came up as one of the important issues in the case of recruitment and promotion. Good informal networks with the colleagues and higher authority can be helpful in case of recruitment and promotion in this institution. This makes the process smoother and faster in many ways.

Moreover, in the case of recruitment and promotion, political networks and links are extremely relevant. In most of the cases, political inclination can make the recruitment and promotion process smoother for the candidates. It is described before that there are three political groups of the teachers of the University: the Pink group, the Blue group and the White group. From the informal conversations with the faculty members of this University and the responses of the interviewees, it was observed that the authorities generally prefer to recruit and give promotion to the people who are the supporters of their own groups. There is a clear rivalry among the groups and sometimes recruitment and promotion get delayed because of this rivalry. Due to this circumstance, many of the teachers of this University get involved in any of these political groups in order to be able to raise their voices when needed. Political groups can act as support when any discrimination happens to their members or supporters. Almost all of the interviewees agreed with the fact that women have poorer political networks in comparison to men.

According to a senior female Professor Rabeya Khan, recruitment and promotion are mainly ‘politically biased’ rather than ‘gender biased’ but as women are not good at maintaining political network, sometimes they suffer. Amir Ahmed, a male interviewee, commented that:

“... many of our recruitments and promotions are politically motivated and that is why these are influenced by informal political networks. Women suffer a lot in these cases. It is definitely true that women have poor professional and political networks. Another thing is, women’s network mainly consists of women..... as there are less number of women in the powerful positions, women cannot use the informal networks in a fruitful way”. [Male, Assistant Professor]

Razia Sultana, a female interviewee, also admitted that woman’s networks mainly consist of women and these networks are ‘nothing professional’:

“...we talk about the schooling of our children, our husbands, housemaids or mother-in-laws (laugh) ... all these big issues !! (laugh) ... we deal with a lot of problems at our homes. All of us. I told you, for us, ‘family comes first’. We have to accept so many things. We have to sacrifice a lot. We do not have many friends to share it. We need a ‘window to pass the air’. That is why we talk about these issues”. [Female, Lecturer, Newspaper Columnist]

Some of the interviewees highlighted that in recent years the young female teachers are trying to maintain networks. They try to contact the higher authorities and other important people before recruitment and promotion. Rozina Akter, a female interviewee, said that women prefer lobbying rather than networking. She highlighted that ‘lobbying’ and ‘networking’ are not the same:

“Lobbying and networking are not the same. I may lobby with some particular people for a particular purpose for some time but I cannot continuously keep relationship with them. I cannot manage time for that. So, my network always remains weak”. [Female, Lecturer]

Razia Sultana said something similar:

“See, my promotion is due for ‘almost one year’. I met my Chairman. I met some Syndicate members. Yesterday I met the newly appointed Pro-Vice Chancellor. I requested them to take necessary actions. Yes, I did that. But are they in my informal network? No, not at all. I met them just as a faculty member of this University.” [Female, Lecturer, Newspaper Columnist]

Abdur Rahman, a Professor and a member of the selection committee responsible for recruitment and promotion, commented that women are not good at lobbying also:

“See, I really hate this tendency of lobbying. If you are eligible, you will get the promotion. There are specific criteria that you shall have to fulfill. If you have that you will get promoted. Even then people come to us for lobbying. I found that women are less capable of lobbying. In fact, I like that. When they come with a request, I find there is a ‘sign of hesitation’ on their faces... They are shy”. [Male, Professor, Member of the Selection Committee]

From informal discussions with some faculty members of the University, the researchers came to know that in this University, there are fixed rules regarding promotion. The faculty members have to serve for a fixed period and publish the specified amount of research papers in order to get promoted to the next higher rank. But even after fulfilling these requirements, there may be a need for using informal networks. The total processing of promotion needs time. In general, the applicants apply to the Registrar through the Departmental Chairman. Decision is taken in the Departmental meetings and then these applications are sent to the Registrar. After that the interview date is fixed. This total process takes time and in some cases because of political reasons, these processes get delayed. Good networks of the applicants help in fixing the interview date sooner and moving the files to different authorities faster. Men are in an advantageous position in this case as they have better informal networks.

Some interviewees highlighted the evidence of using of family networks (like the links of husband, father and other relatives) by women. For example, Rabiul Alam a male Lecturer mentioned a case where a Minister called the higher authorities of the University to recruit a female candidate as she was a relative to that Minister. This incident highlights the fact that women are not good at building and maintaining networks in the organizations. Because of this situation, they have to depend on personal relationships even to solve the problems of their professional lives.

But it was found that these days, women understand the importance of building and maintaining networks. Rozina Akter, a female lecturer finds the newly appointed female lecturers ‘smart’ as they try to build and maintain networks. Ahmedul Kabir, a male Associate Professor, commented that the situation is changing and these days many female faculty members are trying to build networks:

“In past, the female teachers used to have almost no network. This situation is not prevailing anymore. I found many recruits who built networks with the people in the authority long before their recruitment. I think, we should come out of this stereotyping of women. Things are changing”. [Male, Associate Professor]

From the findings it can be said that, in many cases, informal networks are proven to be helpful in making the recruitment and promotion process smoother and faster. Women are not good at socializing and building informal networks. Because of their devotion to the family affairs, they remain busy mostly outside their workplaces. So, in some cases, because of their poor networks, they suffer in the case of recruitment and promotion. But these days women are learning a lesson that network is important to do better in the job life. So, some of the new female recruits are giving importance in network building and maintaining.

6.2 The Role of Political Network in the Professional Life

Another important cause of women’s poor networking is that women do not like politics. Moreover, because of their family responsibilities, they cannot invest time for building and maintaining political networks. As a result, in many cases, they are treated as politically irrelevant by men. Thus, they face problems in case of recruitment and promotion. Men are interested in politics. Women’s participation in the politics is low. But politics (both organizational and national) plays a vital role in this University. The interviewees highlighted that though women’s participation is increasing in the national politics of Bangladesh, still it is a general phenomenon that women dislike politics. As there is this general dislike towards politics from the part of the women, this dislike applies to organizational politics also.

Many of the interviewees highlighted the issue of women’s participation in the national politics of Bangladesh. They said that these days many women are involved in the national parliament and showing satisfactory performance. For example, Razia Sultana, a female interviewee commented that:

“I must say women’s participation in politics, these days, is very satisfactory. We have a good number of female leaders. Our Prime Minister, the main opposition party leader, home minister, foreign minister are women. Many female parliamentarians are there. They are doing well”. [Female, Lecturer, Newspaper Columnist]

Additionally, Amir Ahmed, a male Assistant Professor also commented that women’s participation in national politics is increasing:

"I think in future this will have a great impact on the society and change the present status of women".
[Male, Assistant Professor]

Furthermore, according to Ruhul Amin, a male interviewee said that some female parliament members are vocal, participative and 'very attacking to the opposition'. But when commenting on the politics of this University, Abida Begum, a senior female Professor and ex-Chairman of a department commented that, in general, women do not want to get involved in politics:

"...you will see that the participation of women in politics is low. ... I mean, in terms of number...by nature also women are softer and comparatively non-violent than men. You just see the things that happen in politics. You need to be loud and aggressive to deal with that. Women, by nature, are not likely to involve themselves in these situations. So, they generally stay away from politics". [Female, Professor, Ex-Chairman]

Rabeya Khan, another female Professor commented that though at the national level, there are some successful female politicians, women are not good in dealing with organizational politics. Especially in case of this University, women remain very reluctant about participating in politics. According to her, most women think politics as 'dirty game' that they do not want to play at all.

Hamidur Rahman, a male interviewee, who is working as a convener of a political group in a faculty commented that in this University, women are considered as 'politically irrelevant':

".... I can just say that in this University women are considered 'politically irrelevant'. Yes, they have a tendency of not to get involved with politics. They do not have that time. So, their importance becomes less". [Male, Associate Professor, Convener of a political group of a Faculty]

It was also found that, because of their lack of interest in building and maintaining organizational and political networks, women fail to get the strategic positions of the University. In this University, there are some important strategic positions that are filled up by the faculty members/teachers/teaching staffs. Some of these positions are the Vice Chancellor, the Pro-Vice Chancellor, the Deans, the Treasurer, the Provosts (heads of the hostels), the Proctors and the Departmental Chairmen. Some other strategic positions are the Syndicate members and the Senate members.

Among these positions, there cannot be any gender discrimination in the case of the hostel Provosts as the male teachers get the posts of boys' hostels and the female teachers get the posts of girls' hostels. Also in the case of the Departmental Chairman, there cannot be any gender inequality as this post rotates on the basis of seniority. So, women naturally get these positions in a normal way.

On the contrary, the Vice Chancellor, the Pro-Vice Chancellor and the Treasurer are government appointed positions selected by the Chancellor – the President of the country. In almost hundred years of history of this University, twenty six Vice Chancellors were appointed, and none of them was female.

Up to 2012, fifteen Pro-Vice Chancellors have been appointed. Only two of them were female. There is no record of appointing any female Treasurer or Proctor.

The Deans of the faculty are mainly elected posts. Normally each political group will select their candidates for election. All the faculty members of a particular faculty will vote and thus the person who wins will be the Dean of that faculty. There are very few instances where female Deans were elected. At this moment there are thirteen faculties in the University and among them only few faculties like Law, Science, Biological Sciences, Engineering and Technology, Earth and Environmental Sciences and Fine Arts had few female Deans. Each of these faculties had the highest of two female Deans at different times. This number is very low in comparison to the number of the male Deans.

In the case of electing the Senate and the Syndicate members, according to the interviewees of this study, though the political groups nominate a few female members in the panel of candidates, the number is always too low in comparison to the males.

Most of the interviewees commented that it is not easy for the female faculty members to secure strategic positions and in many cases they are not even eager to take these positions. According to the interviewees, the main reason for not having women in the strategic position is that most of these positions are elected positions. As women do not involve much in the University politics and they do not have good networks like men, it becomes difficult for them to secure strategic positions. Moreover, huge family involvement makes them less interested to get strategic positions. Because of the stereotyped idea that women remain busy with their

household affairs, many women do not get the nominations for election. According to the interviewees, these are the main reasons for which this University has been unable to have female leaders.

Nazneen Nahar commented that every year she sees at least one new male face in the election panel but the women members are almost the same over the years. She also commented that the male-female ratio in an election panel is also not satisfactory. In most of the cases, women's poor networking make them ineligible to get nomination in the elections:

"It is absolutely not easy to get strategic positions ...especially in the cases of the elected posts. They do not get much nominations also. In last three years I have found that in most of the cases, political groups nominated a very few number of female candidates....I have noticed one thing that the females who get nominations are always the same faces ... they get it because they have proved themselves so many times. You want to create new male leaders by disregarding women leadership". [Female, Lecturer]

It was also highlighted by a male interviewee Rabiul Alam that women face difficulties in election campaigning:

"Election campaigning is a difficult task for the women. In most of the cases they do not appeal for votes personally rather they come with the other nominated members of the panel... means, with other candidates. Men can go for more 'aggressive' campaigning. Women do not have much time to do all these things". [Male, Lecturer]

From the informal conversations with the faculty members the researchers came to know that an election is almost like an occasion in this University. After getting nominated from the political parties, the candidates get enough time for campaigning. In many cases they personally meet all the voters for this campaigning. Other than that they make telephone calls, send e-mails and SMS to contact the voters. This total process is time consuming and hectic. Women do not get enough time for these tasks as they have to maintain their families also. Another important fact that came up from the informal discussions of some teaching staffs of this University is that, as women are not interested to build and keep networks within the organization, it creates a barrier for them to appeal for votes in the election. Men, by creating and maintaining networks, can get close to the voters and can keep a continuing relationship over time. So, at the time of the election, appealing for votes become easier for them.

Mamata Akter, a female Professor who has twenty one years of work experience in this University, said that in many cases female faculty members are not prepared to take these positions. By 'prepared' she meant that one must be relatively free from family commitments before taking these positions. For example, if her children are grown up and her husband and other family members give her consent to take this position, only then a woman becomes prepared for taking a strategic position. Because of this family involvement, women cannot invest time for networking.

Because of their family commitments, women cannot give time to maintain these networks. So in some cases they suffer. Women's networks are mostly women oriented and not professional in nature. This finding supports the comments of Kurtosi (2004) and Brass (1985). They commented that same-sex relationship is a common matter and in organizations, men like to develop informal networks with men and women build informal networks with women. The findings of this study is also consistent with Smith-Lovin and McPherson (1985) where it was found that woman's information sharing is more related to family and relations. Henning and Jardim (1977) found that men can use informal network in a better way than women in case of getting promotion. This is also consistent with the findings of this study.

7. Discussions and Conclusion

The objective of this article was twofold: (1) explore gender differences in social networking system; and (2) ascertain whether social networking system is beneficial at work.

It was found from the study that the natures of social networking differ between men and women. It was also found that networking is beneficial for the success and survival in the organization. It was found in the study that in comparison to women, men emphasize more on networking. Men invest more time and energy to build and maintain networks. Women, for their family involvement and a general dislike towards politics, stay away from creating networks. Due to these circumstances, men get more advantage in comparison to women.

From this research it was found that though as a very old and established university of Bangladesh, this University has standardized rules and regulations for recruitment and promotion, in many cases, it is seen that informal network and political network make the processes of recruitment and promotion faster and smoother. In most of the cases these informal network are properly utilized by men only. Most of the men in this University invest a lot of time in maintaining personal and political links so that they can get benefited when needed. They

can invest this time because in a patriarchal society of a developing country like Bangladesh, the responsibility of family care is mostly put upon the women and as a result men can emphasize more on their work life as their family remains under the care of the women. So it can be said that social norms and values play an important role on the creation and management of work life networks. Women have to meet the social expectations and that is why they give more importance on their roles as wives and mothers. Work gets a secondary importance in the lives of the working women. They become less visible in their works and thus their importance reduces. A stereotypical idea exists that women are more home-centric and that is why they are less available in their work life. For this, sometimes it is thought that women are not eligible for holding the strategic positions in the University as these positions demand huge time and energy from the position holders.

As women remain busy with their family affairs, in some cases, they lack the interest of having deep involvement with the work life. Because of the lack of interest in networking and politics, women sometimes get deprived from recruitment, promotion and getting strategic positions in the institution.

Though these days, some women recognize the importance of networking, the number is still low. Only new recruits are getting aware of this issue. In this research it was found that women sometimes use networks of personal/family relations in order to get some benefits. This approach of using the networks of others is also different from the network utilization by men. Men mostly use their professional and political networks.

Moreover, it was found that women's networking mostly revolves around women. The nature of this network is more personal than professional. It might help them in solving the problems of their personal lives but it cannot be helpful at a professional level. As men emphasize more on professional networking, they get many benefits from that. They use various political strategies including lobbying and campaigning to receive favor in their promotion. Yet these strategies are unlikely to be used among women at the University. It seems that the lack of political strategies further stall women's professional advancement. All these findings resemble with the findings of some previous studies (Bradley, 1999; Giscombe, 2007; Hussain, 2008; Jacobs & Schain, 2009).

In the nutshell, both formal and informal networks are extremely important in the case of recruitment and promotion at the workplaces. Suitable formal networks iron out any obstacles in the process. At the same time, having good informal networks with the colleagues and higher authority accelerate the process further. Based on the current study, women suffer an obvious deficit in this case. They have limited strategies to attain social power and political networking for strategic positions at the University. Their limitations are both institutionalized and also personalized.

Though this research is a case study on a particular institution and the findings may not be generalized, it can be considered as an exploratory study in relations to gender and networking in the organizations/institutions of developing economies. Thus this study contributes in the literature on gender studies of the developing countries.

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Promoting International Education for Indigenous Elementary Schools in Taiwan: School Principals' Perspectives

Shan-Hua Chen¹

¹ Graduate Institute of Educational Administration and Policy Development, National Chiayi University, Taiwan
Correspondence: Shan-Hua Chen, Graduate Institute of Educational Administration and Policy Development, National Chiayi University, Taiwan. E-mail: shanhua@mail.ncyu.edu.tw

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Abstract

Globalization has led governments to promote international education to strengthen students' cultural integration and international perspective. To boost social equity and justice, Taiwan's government focuses international education efforts on indigenous schools to promote indigenous students' competitiveness. This research explored the significance of international education in different hierarchies (students, schools, ethnicities, and societal levels) to identify the relative goals and comparative relationships of different aspects of international education. What effect does this international education policy have and how is its importance weighted toward different levels? Using the analytic hierarchy process, questionnaires were administered to elementary school principals, and level weights were used to determine the relative weights of the purposes of international education. The correspondence analysis (CA) also explored the relationship between the purposes and strategies of international education. Finally, suggestions for schools' practices in international education are offered.

Keywords: international education, analytic hierarchy process (AHP), correspondence analysis (CA), Taiwan

1. Introduction

Globalization leads to close contact among countries, significantly influencing people's lives. As a result, nations' educational strategies have become concerned with countries' human development and competition, ultimately prioritizing the promotion of educational internationalization strategies that extend even to primary schools (Lin & Chen, 2013).

In 2011, "A White Paper on International Education for Primary & Secondary Schools" highlighted the Taiwan government's determination to promote international education and cultivate students' diverse visions and competencies. These goals also universally applied to indigenous students. Indigenous people account for only 5% of the global population and are distributed across various countries; they generally face a disadvantage in terms of economic and social status. Taiwan's aboriginals are no exception. Minorities in Taiwan also similarly face a disadvantage. The United Nations has provided information about international indigenous peoples so that students can learn about other nations' experience of development, such as how to help the vulnerable overcome the obstacles within their own country through internationalization (UNESCO, 2014). The international rules include "United Nations' Principles and Guidelines for the Protection of the Heritage of Indigenous Peoples", "Convention on Biological Diversity", and "Science for the Twenty-first Century: A New Commitment". All standards can help nations formulate programs in indigenous education. The principles have been incorporated in International Labor Organization Convention 169, in the Indigenous. If the government refers to policies and projects put forward by international organizations regarding indigenous people, it will be helpful for indigenous people in every country to think about and bring in the practice of reviving and promoting indigenous culture (Battiste, 2005).

The enhancement of international education boosts the culture and cultural competence of indigenous students. As promoting international education and students' multiple horizons is related to international competitiveness, it is necessary to ensure that this promotion extends to indigenous schools.

Taiwan's aboriginal population accounts for approximately 2% of the entire population, with 16 tribes being officially recognized (Council of Indigenous Peoples, 2014). Affected by the international movement, Taiwan has implemented multicultural policies over the past 10+ years. For example, in 2005, Taiwan's government

enacted the Aboriginal Basic Law to ensure indigenous' civil rights and lay the foundation for development and promotion of aboriginal policy to ensure their sustainability.

In 2011, "A White Paper on International Education" and "A White Paper on Indigenous Educational Policy" were published by the Ministry of Education (MOE) to address educational programs in terms of policy, systems, and plans for indigenous education. Whereas "A White Paper on International Education" sought to expand elementary and high school students' international horizons and cultivate their competitiveness, "A White Paper on Indigenous Educational Policy" asserted that the main task in boosting indigenous peoples is to train them for specialized employment (Ministry of Education, 2011a, 2011b). To ensure equal civil rights, the government has provided significant funding to establish a preferential quota in higher education and enable the aborigines to engage in international educational exchange activities. The latter white paper also emphasized localization to conserve and spread indigenous culture and education. In the era of globalization, it is imperative for children to learn how to locate themselves (Parmenter, Lam, Seto, & Tomita, 2000). However, a dilemma emerged for indigenous schools in the simultaneous implementation of internationalization and localization. Will the pursuit of internationalization hinder the implementation of localization with limited time and human resources? Or, will internationalization and localization generate better results through a combined implementation? Localization is still a basic requirement for schools that try to internationalize; this must be taken into account.

International education is related to indigenous students' competitiveness even to achieve social justice. Through international education, disadvantaged students' competitiveness can be strengthened. As a result, it is important to understand how international education is promoted in the indigenous schools and what aspects are emphasized for students, schools, tribes, and society.

As school principals are responsible for policy execution, what they focus on will influence the internationalized consequences and ethnic locational development. Thus, this study will explore principals' values regarding international education and the important issues they have defined. To allow for practical applications, the effective and ineffective items will be ordered by the indigenous school principals. Finally, this study will present the goals of and strategies for international education that these principals have considered and identify the corresponding approach to achieve the desired results.

2. Literature Review

2.1 Internationalization in Taiwan's Elementary Schools

Internationalization and globalization are related but distinct concepts. Globalization is the catalyzer; internationalization is the proactive reply. A country's response to and relationships with other countries is shaped by its history, indigenous culture, and resources. The notion of nation and cultural identity is the main element of internationalization. The homogenization of culture is frequently quoted as a key concern of globalization while internationalization respects or even strengthens local and national culture (Knight, 1997).

Knight put forward four approaches to internationalize at the institutional level: activity approach, competency approach, ethos approach, and process approach. The activity approach involves international curriculums, student/faculty exchanges, technical assistance, and international students. This approach is the basic or beginning step in elementary school, since elementary school is the initial stage of education. Thus, curriculum and student/faculty exchanges are two common activities in elementary school education. In the 1970s and early 1980s, the activity approach and international education were seen as having the same meaning (Knight, 1997).

Influenced by technological development and global interactions, countries and societies are strongly related to a global system (Held & McGraw, 2003). Globalization increases the urgency of international education; thus, many countries have decided to proceed from higher education (Knight & de Wit, 1995; Knight & de Wit, 1999; OECD, 2009). Internationalization of higher education is one of the ways countries both respond to the effects of globalization and respect the particularity of nations. This concept can also be applied to elementary schools' internationalization (Knight, 1997). Indeed, many countries, including Taiwan, have already implemented international education in the lower grades in schools (Lin & Chen, 2013).

Elementary education in Taiwan is compulsory for children for six years. Taiwan has realized the significance of global connections and carried out further curriculum reform. In the Grade 1-9 Curriculum Guidelines, the government categorized "cultural learning and international understanding" into 10 basic abilities. The curriculum planned for first grade to sixth grade focused on international understanding competency. In addition, from third grade, every school child takes English class as a required course (Ministry of Education, 2001).

The general definition of education internationalization is the process of diversification and internationalization merged into education, research, and service (Knight & de Wit, 1995), and the implementation of educational

internationalization can be divided into four aspects: teachers' and students' transnational moving, internationalization of courses, research contacts between countries and open learning projects, and educational certification between nations bilaterally and regionally (Harman, 2004). Because of "A White Paper on International Education," Taiwan engages in international education in four respects: development and teaching of curriculum, international exchanges, teachers' professional development, and school internationalization to broaden students' global vision (Ministry of Education, 2011).

2.2 Importance of Promoting International Education in Indigenous Elementary Schools

In the era of globalization, it is imperative for children to learn how to locate themselves (Parmenter, Lam, Seto, & Tomita, 2000). By participating in international activities, indigenous people can achieve the objective to, as Stefano Varese said, "think locally, act globally" (NACLA, 1991). International relations and transnational alliances play a determining role in the domestic social change of indigenous people. Brysk (1996) argued that transnational alliances have reached beyond state boundaries, thereby improving indigenous people's social situation and increasing their opportunities to participate in politics. When indigenous people worldwide introduce indigenous culture into educational systems using a holistic and appropriate approach, not only indigenous people but also non-indigenous people, educators and students, will benefit (Brady, 1997).

Taiwan's aboriginal population is more than 500,000. Aboriginal students number about 45,000, accounting for 3.5% of elementary school students in general (Census and Statistics Department of MOE, 2014). Most indigenous students live in tribes with their parents, but some move to a metropolis for study. The aboriginal schools in this study are based on the definition in article 3 of the Aboriginal Education Act Enforcement Rules. Aboriginal students make up a certain number or proportion of elementary school students. In aboriginal areas, aboriginal students make up more than a third of the total number of students; in non-aboriginal areas, the number of aboriginal students is frequently up to a hundred, also more than a third of the total number of students.

Taiwan's indigenous schools promote international education by following "The International Education White Paper," which was implemented by both elementary and high schools in Taiwan. Given the different ethnic groups, the paper stressed that the goals for the students, schools, ethnicities, and society also differ. To date, no relevant survey on this issue has been conducted. Nevertheless, exploring the significance of promoting international education increases its effectiveness. For indigenous schools, the importance of international education can be determined from the effect of the goals for students, schools, ethnicities, and society, as discussed in the following paragraphs.

In terms of students' goals, international education promotes indigenous students' international visions and improves their foreign language skills, including English, an international language. For non-English-speaking countries, teaching English at the primary stage is very important (Dronker, 1993). However, the number of Chinese speakers is growing, so the US and UK are teaching Chinese as well as other languages (Howe, 2008). Taiwan's revised Grade 1-9 Curriculum Guidelines require students to study English from third grade in elementary school (starting in 2011), thereby indicating that promoting students' English ability and broadening their horizons are priorities.

In terms of schools' goals, international education promotes the indigenous school enrollment and access to government and private organization grants. Because of Taiwan's implementation of international education, the elementary and high schools must submit projects to obtain MOE funding. Qualified schools receive an allowance from the government or private agencies to help the schools carry out specific programs and then, it is hoped, improve the recruitment of students. In recent years, Taiwan's low birth rate has decreased enrollment. Only schools with meaningful characteristics will attract students in the future.

In terms of ethnic goals, international education promotes indigenous students' knowledge and traditional cultural wisdom, as well as boosts their awareness of ethnicities. Globalization drives international exchange and cooperation and opens up new opportunities, but it might create obstacles for indigenous peoples to preserve their culture and local wisdom (Moahi, 2007). Indigenous academics promote such knowledge by displaying the richness of indigenous languages, worldviews, teachings, and experiences, while contemporary educational institutions and Eurocentric knowledge systems exclude all such information (Battiste, 2005). International policy is established to protect indigenous knowledge from the pillage of biopiracy (Shive, 1997; Gollin, 1999; Battiste, 2005). Indigenous knowledge and its pedagogies have generated a decolonizing and rethinking of education for indigenous peoples (Mcconaghy, 2000; Battiste, 2005). Therefore, understanding indigenous wisdom and enhancing ethnic identity are primary objectives when implementing international education. Otherwise, indigenous culture will also be eliminated during international exchange.

In terms of societal goals, international education can foster a multicultural environment, leading to the development of appreciation and tolerance for different cultures. The current patterns of mainstream education and indigenous education differ based on the research in Western countries. Two patterns are revealed in terms of worldview, epistemology, and pedagogy. Examining the interflow and cooperation in a comparative study among indigenous people would help in understanding the methods of indigenous education (Mundy et al., 2008) and trace the indigenous tradition and culture (McKinley, 2005). By understanding the culture and international perspectives, individuals with similar cultural backgrounds can cherish their shared local cultural resources and understand the commonalities with others. Teachers can also learn how to deal with interpersonal and international cultural differences by helping students develop their cultural identity, build empathy for different cultures, and ultimately expand their international perspective to cultivate global citizens' efforts to pursue justice and peace (Ministry of Education, 2004). Therefore, keeping an open mind to all kinds of cultures is an important purpose of promoting international education for indigenous elementary schools.

Based on the literature reviewed thus far, one can see the importance of policy that includes the promotion of indigenous students' international visions, improvement of indigenous students' foreign language skills, advancement of the competitiveness of school enrollment, access to grants from government or private organizations, indigenous knowledge and traditional cultural wisdom, awareness of ethnicities, establishment of a multicultural environment, and an appreciation and tolerance for different cultures. These are all attributed to students, schools, ethnicities, and society at the secondary level.

2.3 Strategy of International Education in Indigenous Primary Implementation

In Taiwan, the internationalization of elementary and high school education has mainly followed "The International Education White Paper" to implement four aspects: curriculum development, teaching, international exchanges, and teachers' professional development (Ministry of Education, 2011). Taiwan is a non-English-speaking country, so introducing English at the primary level was deemed to be critical for internationalization (Dronker, 1993).

On the other hand, people in English-speaking countries are supporting the learning of Chinese and other languages. For example, in Ohio in America, internationalization has been executed by hiring Arabic, Chinese, Japanese, Spanish, and French native speakers to teach language courses. In addition to the establishment of the International Advisory Board of Education, which set out to promote policies and laws throughout the state to encourage and establish global education, state authorities support the exchange of teachers into various regions to carry out experimental programs and educational training and also hold international education summits to emphasize the importance of such education for citizens (Howe, 2008).

Influenced by internationalization, the strategies for implementation of international education are broadly similar in every country. For example, international partners and sister schools help promote collaborative research by expanding the exchange of faculty and students. In addition, curriculum enrichment and student recruitment (Kirk & MacDonald, 2001), fundraising, meetings, and overseas resource-sharing are common ways to promote the internationalization of education (Vidovich, 2004; Fortuijn, 2002; Zheng et al., 2001). Students' learning experiences should incorporate internationalization, technology improvements, school visits, practical training, and service learning all combined with the use of technology (Asia Society, 2008). Indigenous students will be empowered if indigenous knowledge, heritage, and languages are integrated into the national educational system (Battiste, 2005). These are common implementation strategies for international education to develop global partnerships.

Most indigenous elementary schools are located in remote geographic areas where international volunteers are involved. In this case, there are more opportunities for international exchanges (World Volunteer Web, 2014), allowing foreign volunteers to devote themselves to the implementation of international indigenous elementary education.

As the literature indicates, the promotion of international education for indigenous students includes actively recruiting foreign students, encouraging staffs to participate in a variety of international studies, constructing the learning environment of foreign languages, integrating international knowledge into the curriculum, establishing partnerships with foreign schools, conducting study abroad and overseas visiting programs, promoting long-distance exchanges of domestic and international students, participating in various international competitions, and dealing with community foreign volunteers. The current study will focus on the effectiveness of these activities and the purposes of the different strategies to provide additional information about international education efforts.

3. Methodology

3.1 Analytic Hierarchy Process

Saaty (1980) proposed the analytic hierarchy process (AHP) to allow respondents to make comparisons and select the most important factors. Difficulties existed because it involves limited information and people’s restricted reasoning ability so that individuals cannot identify the importance of what is mentioned in the research in a limited time. The correlations between the importance of each factor is also not easy to determine. However, AHP can serve as a guideline for a rating scheme based on a comparison of mutual importance, given different levels of value, through operation to determine the ultimate reference value (Saaty, 1980).

When overall goals are identified, the sub-objectives should be listed as the impact of the characteristics of the secondary objectives (attributes); as a result, multiple levels are formed. In pairwise comparisons, it is easier to assess the correlations between the importance of each factor. Finally, the regular reciprocal matrix formula is used to calculate relative importance. The formula is shown in Figure 1.

$$A = [a_{ij}] \begin{bmatrix} 1 & a_{12} & \dots & a_{1m} \\ a_{21} & 1 & \dots & a_{2m} \\ \vdots & \vdots & \ddots & \vdots \\ a_{m1} & a_{m2} & \dots & 1 \end{bmatrix}$$

$$\begin{bmatrix} 1 & w_1/w_2 & \dots & w_1/w_n \\ w_2/w_1 & 1 & \dots & w_2/w_n \\ \vdots & \vdots & \ddots & \vdots \\ w_n/w_2 & w_n/w_2 & \dots & 1 \end{bmatrix}$$

The weight is: $W_i = 1/m \sum_{j=1}^m \frac{a_{ij}}{\sum_{k=1}^m a_{kj}}$

Figure 1. Formula to calculate weights

Note: “a_{ij}” stands for “row i” and “column j” represents the positive reciprocal matrix; “a_{kj}” stands for a normalized “row k.”

The value of pairwise comparison matrices is based on the questionnaire respondent’s subjective judgments, and the determined level and factors are numerous; thus, maintaining consistency is more difficult in the assessment of pairwise comparisons. Given the need for consistency in the numerical test, the consistency index (CI) is used to examine the respondents’ answers comprising the comparison matrix. If the degree of consistency in the hierarchy does not meet the requirements, the levels of associated elements will be affected and must be re-checked. The formula shown in Figure 2 is often used, where λ_{max} is employed to confirm the consistency of handling respondents’ content. If Consistency Ratio (CR) < 0.1, then it is considered a pass.

$$A \times K = \begin{bmatrix} 1 & a_{12} & \dots & a_{1m} \\ a_{21} & 1 & \dots & a_{2m} \\ \vdots & \vdots & \ddots & \vdots \\ a_{m1} & a_{m2} & \dots & 1 \end{bmatrix} \times \begin{bmatrix} w_1 \\ w_2 \\ \vdots \\ w_m \end{bmatrix} = \begin{bmatrix} w'_1 \\ w'_2 \\ \vdots \\ w'_m \end{bmatrix}$$

$$\lambda_{max} = (1/m) \times \left(\frac{w'_1}{w_1} + \frac{w'_2}{w_2} + \dots + \frac{w'_m}{w_m} \right)$$

$$CI = \frac{\lambda_{max} - m}{m - 1} \quad CR = \frac{CI}{RI}$$

Figure 2. Consistency test formula

3.2 AHP Structure

Figure 3 shows the complete framework based on the literature review. The indigenous elementary schools’ international education goals belong to the first dimension, located on the far left. The second dimension

comprises four goals (student, institution, ethnicity, and society), forming the effectiveness of the overall objectives. The third dimension is composed of indigenous elementary schools' eight international education features.

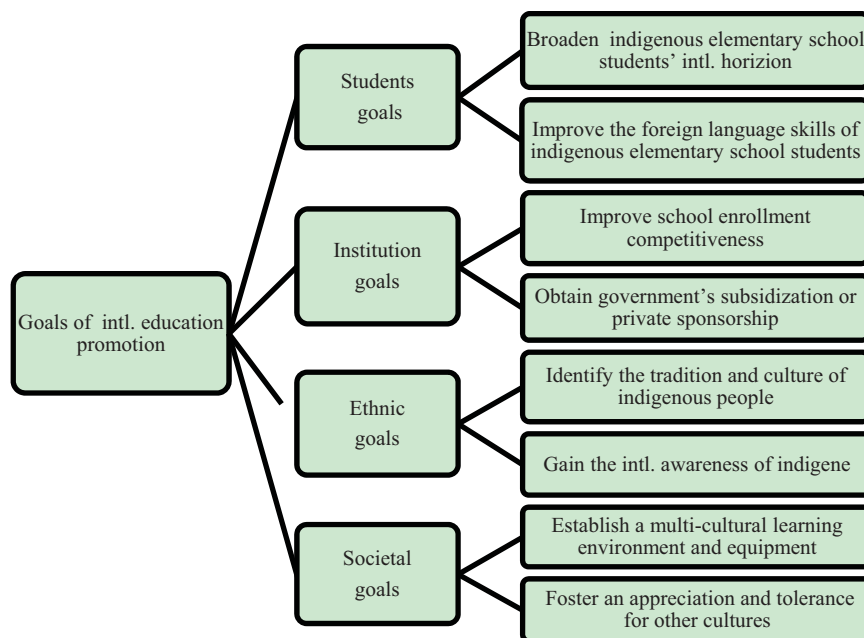


Figure 3. Goals for promoting international education

3.3 Design of the Questionnaire

This questionnaire was researcher-created. It was designed after the literature review and a full discussion with five experts. The questionnaire was divided into three parts. The first gathered background information from respondents. The second part, completed by indigenous elementary school principals, determined the weight placed on the goals of promoting international education at the student, institution, ethnicity, and societal levels, which includes eight items (see Figure 3). The third part included a cross-table of 8 objectives and 10 methods to identify the strategies for promoting international education.

3.4 Participants

Questionnaires were sent to 150 elementary principals, and the response rate was 51.3%. Males accounted for 79% of responses, compared to 21% for females; 70.3% of principals in indigenous schools are non-indigenes and 29.7% are indigenes.

4. Research Results

AHP was adopted to calculate the weight of the dimensions (the second dimension) and the sub-goals of promoting indigenous elementary schools (the third dimension). The CR value is 0.002 (< 0.1), which corresponds to the consistency test that Saaty (1980) suggested. The principals see each level of international education as carrying varying degrees of importance. The student dimension (0.48) is the most important for the principals, followed by the ethnic dimension (0.21), the society dimension (0.19), and the institution dimension (0.12); see Table 1.

Table 1. Principals' weights of the three dimensions

First Dimension	CR	Second Dimension	Weight	Order
Goals	0.002 (< 0.1)	Student	0.48	(1)
		Ethnicity	0.21	(2)
		Society	0.19	(3)
		Institution	0.12	(4)

As Table 2 indicates, the weighted results of the third dimension show that broadening the international horizon (A) was the most important goal (0.33), followed by improving foreign language skills (B) (0.15) and identifying tradition and culture (E) (0.14). The three least important goals of international education are to obtain subsidization or sponsorship (D) (0.05), gain international awareness (F) (0.06), and improve enrollment competitiveness (C) (0.07).

Table 2. Weights of main goal and third-dimension attributes

First dimension	Second dimension	Third dimension	Raw Score	Weighted Score	Rank
Goals	Students' goals	broaden international horizon (A)	0.67	0.33	(1)
		improve foreign language skills (B)	0.33	0.15	(2)
	Ethnic goals	identify tradition and culture (E)	0.60	0.14	(3)
		gain international awareness (F)	0.40	0.06	(7)
	Society goals	establish a multicultural learning environment (G)	0.53	0.08	(5)
		foster appreciation for other cultures (H)	0.47	0.12	(4)
		improve enrollment competitiveness (C)	0.65	0.07	(6)
	Institution goals	obtain subsidization or sponsorship (D)	0.35	0.05	(8)

Furthermore, the author investigated the implementation level of the international activities. Table 3 shows that the enhanced performance of each international education activity implemented, as perceived by the indigenous elementary school principals, was ranked as follows: integrate international knowledge into the curriculum (3.29), provide foreign language courses and related cultural curriculum (3.17), and achieve a school-wide foreign language learning environment (3.05). Only these three items are above the mean; that is, most of the international activities are not carried out well. The principals ranked three items lowest: actively recruit foreign students (1.58), hold frequent overseas study tours or visits (1.80), and establish partnerships with international schools (1.87).

Table 3. Principals' perceptions of indigenous international activities

Indigenous international activities items list	Mean	Rank	STD
integrate international knowledge into the curriculum (4)	3.29	1	0.92
provide foreign language courses and related cultural curriculum (10)	3.17	2	1.22
achieve a school-wide foreign language learning environment (3)	3.05	3	1.07
encourage staff to attend international education workshops (2)	2.57	4	1.01
hold overseas volunteer activities for students (9)	2.30	5	1.39
encourage domestic and international school exchanges (7)	2.07	6	1.14
join a variety of international competitions (8)	1.89	7	0.95
establish partnerships with international schools (5)	1.87	8	1.14
hold frequent overseas study tours or visits (6)	1.80	9	0.99
actively recruit foreign students (1)	1.58	10	0.77
Average	2.36		

Finally, the researcher adopted correspondence analysis (CA) to create a map displaying the relative positioning of the implementation types (Figure 4). The X^2 of 142.4 and the CR value of .000 indicate that the perceptual map created by CA was feasible. There are three types of correspondences:

1. (E), (H), and (1), (4): For schools, both actively recruiting foreign students (1) and integrating international knowledge into the curriculum (4) will help effectively achieve identifying with the tradition and culture of indigenous people (E) and fostering an appreciation and tolerance for other cultures (H).

2. (A) and (6), (7), (9): Schools that hold frequent overseas study tours or visits (6), encourage domestic and international school exchanges (7), and hold overseas volunteer activities for students (9) will help broaden indigenous elementary school students' international horizons (A).

3. (B), (G) and (2), (10): Schools that encourage staff to attend international education workshops (2) and provide foreign language courses and related cultural curriculum (10) will help improve the foreign language skills of indigenous elementary school students (B) and establish a multicultural learning environment (G).

These three types of correspondences can provide information when internationalization policies are implemented in domestic indigenous' elementary schools, enabling these schools to consider more effective activities.

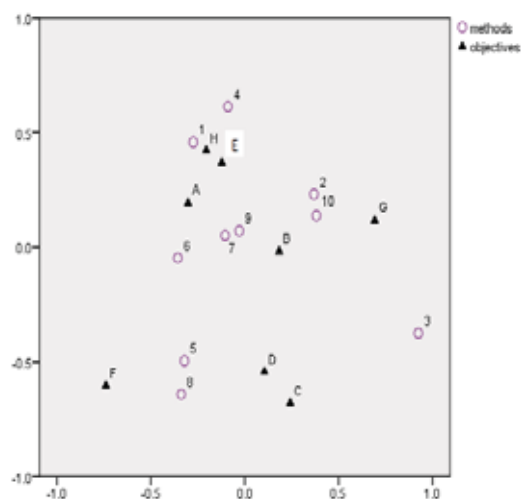


Figure 4. Correspondence between international goals and methods in indigenous elementary schools

Note: (A) broaden international horizon; (B) improve foreign language skills; (C) improve enrollment competitiveness; (D) obtain subsidization or sponsorship; (E) identify tradition and culture; (F) gain international awareness; (G) establish a multicultural learning environment; (H) foster appreciation for other cultures; (1) recruit foreign students; (2) attend international workshops; (3) provide foreign language environment; (4) integrate international knowledge into curriculum; (5) establish partnerships; (6) engage in overseas study or visits; (7) provide international school exchanges; (8) join international competitions; (9) volunteer overseas; (10) offer foreign language courses and cultural curriculum

5. Conclusion and Discussion

This research sought to identify the main reasons for promoting educational internationalization based on information gathered from indigenous schools' principals via questionnaires. Calculating the proportion of responses helped determine the order of criteria that schools emphasize to enhance the educational internationalization policy.

1. The analysis indicated that indigenous elementary schools' principals consider the students to be the first beneficiary of such education, followed by the ethnic groups, the institute, and the society.

In Lin and Chen's (2013) research, Taiwan's non-indigenous elementary schools' principals ranked such dimensions in the same order. Principals in every school considered that the students should be the primary beneficiary. As compared with Japanese principals, they emphasized the institute rather than students. This difference might stem from the international education system that Taiwan is pushing forward. In addition, Japan's promotion of international education occurred earlier and had already put emphasis on curriculum; as a result, the expense in other aspects was limited.

2. In the process of promoting educational internationalization, indigenous elementary schools in Taiwan emphasize, first, broadening international horizons, second, improving foreign language skills, and, third, identifying tradition and culture.

The first two goals are attributed to the students' dimension, as discussed in the previous paragraph, whether an indigenous school or not; Taiwan implemented an international education emphasis for gains at the student level.

The third goal for indigenous school principals involves ethnic groups. In the process of implementing indigenous elementary international education, cultural exchanges with schools in other countries occur through exhibitions and sharing based on ethnic culture. Thus, it is easy to realize the importance of maintaining traditional ethnic cultures and stimulating attention to ethnic cultures.

3. The least important issues emerging when indigenous elementary schools promote international education are obtaining subsidization or sponsorship, which might stem from sufficient educational sponsorship from the government, gaining international awareness, which might be related to Taiwan's indigenous regions, and improving enrollment competitiveness; in contrast, ethnic consciousness is more urgent than international awareness. Despite the low birth rate affecting indigenous regions, the principals seem not to believe that promoting international education has been sufficiently effective.

4. Generally speaking, indigenous elementary school principals do not think international activities have been effective in the schools.

Even so, more successful projects have been conducted, such as integrating international knowledge into the curriculum, providing foreign language courses and related cultural curriculum, and achieving a school-wide foreign language learning environment. These projects are related to course design and the shaping of the teaching environment. Finally, some projects have been less than ideal, such as actively recruiting foreign students, which requires family cooperation, holding frequent overseas study tours or visits, for most indigenous families are economically disadvantaged, and establishing partnerships with international schools, which requires extensive efforts by schools to establish partnerships and achieve specific goals.

5. This research found three corresponding relationships: The implementation of various international education programs can achieve its goal using different strategies.

To promote smooth international education, indigenous elementary schools should focus on the original purpose of internationalization by choosing the most effective implementation strategies. Comparatively raising international awareness might involve proposing additional efficient approaches that incorporate the issue of ethnic consciousness.

6. Implications

The results of this study reflect less success in indigenous elementary schools than in non-indigenous elementary schools in encouraging staff to attend international education workshops (Lin & Chen, 2013). In the indigenous elementary schools, encouraging staff to attend international education workshops has not been at all effective. As schools advocate international education, the teacher is the key factor. If the government wants such education to be more effective, indigenous schools must hold more learning activities. Therefore, this research suggests that the government should encourage indigenous elementary school staffs to participate in various kinds of international learning activities.

During the process of promoting international cooperation and exchange, new opportunities arise from globalization, but these opportunities might also create obstacles to preserving indigenous culture and knowledge (Cesarotti, 2009; Smith & Ward, 2000). Adopting both traditional culture and international education are important for indigenous students, but recognizing internationalization as the only means of public schooling will damage indigenous knowledge, culture, beliefs, and ways of life (Battiste, 2005). Therefore, determining how to help students in such circumstances maintain their ethnic culture and flourish is a significant issue for Taiwan and the world's indigenes.

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Conceptual Model of Organizational Trust and Knowledge Sharing Behavior among Multigenerational Employees

Behrang Samadi¹, Chong Chin Wei², Sara Seyfee³ & Wan Fadzilah Wan Yusoff²

¹ Faculty of Business and Management, Asia Pacific University of Technology and Innovation (A.P.U), Malaysia

² Graduate School of Management, Multimedia University (MMU), Malaysia

³ Faculty of Management, Multimedia University (MMU), Malaysia

Correspondence: Behrang Samadi, Faculty of Business and Management, Asia Pacific University of Technology and Innovation (A.P.U), Malaysia. E-mail: behrang_samadi@yahoo.com

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Abstract

The purpose of this study is to investigate the relationship between organizational trust and knowledge sharing among their multigenerational employees. On the other hand the purpose of this paper is to develop a conceptual model to examine the relationship with antecedents of trust, organizational trust and knowledge sharing behaviors with the moderating effect of multigenerational demographic.

The Literature of Knowledge sharing behavior, Knowledge Management, trust and related theories assist as starting-points for developing the conceptual model. Based on the vast literature review, all the dimensions of variables have been identified and discussed in depth.

This study attempts to reduce the existing gap in literature regarding the relationship between organizational trust and knowledge sharing among employees with differences in generations. It is anticipated that this study to have a significant contribution to the advancement of KM research literature and provides managers and scholars to get to a better insight on the relationship between the established trust among multigenerational of employees and their knowledge sharing.

Keywords: knowledge management (KM), knowledge sharing, trust, multigenerational workforce

1. Introduction

A crucial component of effective Knowledge Management (KM) is knowledge sharing (Nonaka & Takeuchi, 1995; Alavi & Leidner, 2001). Studies today argue that effective knowledge sharing is critical to providing an organization with a unique competitive advantage (Argote & Ingram, 2000; Gold et al., 2001). To enhance a company's collective learning and knowledge assets, an organization must develop an effective knowledge sharing framework that allows its employees and partners to share knowledge (Bock, Sabherwal, & Qian, 2008; Osterloh & Frey, 2000).

Trust is a backbone of intention to share tacit knowledge in organization. It can be influenced by several internal and external factors. Personal characteristics are studied as major player to create trust in organization (Wassan & Rasool, 2011; Cheng, 2008; Fleig-palmer & Schoorman, 2011; Khesal, Samadi, & Musram; 2013). Previous studies usually includes factors such as reward expectation, ability, benevolence, integrity, and justice as determinants of organizational trust (Thorgren & Wincent, 2011; Mayer et al., 2013; Fang & Chiu, 2010).

Another major challenge to share the tacit knowledge within organizations is the demographic differences (e.g., age, gender and ethnics) among employees (Abrams, Cross, Lesser, & Levin, 2003; Chatman et al., 1998) specially the age difference. For instance, the studies show that more than fifty percent of existing employees in firms belonging to younger generations whereas the rest of population belong to older ones (Farren, 1999; Girault & Sauvé, 2008). Since employees tend to have more interaction with those who have more similarities (e.g., age, gender, experience and expertise) with them thus establishment of a credulous relationship between employees from different backgrounds in order to share their knowledge and skills is a difficult task (Zemke, 2000; Eisner, 2011; Kueh & Voon, 2007).

The main objective of this study is developing the conceptual framework to study the relationship between ability, benevolence, justice/fairness, integrity, reward expectation, organizational trust and knowledge sharing behavior with the moderation of generation gaps.

1.1 Significance of Study

This study would complement the expanding field of research by developing a comprehensive conceptual research model for studying the relationship between the antecedent of organizational trust, organizational trust and knowledge sharing behavior among Multigenerational employees. This study will provide better views for employees to gain insight on other employees' perceptions regarding their cooperation during work. In fact, the outcomes of this study can be used to explain some of the perceptions gained by employees in the ways that they form a trustworthy relationship with each other as well as its effect on their knowledge sharing behavior. Besides, it provides better insight on the specific effect that each generational group of employees has on the affiliation between the established trust and knowledge sharing behavior. This research would advance a better theoretic understanding and acknowledgment of constructs linked with organizational trust and knowledge sharing behavior. It is expected that the results of the study will significantly contribute towards the theoretical advancement in the field of Knowledge Management.

2. Literature Review

2.1 Knowledge Sharing Behavior and Related Theories

The knowledge sharing is considered as an important part of knowledge management (Alavi & Leidner, 2001; Kharabsheh, 2007; Okyere-Kwakye & Nor, 2011). Knowledge sharing occurs in situations that employees ask their associates for knowledge in order to solve their problems (Alavi & Leidner, 2001; Davenport & Prusak, 1998; Fathi, Eze, & Goh, 2011). The concept of knowledge sharing is believed to have been derived from various theories such as Social Exchange, Social Identity, Human Capital, Expectancy theory (Al-Mashari, Zairi, & Ginn, 2005; Chiesi, Spilich, & Voss, 1979; Okyere-Kwakye & Nor, 2011; Pan & Scarbrough, 1998; Tiwana & Ramesh, 2001; McNeish & Mann, 2010; Nonaka, 1994; Woolcock & Narayan, 2000).

However, the concept of knowledge sharing is defined as the exchange of knowledge, either tacit or explicit, between organizational members (Lee & Yu, 2011; Lee, 2001; Hansen & Haas, 2007). According to literature, knowledge sharing behavior is a complex concept and is described through three dimensions such as (a) Communication/Collaboration, (b) Motivation/Willingness, and (c) Cooperation/Respect (Chiu, Hsu, & Wang, 2006; Hansen & Avital, 2008; Lee, 2008; Lorenz, 2008; Sheng, Chang, Teo, & Lin, 2013).

2.1.1 Knowledge Sharing Behavior Dimensions

Communication in an organization is an essential component in the process of successful knowledge sharing in an organization where workers must feel they are being listened to, respected and valued (Lorenz, 2008). Today's highly competitive business environment creates a need for faster decision making and having employees of different generations, in which as the result, provides more benefit for organization if there is successful communication and sharing of knowledge between employees (Pitt & Clarke, 1999; Watson & Hewett, 2006; Lorenz, 2008).

However, according to Jamison (2007), constructive communication in the transfer of knowledge can be difficult across age groups due to high levels of distrust and sense of competition between generations. Knowledge sharing is primarily is described as a function and consequence of the meeting and an interaction of minds (Fathi et al., 2011; Davenport & Prusak, 1998). Moreover, knowledge sharing is not only the distribution of information but it is also collaboration and interaction (Nahapiet & Ghoshal, 1998; Lee & Al-Hawamdeh, 2002; Chiu et al., 2006).

Beckett-Camarata, Camarata, & Barker (1998) discussed assume that the organizational management must create motivation among the employees to communicate shared knowledge and in turn create a sense of connectedness among them. Therefore, sharing of knowledge requires a motivation from both the receiver and the source to work together. However, there are many negative impacts of ageism on an organization such as distrust and competition among employees that prevent effective construction among generations (Khesal, Samadi, & Musram, 2013).

In fact, the level of involvement in the knowledge sharing process is influenced by the level of motivation exhibited by the employees. According to Osterloh and Frey (2000), it is common that some knowledge holders believe in holding on to their knowledge as a way of holding on to their positions in the firm and as the result, some knowledge seekers feel that they will be seen as less capable if they need someone else to explain a

concept to them. Thus, motivational aspects need to be created by the organizational management so that employees are willing to cooperate with each other in knowledge sharing activities (Osterloh & Frey, 2000).

Employees have to depend on trust in their cooperative activities to justify their expected benefits from the exchange (Zohoori et al., 2013). Knowledge sharing will lead to constructive cooperation amongst employees who can then be innovative in their ideas, products, services and technologies (Fathi et al. 2011). Cooperation is seen as an act of creating strong networks with employees in other work areas (Chakravarthy, Zaheer, & Zaheer, 2001).

P1: Knowledge Sharing Behavior is facilitated by attributes such as Communication/Collaboration, Motivation/Willingness, and Cooperation/Respect.

2.2 The Concept of Trust

One of the most important elements that always seem to influence learning in the organization is trust (Davenport & Prusak, 1998). Trust is a psychological concept which influences an individual's behavior and intention. It has influence on acquisition and dissemination of knowledge and has significant impact on knowledge sharing activities (Webster & Wong, 2008).

In fact, the presence of trust between the source and recipient is a pre-condition for knowledge sharing between them (Levin et al., 2002). In other words, lack of trust is considered as a barrier to knowledge sharing (Davenport & Prusak, 1998). In addition, in order for trust to grow, employees must be willing to take risks and depend on each other (Mayer et al., 1995).

Moreover, trust involves believing that fellow co-workers are trustworthy and will continue to be trustworthy in uncertain situations (McEvily et al., 2003; Mayer et al., 1995; Schoorman et al., 2007). When the trust is established, it is expected that the recipient will not take advantage of this situation regardless of incentives offered (Chiles & McMackin, 1996; Mayer et al., 2013). The study of Davenport & Prusak (1998) indicate that financial motivations by themselves are not enough to encourage knowledge sharing among employees; the central influence in a social exchange relationship is trust.

However, the significance and importance of trust have been discussed by both scholars and practitioners, but still there is no any single model that includes all its aspects and dimensions of trust (Gillespie & Mann, 2005; Renzl, 2008). The review of literature indicates that trust comprises of four dimensions such as (a) trust on Each Other; (b) institutional trust; (c) trust in competence; and (d) trust in value (Mooradian et al., 2006; Okyere-Kwakye & Nor, 2011; Oginde, 2013; Lorenz, 2008; Thorgren & Wincent, 2011)

2.2.1 Dimensions of Trust

The interpersonal trust or trust on each other refers to the relationships among individuals (Lorenz 2008). Interpersonal trust defined as mutual belief and assurance between employees in terms of purpose and manner (Politis, 2003). Employees work well with one another when they have trust based on common goals and strong long term relationships (Colquitt et al., 2007).

Moreover, the institutional trust is described as the feeling of respect that employees have for their managers (Robinson, 2013). In order to establish institutional trust, employees must see that the fellow employee or manager actually deserves to be in that position of leadership (Amogbokpa, 2010) Employees are happier with management that possesses expertise, has personally attractive attributes and uses encouragement rather than coercion (du Plessis, 2005; Connelly & Kelloway, 2003).

Another important trust determinant is due to existence of trust to the other party's competencies and capabilities (McNeish & Mann, 2010). In fact, there are limitations to the transfer of knowledge if there is a perception on lack of reliability of the source or recipient. When the source of knowledge cannot seem to be trusted, their advice maybe openly challenged (Politis, 2003). The source of knowledge should have a solid reputation before it is used by other employees in the organization (Szulanski, 2000). However, trust noticeably enhances knowledge transfer, if source of knowledge is seen as trustworthy to the recipient, and as the result, they will pay more attention to collect and capture the knowledge that is transferred towards them (McNeish & Mann, 2010).

Finally, the trust in value derives from the fact that the individuals form a trustworthy relationship since they expect or perceive to have some positive consequence and value to them and also the individual involved in the act (Lorenz, 2008). In fact, this perception has a positive influence on behavior of individuals to participate in activities such as knowledge sharing voluntarily and willingly (Liu et al., 2010). The other aspect of the value refers to the usefulness of the act to both parties in which as the results encourage knowledge sharing among them (Politis, 2003).

P2: The Trust is facilitated by attributes such as Interpersonal Trust, Institutional Trust, Trust in Competence and Trust in Value.

2.3 Trusts and Knowledge Sharing Behavior Association

According to Mayer et al., (2013) and Colquitt, Scott, & LePine (2007), trust plays a pivotal role in attempting to improve employees' performance. Trust enables employees to feel comfortable to share knowledge and learn from others without having the fear (Lorenz, 2008). Relationships based on trust lead to greater amount of knowledge sharing because people are more willing to share knowledge that is useful and are also willing to listen to knowledge from other people (Mooradian et al., 2006; Becerra & Gupta, 2003). However, the perceived usefulness of knowledge received depends on the amount of trust that the parties have on each other's competence (Abrams et al., 2003).

P3: There is positive direct influence of organizational trust on knowledge sharing behavior.

2.4 Multigenerational Demographics

Moreover, the studies on knowledge sharing within organizations show that demographic factors could influence the relationship between knowledge sharing and other factors (Lorenz, 2008; Clark & Eisenstein, 2013). For instance, a study by Organ & Ryan (1995) indicates that employees' differences in gender has an impact on styles of communication among them and as the result, it has effect on knowledge sharing among them. Similarly, the existence of multiple generational workforces is another phenomenon which is common among many organizations (Benckendorff et al., 2010; Gursoy et al., 2008).

However, generation is described as a specific group which its members have been born in the same period, have experienced similar social and historical events during their lifetime and have been divided into three groups of first wave, main group and last wave (Strauss & Howe, 1991; Lancaster & Stillman, 2004). The review of literature identifies three main generational groups such as baby boomers, generation X, and millennials which are also known as generation Y or next generation; (Strauss & Howe, 1991; Lancaster & Stillman, 2004; Gursoy et al., 2008) Interestingly, nowadays it can be easily seen that in most organizations, the workforce consists of all three generations.

Meantime, the studies show that each generational group has its own desires, personalities and preferences (Clark & Eisenstein, 2013; Gursoy et al., 2008). As the result, these differences will cause problems such as misunderstanding, miscommunication and confusion (Lorenz, 2008). Furthermore, the other findings indicate that differences in age among firms' employees have direct relationship with their expectations, preferences and learning styles (Hu & Herrick, 2007).

In fact, each one of these generations has their own kinds of knowledge and experience which are highly beneficial and useful for companies if effectively shared (Raines & Zemke, 2000). However, those staffs that are belonging to the same generation have similar knowledge, beliefs, expositions, and enthusiasm (Raines & Zemke, 2000). However; the creating an environment which promotes frequent interactions among employees with different generational cohort can help to establish trust among them and the result, motivate them to share their knowledge with each other (Chatman, Polzer, & Barsade, 1998).

P4: The relationship between trust and knowledge sharing behavior is moderated by the multigenerational demographic of the organization.

2.5 Ability

Ability usually shows trustee's information, ability, or capability. This measurement suggests that creating trust relationships depend on the trustee being able to act appropriately and meet expectations of the trustor (Mayer & Gavin, 1998).

Many researches have quoted that to trust another person, a trustor must understand that the trustee has the aptitude or capability to achieve the main task (Sitkin & Pablo, 1992; Mishra & Spreitzer, 1998). Ability is articulated as that group of abilities and characteristics which enables a party to have control within some precise situation (Mayer et al., 1995).

The situation is specifically due to the fact that a manager may be very accomplished and trusted in one area but have little ability in another. For a manager to be trusted, employees must understand that he/she has the skills and ability to make a change for them. If a manager is known as capable to get something done about a particular subject, he or she is possible to be more trusted than a manager who is known as powerless in the situation (Waters & David, 2009).

P5: Perceived ability will positively affect trust

2.6 Benevolence

Ganesan & Hess, (1997) explains benevolence as “the extent to which a party believes that the benevolent party has intentions and motives beneficial to the party.” In the same way, Johnson et al. (1996) describe benevolence as “the degree to which a firm in the relationship believes that its partner has intentions of goodwill and will behave in a fashion beneficial to both.” Colquitt, Scott, & LePine (2007) and Dana (2008) describe benevolence as “the degree to which one party is genuinely interested in the other’s well-being and seeks joint gain.”

The classification of benevolence into three elements comes from separate reasons for benevolence. Benevolence may be based on emotions, intellectual evaluations, or institutions (Schoorman, Mayer, & Davis, 2007; Zhang & Chelladurai, 2012).

P6: Perceived benevolence will positively affect organizational trust.

2.7 Integrity

Integrity states the degree to which the trustee sticks to principle satisfactory to the trustor. This element leads to trust, in accordance with the constancy of precedent actions, communication trustworthiness, dedication to standards of fairness, and the correspondence of the trustee’s word and deed (Colquitt et al., 2007).

An employee’s awareness of the general manager’s integrity includes the employee’s conviction that the general manager stays in a group of situations that the employee finds satisfactory. Such aspects as constancy, a reputation for sincerity, and fairness all add to the employee’s acuity of general manager integrity. Many researchers have theorized that constructs such as integrity are connected to trust (Dana, 2008; Colquitt et al., 2007; Mayer et al., 2013). Even though an employee does not prefer a particular managerial decision, the employee may still trust the general manager if the employee believes that the general manager is just, truthful and just.

P7: Integrity will positively affect organizational trust.

2.8 Organizational Justice/ Fairness

Organizational justice pertains to the study of fairness within organizations settings and originates from work in social psychology focused on understanding, fairness issues in social interactions (Blodgett et al., 1997). Fairness perceptions concentrate on four types of situations: the outcomes that employees get from an organization (distributive justice), formal policies or processes used to determine outcome allocations (procedural justice), and the quality of interpersonal treatment they encountered (interactional or interpersonal justice) and information justice (Skarlicki et al., 1999). The study of Recently, Colquitt & Rodell, (2011) shown the similar discussion about justice and highlighted the pointed out the same construct of justice. Colquitt & Rodell, (2011) and Colquitt, Conlon, Wesson, Porter, & Ng, (2001) shown that these four dimensions of justice have differing correlates. However, the specific results of these four dimensions have yet to be analyzed in the performance appraisal literature.

With procedural justice relating strongly to global outcomes such as organizational commitment, interactional justice and leader outcomes such as supervisory satisfaction. Both informational and interpersonal justice contributes to the generally used interactional justice. supervisors and organizations can concentrate on giving explanations for performance objectives and standards and employees ratings more than treatment of employees during the procedure.

Distributive justice is the perceived fairness of the outcomes or allocations that a person receives (Colquitt & Rodell, 2011). Procedural justice refers to fairness issues pertaining to the methods, mechanisms, and process used to determine outcomes (Fang & Chiu, 2010).

Information justice refers to the truthfulness and justification used to explain procedures or decisions (Brotheridge, 2003).

P8: Fairness/Justice is facilitated by attributes such as Procedural justice, Distributive justice Interpersonal justice and Informational justice.

2.8.1 Justice to Trust

According to Kernan & Hanges, (2002) and Fang & Chiu (2010), justice is positively related to trust in management. Colquitt et al. (2001) also pointed out in their study related to trust in system-level authority figures that procedural and informational justice are both important predictors of trust. The application of this notion to the virtual community scenario get rid of the confusion feelings that the members may feel if the managers of the organization can explain how decisions are made. This encourages the members’ faith in the

integrity, ability, and benevolence of the managers, and makes them more willing to be involved in knowledge sharing activities (Fang & Chiu, 2010).

P9: Justice (organizational Justice) will positively affect organizational trust.

2.9 Reward Expectations

According to Eisenberger & Rhoades (2001) employees scale the establishment's appreciation towards promotion, pay and employment continuity. This is proven through calculative view of organizational commitment as suggested by Eisenberger, Fasolo, & Davis-LaMastro (1990) whereby performance can lead to rewards in the form of material. On the other hand, Rhoades & Eisenberger (2002) states organization's dependability and supportiveness portrayed through recognition, promotions and pay supports explains the theory of organizational support. Reychav & Sharkie, (2010) explains that employee's believe that excellence in job performance will be rewarded based on the construct of reward expectancy.

Baer, Oldham, & Cummings (2003) also states that employee's perception that rewards is a reciprocation of their contribution to organization thus influencing their trust in organization. Employee's involvement in decision making has direct relation with rewards expectations. This support the statement cognition of supportive work environments based on reward structure encourages the decision making process (Reychav & Sharkie, 2010).

P10: Reward Expectation will positively affect organizational trust.

3. Conceptual Research Framework

Based on the findings from a review of literature, a research framework has been developed with the purpose of examining the relationship among benevolence, Ability, Integrity, Reward expectation, organizational Justice, Organizational trust and knowledge sharing behavior among multigenerational employees. The relationship between these variables are illustrated in Figure 1.

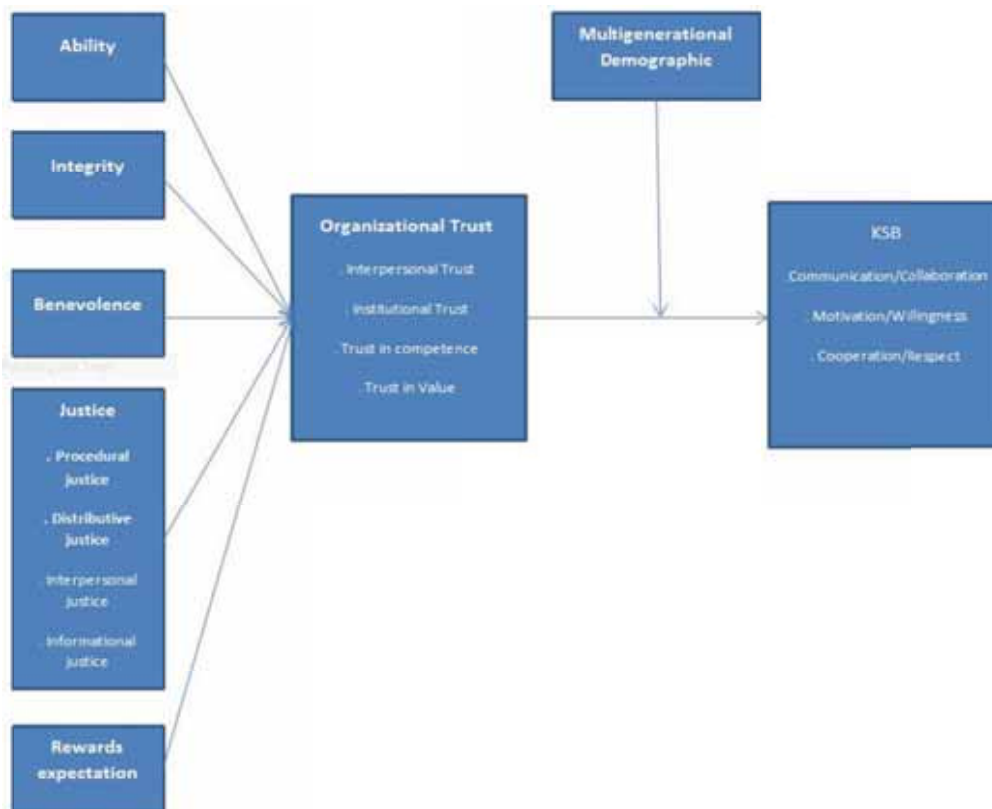


Figure 1. Conceptual framework

4. Discussion

This study extends the research on trust and knowledge sharing behavior among different generation in the workplace by examining different types of trust and finding the antecedents of trust within organizational settings.

As explained in the first section of this study the effective sharing of knowledge within organizations provides many benefits, these benefits could be for both firms and individuals. Though, in reality, a number of companies struggle with knowledge management and sharing knowledge (Bock et al., 2008).

Since the mid-1960s, the social science and management literature (e.g. Argyris (1964) cited in Evans, (1996)) has identified and recognized trust as a very important social factor that positively related to the organizational performance. In the recent literature, trust has been highly viewed as one of the core social factors facilitating knowledge sharing behavior.

The primary problem statement that prompted this paper was that of the need for employers to create an environment where knowledge sharing is nurtured for all generations of workers. Understanding how important it is to capture the impending loss of knowledge from retiring-age employees is a good motivator for management. This study was conducted with the intent to educate employers on what behaviors can help to increase the successfulness of knowledge sharing between generations.

Another important challenge which is described in this study was building the trust in the organization. For construction of the trust in the organization, this paper found all the attendance of trust. Organizational trust is called as a backbone of knowledge sharing behavior. However; we should find out that how can we build the trust in our organization. In this study all the antecedence of trust (Integrity, Benevolence, Ability, justice and Reward expectation) were identified and discussed.

5. Conclusion

The goal and main objective of this study was developing the new conceptual framework to determine the perception of all the trust (with all construct) related to knowledge sharing behavior among different generations. Other objectives for this study were to investigate the concept of trust, its meaning, antecedents, and outcomes as they apply to trust in organizations. This investigated the relationship among organizational trust, knowledge sharing behavior, reward expectation, benevolence, ability, integrity, justice and multigenerational employees. Perception of trust between the generations is much farther reaching than just sharing knowledge with each other. Generational gap affected the knowledge sharing process or moderating the relationship of trust and knowledge sharing behavior. Collaboration with colleagues of different generations to better understand each other and to build trust can promote knowledge sharing in the good way. Working together to build and share knowledge needed collaboration, cooperation, respect between the workers and also the willingness and motivation to help and work with each other. As people share what they know with each other, trust is refined which leads to further willingness and cooperation. Finally, one of the dominant discovery of this paper is that trust within an organization is a recognizable concept based on relationships.

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Chinese Art within Thai Temples in Malaysia: The Disappearance of Thai Art

Punya Tepsing¹

¹ Faculty of Liberal Arts, Prince of Songkla University, Songkhla, Thailand

Correspondence: Punya Tepsing, Faculty of Liberal Arts, Prince of Songkla University, Songkhla 90112, Thailand. Tel: 66-83-14-6692. E-mail: punya.t@psu.ac.th

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Abstract

The identity of Thai temples in Malaysia is disappearing, as the temples display more Chinese art than Thai. Thus, this research aims to investigate the patterns in Chinese art and the conditions that support the appearance of Chinese art within Thai temples. Chinese art appears within these temples in their sculptures of Buddha, pavilions, and walls. The conditions supporting the appearance of Chinese art include 1) the need for funds to construct new temples; 2) the abilities of pastors who can speak Chinese and English and are interested in art from various countries; and 3) the eastern coast of Malaysia being a place where many people of Chinese descent settled. Chinese people were not able to purchase land easily due to state laws; thus, they had to use Thai temples as places to preserve their identity by constructing Chinese art within the temple.

Keywords: Chinese art, Thai temple, Malaysia, disappearance

1. Introduction

Chinese culture has been found in Malaysia since the 15th century (Khin & Huat, 2005). This appearance has been seen in everyday life through Malaysia's faith, art, architecture, clothing, and food. Chinese culture has also influenced Thai temples. Tepsing (2011) found that a Thai temple in Penang Island was influenced by Chinese art because the island is surrounded by Chinese communities. The art of Thai temples is a mixture of Thai art and Chinese art. However, Chinese art frequently appears in Thai temples, when situated in places where the Chinese community is in the minority, especially close to the Thai border in Northern Malaysia, where many Thais settled. There are more Chinese temples than Thai temples in this area. Symbols that refer to Thai temples include Buddhist ceremonies by Thai priests and symbols indicating that the temple was constructed in a Theravada pattern. Fursion (2010) suggested that ethnic groups in southern Thailand and northern Malaysia were related to each other, especially in Kelantan State, Malaysia, where many Thais settled in. However, many Thai temples contain Chinese influences. This suggestion has been supported by a study by Ismail (1994) finding that Siamese temples typically had a statue of Quan Yin situated within them. Although belief in Quan Yin is limited amongst Thais, Thai temples had to have these statues because the temples needed the support of the Chinese community.

Accordingly, the research question is to determine how Chinese art began to appear in Thai temples and what conditions influenced its appearance. This study was based on the concepts of cultural diffusion and acculturation. We use Wat (Temple) Phothikyan Phutthathum as a case study because it has been decorated by Chinese art. The temple is located in Balai village, Bachok district, Kelantan State, Malaysia, and is 25 kilometres away from Kota Bharu city. This Thai temple was abandoned for a long time by the Siamese community. This area is settlement of Malaysian Siamese or Malaysian of Thai ethnicity. The name of the district—"Bachok"—is assumed to be the name of a Chinese silk and spice trader who anchored his boat in this area. Another assumption behind the name Bachok came from the Siamese person who named this area. Bachok came from a village that was full of "ton chak" trees, which was transformed into Malay as Bachok (Bachok: 2013). Both assumptions reflect the notion that this area was originally settled by people of Siamese descent. While Malaysians of Chinese descent mostly live in urban areas, some who also contain Siamese descent live in the countryside. This assumption supports Seong's study (2008), which stated that the Chinese in Kelantan State lived more rural lifestyles than the other ethnic groups. Thus, they and people of Siamese descent lived together because they were both the minority in Kelantan State, in which the majority of people are Muslim.

Kelantan is the Malaysian state in which Siamese individuals are the most prevalent, and they still maintain their own Thai culture strongly. They adhere to Theravada Buddhism and have built many beautiful temples (Sarimah, 2004). Balaiwananaram temple, the former name of Phothikyan Phutthathum temple, was constructed about 200 years ago by Siamese and Chinese people in Balai village. They dedicated 6 acres of land to constructing the temple and invited Phra Bok as a pastor. Later, when Phra Bok died, the villagers invited other monks to Balai village, in order to maintain the temple. Afterwards, the temple was abandoned again until Phra (Monk) Phochai came to Kelantan from Thailand. He had seen the temple's lack of development; thus, he and the villagers discussed renovating the temple and renamed the temple to Wat (Temple) Phothikyan Phutthathum.

2. Objectives

1. Study the patterns of Chinese art within Thai temples.
2. Study the conditions that supported the appearance of Chinese art within Thai temples.

3. Methodology

Data were collected from literature reviews, observation of the temple, and in-depth interviews of stakeholders based on a conceptual framework. The data collection approach was as follows:

1. Observation and note-taking of the temple's landscape
2. In-depth interviews with stakeholders, who were classified into 2 groups: 1) a total of 10 temple committee members, liaisons, and monks who were selected using a purposive samples approach and 2) five visitors who were selected by an accidental samples approach
3. The collected data were analyzed by content analysis, and the results were presented using a descriptive approach.

4. Results

4.1 Chinese Art within a Thai Temple

The Chinese art at Wat Phothikyan Phutthathum is based on the actions of the Buddha. The statue stands in a straight pattern on a lotus base, with its left hands holding a lotus, the right palm flared out, a striped robes, a moon faces with coiling, and a small point between its eyebrows. The Buddha statue is constructed out of mortar and painted white. Under the lotus base is a room that is decorated with many Buddhist drawings. Locals call this statue Phra Amitabha (Figure 1) Though Wat Phothikyan is a Thai temple, the focus of this temple is the Chinese art within the temple. The Phra Amitabha is a Buddha of the Sukhawadee doctrine (Lotus doctrine). It is believed that his land is in the west; thus, so both the temple and the statue are set in the west of Balai village.

The construction of the Buddha by mixing Chinese art with what Thai art has in common. The Phra Amitabha was constructed because Siamese people mostly have faith in the next life. On a lotus base, the stairs on both sides allow one to walk around the Phra Amitabha statue. There are censers on the ground level and upstairs. A petal of the lotus blossom that is focused upon is a symbol that indicates the Sukhawadee doctrine. In front of the Buddha is a wide yard. The temple also sets a spotlight on the Buddha at night. Constructing a large outdoor Buddha is not only for faith, but also to meet the tourism demands of Balai village



Figure 1.



Figure 2.

The chapel and the monks' residence are in the same two-floor building, which is decorated by Chinese art. The second floor is a place for worshipping 3 sacred Chinese Buddhas, including Avalokitesvara Ksitigarbha (on the left), Phrasrisakayamuni (center), and Avalokitesvara Bodhisattvas or Kuan Yin (on the right). Nevertheless, this chapel is also used as a multipurpose building. It is not only for Buddhist ceremonies, but also for preaching, welcoming visitors, cooking food, and more. The stairs at the front of building are decorated with a stone garden, a small pond, and a small statue of the Guan Yin. The handrails are decorated with a sculpture of a dragon mixed with a naga. This stair pattern has often been seen in Thai archaeological sites and temples and is based on the Thai belief that the naga stairs are a pathway to heaven. The naga's head and body are similar to those of a Chinese dragon. The wall is decorated with stucco, and the colourfully painted background around the Chinese Buddha, or Poi Sian god, is based on Chinese folklore. On another side of the wall is a painting of the Buddha sitting in meditation. This reflects the traditional Chinese belief that there are many Buddhas. The balustrade has been placed with the lotus. A fence decorated with a drawing of Kuan Yin stands on a dragon's head and a cloud. An interior design like this seems to prefer the Chinese patterns to the Thai and seems to harmonize Chinese and Siamese architecture. This has resulted in Thai art looking inferior, oppressed, or driven out of the Siamese or Thai identity.

In the temple is a Chinese octagonal bell tower. The roof is laid with dragon-shaped roof tiles. Each pillar has a dragon wrapped around the pillar, with Kuan Yin standing on each dragon head. Between each pillar is a sculpture of a phoenix attacking a dragon (Figure 3). A sculpture of Guan Yin riding the dragon is also found in this temple. There is a Chinese-style pavilion located in front of the language and Buddhism school. The pavilion is mostly used by students of the school to relax. The design of the language school is simple, and has a familiar, single-floor, Thai pavilion in a rectangle shape, with a gabled canopy in each roof corner (Figure 4). This Thai pavilion is located in the front, near the monks' residence. The Thai pavilion is decorated with something to present the mythical concepts on the roof, which reflects Thai architecture (Sthapitanonda and Mertens, 2005). The pediment of the Thai pavilion is decorated with a Thammachak sculpture above a Thai trim panel. The combination of both Chinese and Thai pavilions in this temple reflects the community's culture, which has two perspectives. One was used in order to maintain identity, and the other was used to raise funds to construct the building.



Figure 3.



Figure 4.

Near the Chinese pavilion is the Chinese Buddha shrine. This place has an open space, which allows villagers to worship or do activities anytime. There are three Buddha sculptures in the shrine: a statue of Maitreya, a fat Buddha with a smiling face, and two Arhats or Lohons, one carrying banana leaves and another carrying a staff and gold (Figure 5). People who worship these three Buddhas are believed to receive great fortune. In front of the shrine is the head of a Thai-style Buddha, which is placed at a lower position than the Chinese Buddha. On the backdrop of Buddha is a painting of clouds. The front pillar is decorated with a dragon. There are a donation cabinet, a candle, and a joss stick pot in shrine. This reflects the influence of the Chinese art that dominates this Thai temple. Other parts of the temple seem to be superimposed with Chinese traditions. As one of the villagers said, "The Chinese donated money to build the temple. They have authorized [the temple] to create anything" they want.

At the back of temple, outside the wall, is a Chinese-style building for praying and performing spiritual rituals. It has a niche that contain the ashes and labels of Chinese ancestors. On the other side is a house-shape monument containing the ashes of wealthy individuals. These small saloons require rent to be paid. The saloon's pattern is the same as the saloons for villagers, with a small box containing the ashes and labels of ancestors (Figure 6).

The art behind the temple also reflected Chinese traditions, and was dominated by the Chinese. The land behind the temple was originally dominated by outlaws, as the Siamese did not have any authority in this area. The Chinese had raised money to buy the land from the villagers, in order to expand the temple's area and construct a cemetery. The Chinese used the Thai temple as a channel for constructing a spiritual area because Kelantan law did not allow the Chinese to buy the land from Malaysians. The Chinese only could buy the land from Siamese or Chinese individuals.

Phothikyan Temple does not have a lotus that contains ashes or bones, due to local Thai tradition. Generally, Thai temples are likely to construct these lotuses similarly to a small pagoda and bury them in the basement. If Balai wanted to set up a jar for ashes within the temple, they would do so according to Chinese practice, which reflects that some of Thai culture has been assimilated into Chinese culture. The villagers are in a situation of servitude because most of them are quite poor. They had to rely on the Chinese to do many activities for the community. Therefore, the Thai art at Phothikyan Temple has deteriorated, and almost lost its Thai identity.



Figure 5



Figure 6

The outstanding point of Phothikyan Temple is the wall, which features dragon-coiled tendrils. The dragon's head is at the door, and the body is whipped until the tail becomes close to each side. It looks like there are 2 dragons on the wall, (Figure 7). One of the dragons is 1,973 feet long, and has the longest dragon wall in Malaysia. On this wall, one side of the dragon's body looks like it is sinking into the ground. This was the idea of a former pastor, after buying the land from the villagers to expand the temple's area. He constructed the dragon by burrowing its body underground and revealing the other side of the dragon at the end of the new temple area, (Figure 8).



Figure 7



Figure 8

4.2 Conditions Supporting the Appearance of Chinese Art in the Thai Temple

The results found that Phothikyan Temple has more Chinese art than Thai art for three main reasons. The first is its pastor's abilities and leadership. Phothikyan Temple was originally an abandoned temple until Phra Photichai, a monk from Thailand, came to Balai village. He developed and renovated this abandoned temple. Funding was a main obstacle to developing the temple, and he was in charge of multiple duties at the same time. This caused the temple to develop slowly. The second reasons, Phra Photichai could speak Chinese and some English, which

helped him to cooperate with investors and foreign visitors to develop the temple. He also liked travelling to see Buddhist art in many other countries, which he adapted to Phothikyan Temple. His capabilities helped the temple to raise construction funds rapidly. As a villager said:

‘He had travelled to Taiwan and China to see ideas for temple construction. A large Buddha sculpture was constructed based on his ideas. Chinese people gave him the money to construct the temple. If you wanted more money, you would construct [the temple] in the Chinese pattern’. (Thepsirin, 2011)

This quote reflects that the pastor led the use of Chinese art without fear of accusations from villagers. He not only constructed the temple as a spiritual place for villagers, but also wanted this place to become a new tourism attraction in the area. He thought that Chinese art would attract wealthy Chinese to participate in the temple’s activities. The large Buddha was constructed as the outstanding feature of this temple to attract visitors and generate income for the community.

In comparison, a pastor of Machimmaram Temple used superstition to spread belief and faith in Buddhism among the villagers and ask for donations to construct a large Buddha. The pastor of Phothikyan Temple, meanwhile, created faith by using advertising and public relations approaches, as well as his energetic desire to achieve his will. As one of the senior monks said:

‘He was incredible. He used to hike from Kelantan to Singapore. He took two months to go to Singapore and two months to return to Kelantan. He walked 30–40 kilometres a day. His practices created faith for the villagers. People started to know Phothikyan Temple more, and it was easy to ask for donations’. (Mahasomsak, 2011)

This approach was designed to publish a project in both Malaysia and Singapore to construct a large Buddha, whereas Matchimaram Temple’s pastor used a passive strategy by only waiting for donations from within the temple. The Balai people praised Phra Photichai for his leadership skills. He developed both the temple and community. Phra Photichai resigned from being the pastor and returned to Thailand, although the villagers still remember his practices as a pastor.

The Thirst reason is based on historical evidence, Chinese people are mostly concentrated in the eastern states of Malaysia because their ancestors largely came ashore on the eastern part of the Malay Peninsula before moving to the other parts of Malaysia, especially Terengganu, where many Chinese people live. However, Kelantan’s laws are quite strict against minorities and immigrants, especially for purchasing land among the Siamese and Chinese minorities. The close relationship between the Thai and Chinese cultures resulted in the assimilation of their cultures, which was based on 3 factors: 1) the Chinese population had more economic power than Thais; 2) the state laws treated minorities strictly; and 3) there is no Chinese Buddhist temple in Kelantan State.

In Kelantan State, both Siamese and Chinese descendants have been classified as minorities, but the Malaysian government gave more rights to the Siamese than the Chinese. By the way, the Chinese have economic control over the local population. They are mostly business owners, investors, or philosophers. Even though they had high incomes, they could not buy land, due to the state’s laws. Thus, they have had to ask for donations of land from locals or Siamese people to use for religious activity. As one farmer said:

Originally, the Siamese built the temple. Siamese never leave Buddhism, but they were mostly quite poor. They had only their faith, but not money (Thepsirin, 2011)

While Siamese individuals were convincing the Chinese to support temple construction, the Chinese also wanted to build merit at the same time. Both requirements were negotiated, which resulted in the Thai temple holding the accumulated wealth of Chinese art. The restoration of the temple took place, due to the need of the Chinese to make pilgrimages, which caused the Thai identity of the temple to be reduced. Foucault (2007) said that every culture in the world has created ideological spaces called heterotopias, which are different depending on cultural factors. Originally, this space was a heterotopia of deviation, which is a deviational space that is isolated from societal norms. The Thai temple was first constructed from the mental perspective of Siamese individuals, but later the temple became constructed for the Chinese people. This caused the cultural assimilation between the Thai and Chinese cultures in the temple.

Phothikyan Temple is popular among the Chinese population because there is no Chinese Buddhist temple in Kelantan State. They have only had spiritual houses to worship the Chinese Buddha. Therefore, Chinese people used Thai temples to create their identity through the art of the temple. They used Thai temples as predecessors for purchasing land from the Siamese. One of the villagers said that:

‘Kelantan did not have a Chinese temple. The Chinese thus relied on the Thai temple, in order to carry out their activities. They donated a lot to the Thai temple’ (Wanwilai, 2011)

The Chinese population bought the land behind Phothikyan Temple from the villagers to build a cemetery that was decorated by Chinese art, in order to store their ancestor's bones that had been buried. Now, the Chinese population uses cremation in their funerals and stores the ashes in the small pavilion, which is decorated by Chinese art. This reflects a blending of Thai culture into Chinese culture that not only appears through the arts, but also through the merging of spiritual practices.

In addition to the absence of a Chinese temple in Kelantan State, the state has also issued traditional laws based on Islamic practices. It has used these acts to rule over people from other religions who have not encouraged Muslims to convert to other religions. The State Council established an Islamic committee to serve the interests of Muslims. If some Muslims converted into Buddhists, the council would react immediately. Meanwhile, Siamese monks did not try to obtain help from Muslims to construct the temple, and did not persuade Muslims to be Buddhists. This phenomenon resulted in the close relationship between the Siamese and Chinese populations. In addition, the Thai temple has been watched over by Sultan of Kelantan. Thus, Muslim officers rarely intruded upon activities within the temple. The Thai temple is free from any state control. As a local said:

'The Muslims were not likely to intrude upon the temple. In the temple, there were only Siamese and Chinese people. If the pavilion was designed with Chinese art, it meant that the Chinese were the patrons of the temple. If the pavilion was designed using Siamese art, it meant that the Siamese were the patrons of the temple'. (Chantaro, 2011)

5. Discussion

Thai temples in Malaysia have been influenced by the Chinese, due to the Chinese cultural diffusion into the Malay Peninsula. Thai art and culture, which were dislodged from temples, reflected the weakness of Thai culture, which was far from its cultural core. Boas (1966) suggested that, if a culture extends into other areas, it would be marginalized by other cultures that were stronger, which would result in cultural acculturation. The Chinese have more economic power than the Siamese, and the Siamese also needed economic support from the Chinese. This resulted in the cultural accumulation between Chinese and Thai culture in the temple. In addition, both the Siamese and Chinese populations also used the temple as a space to create a network among the minorities. This result has conformed to the findings of Horstmann (2004) that Kelantan Thais are balance their alliances between the rural and urban Chinese to cope with economic problems under growing Islamization and Kataoka's study (2012), which states that Buddhist can absorb the attendents of Chinese temples into the category of Buddhism to maintain the uniform image of Thai Buddhism. Thai Buddhism in Malaysia, as a minority religion, uses various approaches to negotiate for equality within society. One approach has been to create its own network with others, while also creating a sense of citizenship in the state at the same time.

People of Chinese descent are the largest immigrant group in Malaysia and have built the most temples (Khin & Huat, 2005). Phothikyan Temple reflects how Chinese-Malaysians have interacted with Siamese people, in order to find their collective spiritual anchor. Meanwhile, they also visit the temple to recreate the fineness of Buddhist art. The interaction among different cultures within Thai temples in Malaysia has been significant for the pursuit of spirituality and tourism in different ways:

5.1 Interaction between the Siamese and Chinese Cultures Caused by a Collective Reliance on Life and Death

The Thai temple has been considered to be a symbol of cultural accumulation between the Thai and Chinese cultures. The blending of arts in the Thai temple is reflected in the interactions between different cultures of people who are considered to be minorities in Kelantan State. This resulted in the wonder of visitors who have found the Thai temple full of Chinese Buddhas. Such interactions have occurred because of the capitalist approach. It is rational for Siamese people to ask for help from Chinese people to construct the temple, and the Chinese would accept requests or not, depending on the negotiations. As Chantaro (2011) who is a liaison said, 'Most of the Chinese are rich. They would donate money to build the temple. By the way, they will ask Thai people to build the temple with Chinese art. They would be proud if there was a Chinese Buddha within the temple'.

The study shows that Chinese immigrants in Malaysia have tried to adapt themselves to the local culture, but they would not abandon their traditional practices. This result has been supported by Beng's study (2010), which states that Chinese immigrants can live and adapt to different regional and socio-cultural environments. This is also supported by Mason's study (2009), which found that Chinese people have been trying to preserve their own culture and wanted to spread their culture within Malay society at the same time. A Buddha of Amitthapa is evidence of the success of the Chinese people in constructing Chinese art within the Thai temple. This not only meets the funding needs of the temple to develop the temple, but also meet the Chinese demand to have a spiritual, sacred place. Meanwhile, Siamese people have considered the Buddha of Amitthapa to be a tourist

attraction, more than for serving spiritual purposes, because most Siamese people worship Phrasrisakayamuni. This result is supported by Johnson (2011), who found that images of Chinese god and Thai style Buddha associate the community with local process. When considering the interactions behind the large standing Buddha as collective, Siamese people would relate to the Amitthapa as a Buddha that is supported by the Chinese. They would not focus on the doctrines about death as much. On the other hand, Chinese people consider the Amitthapa to be an important Buddha in the next world. They want to stay in heaven with the Amitthapa after death. This belief has resulted in the creation and meticulous decorating of family cinerary urns.

5.2 Interaction between Thai and Chinese Cultures in Thai Temple, from a Tourism Perspective

The outstanding art in Phothikyan Temple convinces many tourists to visit. Visitors come from various countries, such as Thailand, China, or even Muslim countries and India. This place has become a place of learning for ethnic interactions and integration (Muhamat, 2012). This outstanding place has become a wonder to the Muslims, as Thepsirin (2011) said that 'Muslims have investigated the temple because they wonder how we raised funds, and what Buddhism is about'. People not only wonder about the beauty of the temple, but about the concepts of Buddhism. This place has then become a cross-cultural learning place for Muslims and visitors from different cultures.

Phothikyan Temple is a tourist attraction because of the cultural tourism policies of Kelantan State, which has used the Thai temple as a beautiful place to attract visitors. The Thai temple in Kelantan has large Buddhas performing different actions, including sitting, reclining, walking, and standing. Similarly, a walking-action Buddha sculpture is located at Pikulthong Temple, a reclining-action Buddha sculpture is located at Potivihan Temple, a sitting-action Buddha sculpture is located at Machimmaram Temple in Tumpat District, and a standing-action Buddha sculpture is located at Phothikyan Temple. The latter two Buddhas were constructed in Chinese patterns. Phothikyan Temple contains three outstanding spots: 1) the tallest Buddha sculpture, 2) the longest Dragon wall, and 3) the most beautiful building in the temple. As Srisuwan said (2011), 'now this temple is a major tourist attraction for the state. Visitors from Taiwan, Singapore, Japan, and Western countries have come to visit. The longest dragon wall, the tallest Buddha sculpture, and the most beautiful shrine are here'.

Tourism has resulted in the exchanging of knowledge, language, and culture between the locals and visitors. Visitors have come to learn about the local culture, which is integrated with the Thai and Chinese cultures. This could help Muslims to accept the Buddhist identity more readily. The Thai art is mediated by the relationship between various peoples who have come from different cultures. Isa (2012) stated that art has its own power; it can be easy to understand, change attitudes, beliefs, values, and behaviour, and create understanding in multicultural areas like Kelantan State. The creation of Chinese art within the Thai temple reflects that a Thai temple beyond the area of Thailand is easily changed by other cultures. The Siamese population did not have a sufficiently high economic status to maintain the temple, which provided the chance for the Chinese population to play roles in the Siamese temple, such as for religious purposes or tourism.

6. Conclusion

From this study, we found that Thai temples in Malaysia were transformed in modern society because the Chinese Malaysians were supported. Although the Chinese were a minority group and migrated to the Malayu peninsula a long time ago, there are now many Chinese Buddhists living in the Muslim society, under many Muslim rules and traditions. However, the Chinese in Malaysia accepted modernization and used a modern style, mixed with Thai and Chinese architecture to develop Thai temples, such as in the style of a central sanctuary in a Thai temple, and they also have developed Thai temples to be places of religious and nostalgic tourism, which brings many people from Western and neighboring countries. Local people also come to visit to pray, donate, and take a rest, raising the income of Thai temples.

However, developing Thai temples to be open for tourism and developing a mixed architecture between Thai and Chinese styles have very complicated issues because some committees of the Thai temples do not agree with these changes. Some committees are conservative and would like to transform nothing about Thai temples or they do not want the Thai temples to be places of tourism, so they have thought about how to change the minds of Chinese investors to think about a Siamese identity (Malaysian Siamese is a term commonly used to refer to Malaysians of Thai ethnicity). The Siamese are also minority group like the Chinese, but the Chinese are in control of the economic system and have influence in the Thai temples because they have capital invested in and donated to Thai temple. As such, they now want the Thai temple to look like a Chinese temple and do not care what the Thais and Siamese think. Kang and Feng (2013) state that modern Chinese society is very complicated, and many Chinese think about the economy more than the old traditions and culture.

So, whether the Thai-style architecture remains a part of the Thai temple depends on the awareness of the Siamese, and they should have a greater awareness and protect their Thai art and architecture. At the same time, Chinese investors should change their minds and not look only at their benefit; they should also respect others, especially the art, culture, traditions, and architectural styles of other religions and/or nationalities. Although, the Chinese and Siamese are a minority, living in a Muslim society, such as Alwi's (2010), it is suggested that in Malaysia there is good interaction between Buddhists and Muslims in Kampung Tendong, Pasir Mas, Kelantan. The important thing is how to stay together in mix culture and mixed tradition places which is essential to the policy-makers to develop a better pattern of inter-racial interaction

So, when art changes to a new type of art or when art appears in another culture or tradition, it is because the culture is spread and driven by geography and the long history of the Malayu peninsula. King Rama 5 of Thailand gave the land in Kelantan, Trengganu and many lands in the north of Malaysia to the British. In these parts of the land many Thais Buddhist people remain. After Thais in these lands changed their nationalities to Malaysian, the Malaysians called them Siamese, and then they are transformed from mostly Thai Buddhist people in Thailand to a minority in Malaysia. At the same time, many Chinese Buddhist have migrated to Malaysia include the northern lands, where the Chinese have economic power because they are traders and donate money to Thai temples because they are also Buddhist. This is why we can see mixed art and architecture between the Chinese and Siamese in the Thai temples.

From this study, researchers can conclude three reasons why the art of the Thai temples is transformed to a mixed architecture: first, Thai art is not under the control of the Thai government and the Thai government is not concerned as much with this matter, so it is difficult to maintain Thai culture in Malaysia. Secondly, Chinese art came to Thai temples in north Malaysia, closely bordered to Thailand, which shows the weakness of central Thai culture. This also means that the central Thai government never set up the policy to maintain Thai culture outside of Thailand, so, Singaporeans and Malaysians who are faithful to Buddhist teachings, donated to and invested in the temple, and after that, they had more bargaining power to manage the Thai temples. This issue is making it difficult for the Siamese to negotiate and protect Thai art and architecture. Third, money is power, and it makes Thai leaders change their minds, which is why Chinese investors can transform Thai temples to a Chinese style.

Finally, it is difficult to maintain Thai art in the Thai temple under globalization and capitalism. If the Thai government is not concern with Thai art, Thai culture, and Thai traditions outside Thailand, how will Thai art and culture in Malaysia stay alive?

7. Recommendations

- 1) The next study should focus on the use of temple spaces as a commercial religious space, and study the negotiation of identity and meaning in the temple between Siamese people and non-Siamese people.
- 2) The state should distribute more funds for Thai temples to maintain their beauty and identity. This study found that the Siamese population allowed the Chinese to manage the temple's activities because of the lack of support from state agencies, especially in Muslim states.

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The Review of Improving Innovation Performance through Human Resource Practices in Organization Performance

Shila Shahnaei¹ & Choi Sang Long²

¹ Faculty of Management , UTM, Malaysia

Correspondence: Shila Shahnaei, Faculty of Management, UTM, Malaysia. E-mail: shahnaei.sheila@gmail.com

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Abstract

Organizations face severe challenge when they live in a dynamic and competitive business environment. Enhancing customer satisfaction levels are of serious concern for any organization as a matter of survival. This has to be achieved through implementation of innovative strategies. Major driving factor for innovation is human a capital and hence human capital needs constant monitoring by managers. Culture of innovation is the key for business success and thus an effective manager should be successful in managing his human capital. As such this paper proposes an innovation framework promotion model in organizations and discusses on how individual behavior may impact the organization's innovation strategies from both technical and administrative aspects. It is further noted that the association between human capital and innovation strategies is complex and needs further research in future.

Keywords: human resource management practices, culture, organizational innovation, organizational performance

1. Introduction

The last 2 decades have witness drastic changes in the world. In the current era of rapid and unexpected changes, role played by governments, civilians and private groups and organizations are also changing. Firms and management systems get transformed either by choice or by pressure. Necessity is also a reason for the same for adapting themselves for survival (Anastasiu, 2012; Maier, 2014). For meeting the challenges of future and to accelerate the rapid changes, both generalist managers and human resource specialists got to be effective in managing their human resource capital. They should be intelligent and knowledgeable. They should be skilled in the practice of HRM. These managers should be able to put into use specific HRM practices in order to catalyze organizational innovation (OI) (Maier, 2014). HR is one of the fundamental resources for any organization. It is termed as the key ingredient for the success of any firms (Foss & Laursen, 2012). This also includes its role in the failure and success of a firm's performance in innovation. It is critical to understand how and why HR capital boosts innovation in organizations and deploying what sort of HRM practices in the organization can result in the needed levels of performance of organizational innovation.

HRM practices matter to the human capital's contribution to performance of innovation in organizations. This study focuses on this said effect. As such management involves trainings, decision making on compensation of employees, good recruitment system and such. These arrangements imply better contribution to the human capital of the firm towards innovation. Practices of firms related to sourcing, human capital upgrading and deployment are identified in many literatures as impacting the performance of firm's innovation at firm levels (Cockburn & Henderson, 1994; Rjordan & Galunic, 1998). These are the major practices that are crucial constituent elements of innovation (Teece, 2007). A crucial part of such practices are those of the firm related to attracting, recruiting, training, appraising performance and reward system of employees.

This study surveys paid a role to explanation of innovation result in organization performance. Discussions are made on how practices of individuals impact the performance of innovation in organizations. Also discussed are how the clustering of particular practices is of concern in the results of organizational innovation (OI) (Ennen and Richter, 2010). Further research is called for as the mechanisms that underlie HRM practices and performance of organizational innovation are still less understood.

2. Human Resource Management Practices

Since the world turns to the competitive and dynamism, industries in the manufacturing sector are trying to get competitive advantage in cost and achieving more innovative sources via practices of HRM (Mohd Nasrudin & Tan, 2011). As such previous literature focused mainly on standalone HRM practices and their impact on the performance of organization.

HRM practices were given various perspectives. Jackson and Schuler (1987) explained it as a system for attracting, developing, motivating and retaining employees for ensuring the efficient performance and for keeping the organizational member and the organization itself. Apart from this, HRM practices are also seen as a set of practices and policies that are consistent internally, designed and put into practice for ensuring that an organization's human capital adds on to the achievement of business aims (Doty & Delery, 1996). Also Minbaeva in 2009, considered some HRM practices that used by firms for managing HR via facilitating competency development, which are specific to the organization, produce complicated social links and generate organizational knowledge for sustaining competitive advantage of the firm. We conclude that practices of HRM links to such practices, formal policies that are meant for attracting, developing, motivating and retaining employees who ensure the organization's effective functioning and very survival. In 2011 Mohd Nasrudin and Tan viewed that HRM practices related to particular practices that are designed for attracting, developing, motivating and retaining employees who makes sure of the organizations proper functioning and very survival. Against this, the study here concludes that practices of HRM are designed for employees who make sure that the organization survives on innovative ideas and function thus effectively.

Of the major approaches for developing HRM- strategic HRM practices, contingency and configuration approaches, HRM practices approach that is linked to innovation of the organization mostly focused on best practice. Literature review shows 4 common practices, which have been consistently linked to innovation, appraisal of performance, recruitment, system of compensation and training (Jimenez & Valle, 2005; Mohd Nasrudin & Tan, 2011; Laursen, 2012).

3. Organizational Innovation (OI) Performance

Organizational innovation means creation of new ideas and behavior for organizations. Dimensions of it are complicated and are multiple. This can be reviewed from 2 angles- one is the innovation's breadth. This includes policies, systems, procedures, administration, services, products and others. Second is the innovation's depth. This comprises the significance, the extent the impact on long-term profitability and other (Chuang, 2005). Basically there are 2 different categories of organizational innovation. They are technological and administrative innovations (Chuang, 2005; Mohd Nasrudin & Tan, 2011). Chuang further divided the technological category into secondary dimension- product and process innovations. Administrative innovation is still different from these two categories. The current study discusses on the OI, divide into major dimensions of product, process and administrative innovations. These are the major background for manufacturing that have equal ability in improving performance as well as effectiveness, for solving problems, adding some values and creating competitive advantage (Damanpour, 1996). As the innovations are crucial in increasing the performance of organization, innovation of organization is operational for being multi dimensional composed of 3 types of such innovations.

Innovation in products are defined to develop and commercialize a new product for meeting the needs of other users and taking the market space (Gopalakrishnan & Damanpour, 2001). This upon gaining enough literature and experience related, directed towards producing new materials, devices and prototypes. Process innovation but is seen as creating the new process or editing the current process (Waldman and Leonard, 2007). Process innovation involved improving in production or method of delivery that comes from technique changes, software or devices changing (Li & Zheng, 2006). Chew (2000) defined administrative innovation needs firms to have routines that can be verified and to have procedures for designing product, for manufacturing, delivering, servicing and supporting. As such all the three innovations can be the contributors for organizational competitive advantage.

4. HRM Practices and OI

Resource Based View (RBV) and Ability Motivation and Opportunity (AMO) theories are the most common ones applied in researches that associate performance and HRM (Pauwe & Boslie, 2005). View that is knowledge based considers knowledge as a previous resource of organization (Grant, 1996). Knowledge that is embedded in human capital allows organizations for enhancing specific competencies and for discovering opportunities in innovation (Grant, 1996; Wright, 2001). RBV also states that HR is a firm's resource, which is a subset of which allow firms for achieving superior performance in the long run (Barney, 1991). AMO theory

states that employees that get motivated have better performance. (Boselie & Paauwe, 2005). Practices of HRM plays vital role in influencing the employee motivation for exhibiting favorable attitudes and behaviors that are needed for supporting and implementing competitive advantage of the firm. When organizations develop and introduces new products or services, new processes and practices of administration, they need better innovative methods and creative HR, ideas and excellent opportunities who has flexibility and are risk taking and tolerant towards ambiguity and uncertainty (Huang & Chen, 2009). As such it's crucial for an organization for implementing supportive practices of HRM which can motivate and stimulate the employees for becoming innovative (Mohd Nasrudin & Tan, 2005).

Organizations can use some of the HRM practices like recruiting, training, performance appraisal and compensating for motivating employees and propel them for creative and innovative thinking (Foss & Laursen, 2003). As such this study's argument is that practices of HRM plays a vital role in impacting the OI, performance. For instance performance based appraisal stands as a challenge for the employees who motivate them to work better (Jaw & Liu, 2003). Such appraisal methods can result in employees working with better innovation and creativity adding on to the organizational innovation (Jimenez Jimenez and Sans Valle, 2005). Training imparts in employees the necessary skills and abilities which sharpen their innovation in production, processes, activities and management as a whole in every day operations (Liu and Jaw, 2003). Thus training imparts necessary ability and skills in employees which results in enhanced organizational innovation via their performance at job. Training leads to enhanced organizational expertise particularly in demand and content for innovation terms (Weisberg, 2006). Compensation systems are drivers for employees to take risks and think creatively for new and successful product and process creation adding on to the organizational innovation performance. Compensation system motivated employees which in turn increases organizational innovation. External sourcing is made use of in recruitment for grabbing the right employees for the firm, who are competent (Mumford, 2000). It is a major source that fits in between an individual and organizational culture. As such, enhanced recruitment systems result in enhanced organizational innovation by recruiting the apt candidates for organizational innovation (Brockbank, 1999). This study expects practices of HRM to be linked positively with innovation of organizations.

5. The Proposed Framework For Human Resource Practices and Innovation

Environmental change is rapid and such aspects characterize this as globalization, changes in the demands of investors and customers and ever increasing competition in products and markets. Today's organizations consider the people, its HR as one of the important resources of the organization. HR is becoming a source of enhanced opportunities in becoming competitive advantage for the firms (Caliskan, 2010). HR knowledge allows firms for increasing distinctive competencies and to identify opportunities for innovation, when organizations come up with new products or enhance their management processes, they need HR motivation and ability for the production and development of creative ideas and innovation. Practices of HRM can aid in developing an environment that motivates and equips employees with the ability to think and innovate adding on to the organizational innovation performance (Chen, 2009).

For reaching the actual organizational performance this study proposes a HRM practices and innovation framework as shown in Figure 1. This framework offers every general managers and human resource managers a clear idea of the existing human resource management practices capacity for innovation and potentials for developing this capacity for improving the firm's capacity for innovation, thereby enhancing the chances for success in the present world's highly competitive and dynamic business settings.

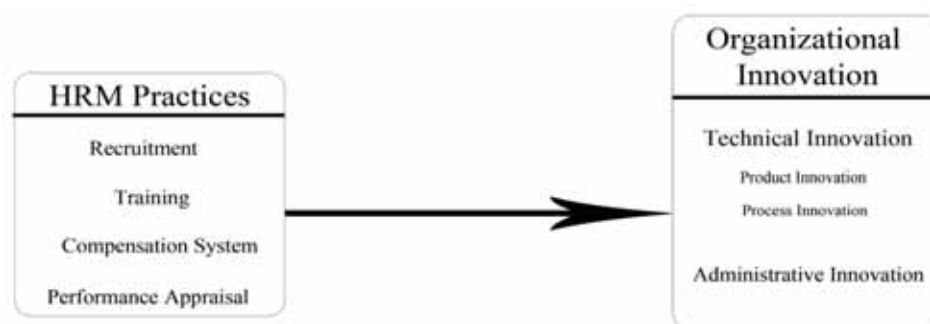


Figure 1. Research framework

6. Conclusion

Last 20 over years have witnessed expansion of the literature that specifies the link between innovation of organization and HRM practices. This also means that both the aspects have been getting considerable credits in research. Innovation is the key to modern day businesses. HRM practices associated with product, process and administration plays a significant role in OI performance. It provides a supportable competitive edge for firms in the rapid and fast growing, competitive business world.

Firms engage in open innovation processes and engage external sources of knowledge for innovation. Importance of employee participation is getting serious attention towards this these days. This indicates the need for dedicated and customized recruitment, training, appraisal and compensation system within HRM. Internal sourcing of innovation from its employees is the future for organizational innovation to provide competitive edge for firms (Dodgson, 2006). Anyhow this is the trend recently in business worlds, which fills several gaps in the research associated with organizational innovation and HRM.

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The Impacts of the Marine Transportation Openness Policies against the Transportation Costs

Tanti Novianti¹, Dian V Panjaitan¹ & Sri Retno Wahyu Nugraheni¹

¹Department of Economics, Faculty of Economics and Management, Bogor Agricultural University, Indonesia

Correspondence: Dian V. Panjaitan, Department of Economics, Faculty of Economics and Management, Bogor Agricultural University, Indonesia. Tel: 62-856-9100-6872. E-mail: fadhian@yahoo.co.id

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Abstract

Transportation costs are the driving factors of the world trade growth, lower transportation costs can increase the competitiveness of a commodity. With the openness of the transportation services sector, transportation costs due to the removal of tariff and non-tariff barriers will be lower. Some of the commodities exported and imported by Indonesia are farm commodities thus how the policies influence their transportation cost needs to be known. Analysis was performed using the 2010 cross section data of 15 countries. The analysis result indicated that the transport services sector openness did influence the transport costs of imports yet it didn't significantly influence the export transport costs.

Keywords: transportation costs, openness, restriction index

1. Introduction

Krugman (2002), Baier and Bergstrand (2001) mentioned that the decline in transport costs is the factor that encourages the growth of world trade. Krugman (1991), Deardorff (1995), Henderson et al. (2001), Hummels et al. (2001), Limao and Anthony (2001), stated that the transportation cost's role had increasingly risen since the advent of trade openness where trade barriers in the forms of both tariff and non-tariff are reduced and even eliminated. Behar and Anthony (2010) agreed it by stating that the transportation cost is one of the factors that influence the volume of trade and its pattern.

Salvatore (2004) stated that the transportation cost provide both direct and indirect influences on the economy. The immediate impact can be observed from the the side of the trade in the raise of the traded commodity's price, while the indirect influence effects the production venue and the industrial centers. The diminishing transport costs is thought to be caused by changes in modes of used transportation-related technologies that are used such as the development of the jet engine (air transport), types of ships and containers (marine transport) (Harley 1980; Mohammed & Williamson, 2004).

Table 1. Logistics cost burden of production costs and gross domestic product (%)

Countries	Share to GDP	Share to Cost Transportation
Japan	10	5
Singapore	8	6
Malaysia	13	8
Indonesia	27	17
Thailand	15	10
China	19	12.5

Source : Kadin and LPEM UI available at http://www.indii.co.id/upload_file/201206210835460/

Radelet and Sachs (1998) noted the importance of transport costs influence on trade and its growth through three channels. First, high transport costs reduce exports and its the economic growth. Second, higher transportation costs reduce the natural resources' advantages or the benefits which eventually resulting in lower savings for investment. Third, countries with higher transport costs reduce their trade and also foreign direct investment

(FDI), while trade and FDI are the main sources of technology transfer. The reduction of transportation costs would cause the price of the imported goods become cheaper, so the cost of production of goods that use those imported goods as intermediate inputs also become cheaper and be more competitive in the international market. As well as the final product, the cheaper transport costs will lead to cheaper products' price at the final consumers' level.

Transportation cost is one component of the logistics costs other than the handling and administration costs. A good state of logistics costs is a very important prerequisite for a country so that it can have strong competitiveness in the international market and to maintain the supply of goods in the domestic market. Based on the 2011 data acquired from the Chamber of Commerce and Industry (Kadin), Indonesia's logistics costs was accounted for 17 percent of Indonesian total production costs, or about 27 percent of Indonesian Gross Domestic Product (GDP). This figure was relatively much higher than other countries' logistics cost in like 5 percent in Japan (10% of GDP), 6 percent in Singapore (8% of GDP), 8 percent in Malaysia (13% of GDP), 10 percent in Thailand (15% of GDP) and 12.5 percent in China (19% of GDP).

Based on logistics performance index (LPI) in 2012, out of the 155 countries surveyed, Indonesia ranked 59 with a score of 2.94, an improvement from the year 2010 rank of 75 with a score of 2.76. Despite the improvement, Indonesia is still relatively far behind other ASEAN countries, namely Singapore, Malaysia, Thailand, Philippines, and Vietnam (Table 2).

Table 2. Rank and score of logistic index ASEAN+3, 2007-2012

Countries	2007	2010	2012
Singapore	1 (4.19)	2 (4.11)	1 (4.13)
Malaysia	27 (3.48)	29 (3.44)	29 (3.49)
Indonesia	43 (3.01)	75 (2.76)	59 (2.94)
Thailand	31 (3.31)	35 (3.29)	38 (3.18)
Philipina	65 (2.69)	44 (3.14)	52 (3.02)
Vietnam	53 (2.89)	53 (2.96)	53 (3.00)
China	8 (4.00)	13 (3.88)	2 (4.12)
Japan	6 (4.02)	7 (3.97)	8 (3.93)
South Korea	25 (3.52)	23 (3.64)	21 (3.70)

Source : World Bank 2007, 2010 and 2012

Logistics Performance Index (LPI) measures various aspects that reflect a country's efficiency level of logistics. There are six dimensions of logistics performance indicators used by LPI namely: the efficiency of the "clearance" process (customs); the trade's transportation and infrastructure; the ease of obtaining competitive shipping prices, including the ease of shipping scheduling; logistics competence and logistics services quality including warehousing services; the *tracking* and *tracing* facility which would be very helpful to make the goods arrival estimation at their respective destination; and timeliness. Based on the six categories measured in LPI, Indonesia's logistics sector performance was worse than the five ASEAN countries in almost all categories, except at the timeliness indicator which still slightly better than the Philippines. Customs and infrastructure were the Indonesian two lowest performing indicators.

Bertho (2010) conducted a remaritmerch on the restriction index that can be used as a liberation indicator on transportation service sector based on ten sub-indicators. That restriction index data was used in this study to determine whether the more open or the fewer barriers in Indonesian trading partners' maritime ports will further lower the transportation cost? Several previous studies have been conducted to determine how the openness affects the transportation cost. However, those studies did not specifically use the index restriction as the remaritmerch conducted by Bertho (2010).

2. Literature Review and Novelty

De (2006) stated that the trading cost is the sum of all costs to get the goods to the end user including, transportation cost (freight costs and time costs), policy-related costs (tariff and non-tariff), information costs, contract enforcement costs, costs related to the different exchange rates, laws and rules, and distribution costs (whole sale and retail). According to De (2006), industrial countries' trade costs consist of the transportation costs (21%), the border costs (44%) and the wholesalers and retailers distribution costs (35%). In the case of maritime trading, the transportation costs include the shipping cost and the shipping insurance from the export

port to the import port or vice versa. Similarly according to Salvatore (2004) who said that the transportation costs cover the shipping costs, the cost of loading and unloading at ports, insurance premiums, and various charges as the traded commodities are temporarily stored at transit points. Limao and Anthony (2001) found out that the increase in transport costs would reduce the United States' volume of imports. On the other hand, Baier and Bergstrand study (2001) showed that transport costs' raise will reduce the volume of exports and imports in most countries.

To estimate the trading cost and the transport costs, there are several approaches used, such as using the difference between the cif (cost, insurance and freight) and fob (free on board), which could be retrieved from the IMF, the UNCTAD, or the International Transport Data Base (BTI), as used by Limao and Venables (2001), Baier and Jeffrey (2001), Radelet and Sachs (1998). Other proxies use the distance and the cost of shipping (shipping cost).

Several studies were conducted by Hummels (1999), Limao and Anthony (2001), Radelet and Sachs (1998), Micco and Perez (2001), Fink et al. (2001), Sanchez et al. (2002), Kumar and Hoffman (2002), Zarzoso et al. (2006), and Korinek and Patricia (1999) to identify the trading costs' determinants, especially the cost of transportation. The explanatory variables used in these analyses are generally associated with distance and connectivity. Other variables which were also thought to influence the transportation costs are the infrastructure quality, the commodities' values, and the weight and export value ratio, export volume (tons), and the trade imbalance. The geographical distance is a variable that commonly used in trade analysis using the gravity model. Kuwamori (2006), Zarzoso et al. (2006), Limao and Anthony (2001) and Gordon W (2007) mentioned that the transportation costs will increase in line with the increase in distance. It meant, the farther the distance would result in greater transportation costs. The results of Limao and Anthony's study (2001) showed that each 1000 km of additional distance will increase the transportation cost for \$ 380. The study also mentioned that landlocked countries face higher transport costs than coastal countries.

Bertho (2010) mentioned that the restriction was a factor that affecting marine transportation. This restriction was described in ten indexes such as quotas, competition penalties exemptions, forms of ownership, ownership percentages, the acquisitions of ownership, citizenships of employees, citizenships of BODs, sabotages, cargo handlings and independent regulatory authorities. Those ten indexes which were used in the Bertho's study (2010) had included restrictions undertaken by countries which involved in the trade, such as the restriction to sabotage, restriction of cargo handling, cargo quota for private and public companies, the presence of treaty exemptions for competition rules and the presence of independent supervising institutions. In this remaritmerch, Bertho mentioned that sabotage restriction is the most dominant factor in the trade among APEC countries. UNCTAD (2012) also mentioned that sabotage is the most widely used regulation in international trade. In many countries, sabotage is carried out by forcing the use of domestic ships to reduce their competition against foreign ships. Indonesia, for example, bans the import of old ships as a sabotage to boost domestic ships demand.

Connectivity variable, as one of the determinant factor of transport costs, is commonly associated with the condition or the quality of the infrastructure of the trading countries. Limao and Anthony (1999) in their remaritmerch on infrastructure, adverse geography, and transportation costs indicated that infrastructure, either infrastructure itself or infrastructure that's formed by the nature of "landlocked countries", significantly negatively affected the transport costs and bilateral trade flows. Infrastructure improvements in the destination country with one standard exchange will reduce 6500 miles maritime trip or 1000 km land trip worth of transportation costs. Landlocked countries' condition would increase transportation costs by about 50 percent compared to coastal countries and the infrastructure improvement in the landlocked countries would reduce losses by 12 percent. Meanwhile, as the other related variable, imports' value had an inversely proportional correlation with the transportation costs. So, the cheaper the transport cost will enhance the import value, or vice versa. By adding these two variables, the import and infrastructure variable, in the model would enhance its diversity for about 50 percent. In addition to distance, Limao et al. (2000) showed that infrastructure was an important determinant factor of transport costs. Using the CIF/FOB ratio, the study indicated that the improvement in the infrastructure's quality could reduce transportation costs by 40 percent for coastal countries and 60 percent in landlocked countries.

Other related research showed that port efficiency affects the trade's transportation costs. The improvements in port efficiency would reduce the shipping cost for more than 12 percent or equivalent to a distance of 5000 miles. On the other hand, port inefficiencies will increase the handling costs. Another interesting thing is correlation of international trade with the organized crime variable which significantly affected the port services negatively thus increased transportation costs. A 25-75 percent increase in organized crime's activities would decrease in the port efficiency from 50 to 25 percent. a 25-75 percent reduction in port inefficiency (related to transportation

costs) would increase the bilateral trade by about 25 percent (Micco & Natalia, 2002; Clark, David, & Alejandro, 2004).

Nordas and Roberta (2004), in their research on infrastructure and trade using a gravity model, indicated that a significantly positive infrastructure's quality had a relatively large impact on bilateral trade flows. Among the individually used infrastructure indicators namely roads, ports, telecommunications, and customs related time usage, it turned out that ports' quality/efficiency was the one that had the greatest impact on bilateral trade. Punctuality and information access (telecommunications) variables are relatively more important to enhance the competitiveness of the textile and automotive sectors.

Similarly, the *remaritimerech* conducted by Ahmad (2011) on the effect of port efficiency in Indonesia's bilateral trade with the EU using the gravity model approach, stated that the transportation cost was one of the barriers in trade cooperation for both parties. One of the factors that determined the transportation cost was port efficiency, while the proxies used in measuring port efficiency is the quality of port infrastructure (QPI) and logistics performance index (LPI) along with their components. The results indicated that the port efficiency had a positive effect on the total efficiency of Indonesia's bilateral trade with the EU. The infrastructure quality, the port logistics' quality and the shipping punctuality were the detail components of port efficiency that had the most influence in Indonesia's total trade with the EU.

Korinek and Patricia (1999) stated that the trade imbalance between the trading countries illustrated the many freight services that were forced to transport empty containers on their way back. Hence, the charge/cost of one way shipping is not the same as on the way home. Fuchsluger (2000) showed that this phenomenon was observed in the bilateral trade between the United States and the Caribbean. In 1998, for example, 72 percent of the containers shipped by the Caribbean to U.S. were empty. The containers excess supply to the north implied that the U.S. exporters paid 83 percent higher than the U.S. importers for ships carrying the same kind of merchandise between Miami and Port of Spain. Trade imbalances has become one of the peculiarities of the shipping industry because all containers (not only freight ships) have to go back to their place of origin so that the carriers would often transport goods with negative added value to help cover the costs to of going back.

3. Data and Model

The analysis was done using two methods which were by using a *cross section* data of 15 countries of Indonesia's trading partners and the panel analysis. This was done because there were limited restriction index data (an index that shows the openness of maritime transport services sector). The restriction index data is only available for 1 year only for the 15 Indonesia's trading partners (Bertho, 2010). The countries which were analyzed in the cross section data are: Australia, Canada, China, Hong Kong, Japan, South Korea, Malaysia, Mexico, New Zealand, Peru, Philippines, Russia, Singapore, Thailand, and USA. By using the restriction index, we could analyze how the transportation services sector openness influenced transport costs on Indonesian exports and imports with its trading partners.

The model on the maritime transportation service sector openness influenced (restriction) on the export and import transportation cost

$$\text{LnTC_FOB} = \alpha + \beta \text{restriction} + \varepsilon \quad (1)$$

$$\text{LnTC_CIF} = \sigma + \text{restriction} + \epsilon \quad (2)$$

Legends:

LnTC_FOB: Export transportation cost which derived from the following approach

$$\text{LnTC_FOB} = \frac{(\text{export value}/\text{export volume})}{\text{Indonesian cif}}$$

LnTC_CIF: Import transportation cost which derived from the following approach

$$\text{LnTC_CIF} = \frac{(\text{import value}/\text{import volume})}{\text{Indonesian trading partner's cif}}$$

Restriksi: An index which shows a country's transportation sector openness by the value between 0 (closed) and 1 (open).

The value and the volume analysed were the value and the volume of Indonesian agricultural exports and imports with its 15 trading partner countries in 2010 which were adjusted with the available restriction index on that year.

4. Result and Discussion

Openness in the maritime transport services sector was shown by the escalating number of restriction index based on Bertho's remaritimerch result (2010). The restriction index ranges between 0 (full restriction/closed) and 1 (no restriction/open). The restriction index on maritime transportation was derived from the average index of quotas, competition law Exemptions, form of ownership, percentage of ownership, acquisition domestic entity, nationality reqt employees, nationality reqt BOD, cabotage, cargo handling, an independent regulatory authority. Indonesia adopts the cabotage shipping system as mandated in Law. 21 of 1992 on Shipping, Article 73, paragraph 1, a system which is also adopted by the Singapore, Philippines, and the United States.

Based on the Bertho's results (2010), Hongkong is the most liberal APEC member followed by New Zealand, and Australia. Meanwhile Indonesia's system was still half restriction with a restriction index of 0.65. On the other hand, Vietnam was the least liberal. Like Indonesia, Vietnam also does not have any deep maritime port so the traded goods had to stop in Hong Kong and Singapore ports, as well as Malaysia's before they could arrive at their final destination. A description of the inhibition level in the maritime transport services sector can be seen in Table 3.

Table 3. Restriction index in maritime transport sector

Negara	quotas	competition law exemptions	form of ownership	percentage of ownership	acquisition domestic entity	nationality reqt employees	nationality reqt BOD	cabotage	cargo handling	independent regulatory authority	restriction
Australia	1	0	0.5	1	1	0	1	1	1	1	0.75
Canada	1	1	0.5	1	1	0	0	0	Na	1	0.61
China	1	1	0.5	0.49	0	1	1	0	1	0	0.60
Hongkong	1	1	1	1	na	na	na	nr	1	na	1.00
Indonesia	0.5	1	0.5	0.49	1	1	1	0	1	0	0.65
Japan	1	0	0.5	1	1	na	0	0	1	1	0.61
Korea	1	0	0.5	1	1	0	1	0	Na	1	0.61
Malaysia	1	1	1	0.3	0	na	na	0	Na	1	0.61
Mexico	1	1	1	1	1	0	1	0	Na	1	0.61
New Zealand	1	0	0.5	1	1	na	na	1	1	1	0.81
Peru	1	1	1	1	1	0	0	0	Na	0	0.56
	0	1	0.5	0.4	na	1	0	0	0	1	0.43
Philippines											
Russia	0	1	0.5	1	1	1	1	0	1	0	0.65
Singapore	1	0	0.5	1	na	na	na	nr	1	na	0.70
Thailand	0.5	1	1	0.49	0	1	0	0	0	0	0.40
USA	0	0	0.5	1	1	0	0	0	1	1	0.45
Vietnam	1	1	0	0	0.5	0	0	0	0	0	0.25

Source: Bertho (2010)

Note: na=not available; nr=not relevant; 0=close, 1=open

The results of the *cross section* data analysis indicated that transportation service openness had a significant impact on transportation costs of Indonesian imports from its 15 trading partner countries and did not significantly affect the export transport costs. It meant, Indonesia had not been able to take advantage of the maritime transportation service openness performed by its trading partner countries. The impact of openness was actually an increase in the amount of imported goods which resulted in increased transportation costs. It indicated that Indonesia was not yet ready to face the AEC which is scheduled to begin in 2015. However, it is inevitable for Indonesia to face the AEC since it had been agreed by all ASEAN countries.

The effect of the transportation service sector openness was greater on the imports' transportation costs rather than to the exports'. This result is shown by the magnitude of the openness (restrictions) coefficient of 0.33 on exports' costs to 2.38 on imports' cost. Judging from Indonesia's position as a country which imports 80 percent of its domestic industrial raw materials then of course the openness can have some negative impacts on the industry.

Table 4. The impact of the maritime transportation service sector openness (restriction) on the export and import transportation costs

Dependent Variables	Independent Variables	
	LnTC FOB	LnTC CIF
Restriction	0.33[0.59]	2.38[0.00]**
Constant	965.77[0.09]*	-1.06[0.04]*
<i>R-squared</i>	0.31	0.45

Note: *) significant on 10% significance level; **) significant on 5% significance level; [] prob.

The more Indonesian trading partners' ports open (less restriction), the greater the transportation costs of Indonesian agricultural commodities imports from those countries. In terms of exports, Indonesia has not been able to take advantage of the ease in trading partners' ports to boost its exports of agricultural commodities from Indonesia to those destination countries. In fact, as stated in the theory, the restriction should lower the transport costs so the commodities' prices could become cheaper and the commodities could compete with those of other countries'.

It's not without reason to say Indonesia has not been able to take advantage of the maritime transport sector openness well. This has happened due to the complicated problems faced by Indonesian maritime transportation. There are at least four major problems that are faced by Indonesian maritime transportation, namely:

1. Something dealing with the volume and balance of commodity (input and output). The ships are loaded with goods when they come from Jakarta to Papua; but on the way home from Papua to Jakarta, they are empty. Similarly, the same things happen with the minerals brought from East Kalimantan to Java, which makes transportation costly.

2. Ships. Law No. 17 of 2008 has explained that the shipping routes are decided by the market's mechanism. The markets may pick their own route and determine their ships' size. Thus, there are thin routes and thick routes. For example, the Surabaya - Merauke route costs 20 million IDR/TEUs, yet the Surabaya - Jayapura which has the same distance costs 10 million IDR/TEUs. Then, there are ships that are too big and there are ships that are too small. Thus, we should start building various kinds of ports such as *feeder port*, *collector port* and *hard port*. What hinder Indonesian inter-islands maritime transportation business growth is the presence of regulations that have not supported them. For example, the absence of government incentives which are acceptable to financial institutions and banks that support these businesses thus there's no pressure to lower the high lending rates. With the high interest rates, as high as the commercial lending rates, it would be difficult for the inter-islands companies to request for fleet rejuvenation financing. In some other Asian countries, 0-5 percent interest rates are applied for the new ships procurement as a form of government support to promote maritime transportation business.

Another thing that is aggravating this business is the high import duty regulation which applied to ships' raw materials and spare parts, while 90 percent of ships' spare parts are still imported. Indonesian inter-islands shipping tariff policy is still hasn't adequately refer itself to what the inter-islands shipping operational needs. Currently, Indonesian inter-islands transport rates are among the cheapest rates which applied among all ASEAN countries. As a comparison, the highest rate in the pioneering route was the Namlea-Sanana route which charged Rp 112,005 for a distance of 120 miles, which means every mile on that route cost Rp 933.4. Meanwhile, the lowest rate is applied in the Philippines, on the 27 miles Batangas-Kalapani route which charge Rp 39,981 or Rp 1,481 per mile. To compare the Indonesian lag in applied tariff policies, Table 5 shows its comparison with ones that applied in other ASEAN countries.

Table 5. Tariff/ miles for commercial strategic trajectory in Indonesia and abroad

No	Trajectory	Distance/ Miles	Tariff/ Miles/ Rupiah	Description
1	Padangbaik (Bali)-Lembar (NTB)	38	856.2	Highest
2	Ketapang (Jatim)-Gilimanuk Bali)	5	800.0	
3	Rajoe (Sulsel)-Kolaka (Sultra)	85	675.2	
4	Merak (Banten)-Bakauheni (Lampung)	15	621.7	
5	Sape-Labuhan Bajo (NTB-NTT)	75	556.0	Lowest
6	Don San (Surat Tani)-Pulau Samui	16.5	2682	Thailand
7	Kamoike-Tarumizu	15	3344	Japan
8	Batangas-Kalapani (Pulau Mindoro)	27	1481	Phillipina

Source: Dermaga (2013)

1. Port. Whether a port is good or not is indicated by how long do ships have to dwell at that port. Short dwelling time means that the port is quite good, but if it takes days then the port is not in a good condition. Nowadays, the dwelling time at Tanjung Priok port takes seven days and currently being shortened to 2.5 days improve its service.

2. Regulatory system. A service regulatory system should have a *cabotage* system. If the goods are carried by Indonesian ships, then it's taxable; but if they were carried by overmaritimes ships then it's tax-free.

Similar things happened to Indonesian logistic service export system which is still dominated by foreign ships, domestic ship industry businesses are still unable to compete with them. As the result, import-export activities do not provide additional revenue for the state, because they use Free on Board (FOB) methods or borne by the importers in the destination country. Exporters are expected to begin switching their exports terms of delivery cost from the currently used FOB terms to CIF (cost of insurance freight), because up until now most of the exporters still use the FOB term on their exports and use foreign-flagged cargo ships. By using the CIF terms, the exporters will have the opportunity to choose to use Indonesian-flagged ships, so the Indonesian shipping industry can have a greater opportunity to contribute to the export and eventually increase the chances of the national economy.

The potential losses from the lack of domestic transport ships usage are very large. For example, the benefit of transporting palm oil or coal falls to Singaporean ships. The magnitude of the potential losses from the foreign ships usage on exports and imports has reached USD 15-20 billion or IDR 120 trillion annually. That number is obviously burdening Indonesian national budget. Apart from the transporting ships, logistics business also absorb a lot of money to abroad, because the exporters uses the FOB delivery system and make the costs to be borne by the importers, including the boat rentals. Other logistic business components that also fled are insurance and the interest from foreign banks that serve the exports. Actually if the services sector could gradually reduce its dependence on foreign exporters and importers, then it would certainly help the national foreign exchange reserves.

Another issue that must soon be addressed is the fact that many exporters have chosen the FOB terms to save them the trouble because if they were to use domestic ships they will have to pay more expensive transport costs with limited number of ships. Unfortunately, approximately 91 percent of Indonesian domestic ships only serve domestic logistics while the remaining 9 percent do overmaritimes shipping. Therefore, we are confident that CIF could increase the use of domestic ships by 12 to 20 percent. The development of maritime transportation in Indonesia is still dominated by foreigners. In terms of maritime transportation, Indonesia has yet to have an adequate fleet in terms of number and capacity.

2001 data showed that the national fleet's *share* capacity only reached 5.6 percent compared to those of foreign's which reached 345 million tons. The share of the national fleet to the domestic transportation which reached 170 million tons had only reached 56.4 percent. These kind of conditions must be very disheartening, especially at the door of free trade era. Until 2001, there were 1,762 shipping companies. Out of those 1,762 shipping companies, there were 126 companies that had ships weighing up to 174 Gross Tonnage (GT), 6,070 companies had 175 GT-4999 GT, and 129 companies had 5000 GT 129 companies. As for the rest, those 809 shipping companies did not have any boat or just chartered other boats. Shipping companies that actually had ships were PT Pelni (44 ships), Pertamina (35 ships), Meratus (19 ships), PT Arpeni (18 ships), Berlian Laju Tanker (9 ships), and PT Pusri and Noah Adiguna (respectively 7 ships) (Directorate General of Maritime Transportation). Surprisingly, the companies which have ships are not really companies with maritime transportation as their core businesses, but they operate those ships as means of supporting its industrial activities.

The dominance of foreign shipping is seen on how their ships' freight of overmaritimes cargo (export/import) which amount to as much as 92.5 percent (322.5 million M/T). As for the domestic freight, foreign ships controlled 50 percent of the total transported goods (89.8 million M/T). This means that most national shipping companies are mere agents for the foreign ships. The impact of this condition is the lack of authority to reduce the sources of inefficiency in maritime transportation.

Another thing that needs to be developed is the hub port in the Eastern and Western Regions of Indonesia to improve the national economy, which has been flowing to Singapore or Malaysia. Excluding Tanjung Priok, other hub ports also needed to be considered/maintained are the Port of Sabang in Aceh and Port of Makassar in South Sulawesi. These considerations/maintenances could reduce the annual foreign exchange reserves loss of Rp 2.7 trillion as a result of the harboring on other countries' hub ports (Kamaluddin, 2003).

According to the World Bank (2011), Indonesian cross-border trade rank is 47, which is relatively far compared to Singapore, Thailand, and Malaysia who respectively ranked ranked 1, 13 and 37. Cross-border trade compiles

all procedural requirements in the export-import activities which done through maritime transportation, which includes the number of documents, time and cost (Table 4.4). Based on Table 4.4, the number of documents needed in export activities in 2011 was 5 documents, the time required for the export was 20 days, while the export cost reached USD 704 per container. Compared to 2006 condition, there has been a slight improvements in number of documents (from 7 to 5) and time needed (from 25 days to 20 days), but Indonesia was still lag behind other ASEAN countries in term of days needed and costs of container exports. From the number days, Indonesia was just a little better than Vietnam, but in terms of cost, Indonesian export's cost was the most expensive while the Malaysia and Singapore cost the cheapest.

Table 6. Procedural export ASEAN countries, 2010-2011 Year

Countries	2010			2011		
	Document (number)	Time (day)	Cost (US\$/container)	Document (number)	Time (day)	Cost (US\$/container)
Indonesia	5	21	704	5	20	704
Singapore	4	5	456	4	5	456
Thailand	4	14	625	4	14	625
Malaysia	7	18	450	7	18	450
Philippina	8	16	816	8	15	675
Vietnam	6	22	756	6	22	555

Source: World Bank, 2010-2011

5. Conclusion and Policies Recommendation

Based on the analysis, it can be concluded that the transport services sector openness (restriction lowering) may affect the import transporting cost of Indonesian agricultural commodities. However, the low restriction in ports can not affect the export transportation cost of Indonesian agricultural commodities. This result showed that Indonesia had not been able to take advantage of the eases presented in ports (openess) to increase its agricultural exports.

In order to support the logistics development to enhance the Indonesian trade competitiveness in ASEAN Logistics Integration Logistics which starts in 2013, ASEAN Market Integration and the ASEAN Economic Community (AEC) which starts in 2015 and Global Market Integration which starts in 2020, the presence of international hub ports establishment needs to be facilitated right away by the government or private companies, so that Indonesian large capacity transportation will no longer have to pass through Singapore and Malaysia and will be able to increase Indonesia's income.

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Perceptions of Consumer Impulse Buying Behavior in the Super Store: A Case Study of Some Selected Super Store in Bangladesh

Md. Alauddin¹, Md. Musharof Hossain¹, Md. Ibrahim¹ & Md. Ariful Hoque¹

¹ Department of Business administration, International Islamic University Chittagong, Bangladesh

Correspondence: Md. Alauddin, Department of Business administration, International Islamic University Chittagong, Bangladesh. E-mail: mdalauddin89@yahoo.com

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Abstract

Super stores are playing a key role in the field of shopping in Bangladesh. The popularity of super stores is increasing day by day in our country and consumers are becoming more habituated to buying from here. Today's consumers are also very much concern about food items. They want fresh, hygienic and healthy foods. So, super stores have become a great source for the consumers to get these items of foods. This paper is an attempt to investigate the factors that affect consumer impulse buying behavior at superstores in Bangladesh. Survey methodology was used to collect the data from 100 respondents by adopting simple random sampling technique. The study found that many factors were responsible for this changing buying behavior such as: in store atmosphere, point of purchase display, convenience, location, product characteristics, product quality, availability of branded items, store size, store image, variety seeking, discounts, stock outs, packaging, in store display etc. All of the characteristics are subject to consideration while making a purchase. Specifically planned purchase, generally planned purchase, substitute products all have an impact on impulse buying. The paper will be useful for marketing practitioners and researchers towards comprehensive understanding of the consumer's impulsiveness.

Keywords: super store, impulse buying behavior, planned purchase

1. Introduction

Super stores have become a new dimension of shopping in Bangladesh. It opens the modern path to shop in the most comfortable and relaxed shopping environment. It is a different type shop unlike departmental store or any type of grocery shop. It is much larger in size and in terms of quantity of products and much greater number of products is available. Impulse purchase or impulse buying means any purchase which a shopper makes, through it was not planned in advance. Impulse buying is defined here as a consumer's immediate response to external stimuli. It is not confined to a specific product category, but excludes the purchase of common household items (Madhavaram & Laverie, 2004). Almost everyone makes impulse purchases at one time or another; it would seem that this is relatively simple phenomenon. A consumer sees some item, finds it appealing, and buys it, although he or she had not planned its purchase before entering the store. Actually unplanned purchase represents an important but troublesome area of consumer activity. Researchers and marketers are interested in the dynamics of impulse buying it accounts for a large proportion of purchasing behaviors. Studies indicate a great portion of the purchases in super shops are unplanned and that their number increases the amount of an individual's bill. As unplanned or impulse purchases occurs in a retail environment and are generally stimulated by in-store factors that marketers and retailers may control to varying degrees.

2. Literature Review

Research scholars have taken a very keen interest in impulse buying for the past sixty years (Clover, 1950; Stern, 1962; Rook, 1987; Peck & Childers, 2006; Chang et al, 2011). Abratt and Goodey (1990) found that the examination of impulse buying in supermarkets could be of much interest to the manufacturers as well as retailers worldwide. Piron (1991) attempted to define the impulse buying by reviewing the past research works and found that the earlier studies revealed impulse buying to be very similar to unplanned purchasing (Clover 1950; West 1951), and forwarded his findings with managerial interests in mind. The managerial interest mainly refers to the focus on the product sales. Therefore in the earlier studies only the purchases were investigated and not the consumers traits. The researchers have suggested that impulse purchases can be further

classified depending on the consumer's experiencing emotional and / or cognitive reactions.

Clover (1950) was first to study impulse buying mix and pointed out that some product categories are more sold on impulse. Stern (1962) defined impulse buying behavior by classifying as planned, unplanned, or impulse, also suggested that some product-related factors that might predict impulse buying. Kollat & Willett (1967) found that the characteristics of consumers and their demographics influence the impulse purchasing. Rook & Hock (1983) identify five crucial elements in impulse buying: a sudden and spontaneous desire to act, a state of psychological disequilibrium, the onset of psychological conflict and struggle, a reduction in cognitive evaluation and a lack of regard for the consequences of impulse buying. Rook & Hoch (1985) argued that impulsive shoppers tend to enjoy shopping more and the impulses are result of consumer's sensation and perception driven by the environmental stimulus. Rook (1987) introduced the concept of consumer impulsiveness as a lifestyle trait, which can be linked to materialism, sensation seeking and recreational aspects of shopping. Piron (1991) defined impulse purchase based on four criteria-Impulse purchases are unplanned, decided "on the spot", stem from reaction to a stimulus and involve either a cognitive reaction, or an emotional reaction, or both. Rook & Fisher (1995) introduced impulsiveness as a personality trait and defined as consumer's tendency to buy spontaneously, non-reflectively, immediately and kinetically. Beatty and Ferrell (1998) formulated the definition of impulse buying as a sudden and immediate purchase with no pre-shopping intentions either to buy the specific product category or to fulfill a specific buying task. Bayley & Nancarrow (1998) suggested that impulse buying behavior is a complex buying process and the rapid decision process during shopping, prevents deliberate consideration of alternative information and choices. Youn & Faber (2000) suggested that both positive and negative feeling states of consumer are potential motivators for impulse buying. Kacen & Lee (2002) described that cultural forces could impact impulse purchasing of individuals. People having Independent self concept engage more in impulse buying. Crawford & Melewar (2003) said that marketers should promote a good store layout to maximize the convenience of the consumer. A well trained salesperson can decrease frustration by guiding and aiding the consumer in the purchase process and activate impulse buying behavior (Crawford & Melewar, 2003). Luo (2005) found that the presence of peers increases the urge to purchase, and that the presence of family members decreases it. Park, Kim & Forney (2006) said that hedonic consumption has an indirect effect on fashion-oriented impulse buying. Fashion oriented people are pleasure and enjoyment seeking. Peck and Childers (2006) found that touch increases impulse purchasing as the distance between product and consumer decreases. They suggested that point-of-purchase signs, displays, and packaging encouraging product touch may increase impulse purchasing. Mattila & Wirtz (2008) found that store environmental stimuli such as social factors (perceived employee friendliness) positively affect impulse buying behavior. Silvera, Lavack & Kropp, (2008) studied the impact of emotions and inferred that impulse buying is influenced by the 'affect' or emotions of the consumer. Tirmizi, Rehman & Saif (2009) clearly indicate that there exists a weak association between consumer lifestyle, fashion involvement and post-decision stage of consumer's purchasing behavior with the impulse buying behavior including the attitudinal as well as behavioral aspects of the consumers buying behavior. Pre-decision stage of consumer's purchasing behavior established strong association with the impulse buying behavior of the consumers. Dawson and Kim (2009) studied the affective-cognitive aspects and found significant relationship between a person's affective and cognitive state and their online impulse-buying behavior. Yu and Bastin (2010) said that hedonic shopping value of an individual lead to impulse purchases and are inextricably related to each other. Impulse buying varies across a broad range of product categories which include clothes, books and equipments for exercises (Yu & Bastin, 2010). Sharma, Sivakumaran & Marshall (2010) studied the variety seeking behavior of impulse buying. They found the variety seeking individuals are more prone to impulse purchases. Chang, Eckman & Yan (2011) observed that the positive emotional responses of consumer to the retail environment result in impulsive purchases. Shen & Khalifa (2012) observed that cognition of the consumer moderates the relationship among buying impulse and the actual impulsive behavior.

3. Problem with Justification

Now a day the way of people shopping are changing. They want much relaxed environment in a retail environment. Consumers want to buy more and more from Superstores. As they are ready to buy more frequently with specific plan and specific items often they visit super store. Frequency of visiting super shop increases the rate of unplanned that is impulse purchase. A lot of factors like specifically planned, generally planned, substitute products are involved to this nature of impulse buying which is a problem for consumer as well as shop owners.

There are some factors that influence consumer's unplanned nature of buying in the superstores. A lot of factors influence before made this type of buying such as in store characteristics, point-of-purchase display, locations,

advertisements, quality of products, size of products, relaxation in the store, and above all the income level of consumers. Purchase made without much advance planning increases as the number of superstore has been establishing in the suitable locations that have significant impact to the impulse buying of consumers. A shopper may go to shopping with a mental note to buy one thing and buy another thing that may not be a necessity. This is an impact of all the factors mentioned above in impulse buying.

4. Research Objectives

4.1 General Objective

This research will focus on the consumer's different aspect of buying behavior of unplanned purchases of an impulse item.

4.2 Specific Objectives

The basic objectives of this research are:

- To identify the factors that influence consumers to make an impulse purchase.
- To find out the relationship among specifically planned generally planned, substitute and unplanned purchase.
- Brand consideration and substitute's effect to this type of buying.
- Determination of in-store characteristics that might affect impulse buying.
- Frequency of shopping trip in the super shop relation to impulse buying.
- Level of expenditure to this type of shop.
- Customer satisfaction level to this type of shopping.

5. Research Methodology

5.1 Research Design

This research is a descriptive one. Primary data has been used for data collection. A survey has been conducted as the method of collecting primary data. Data has been collected in many ways from consumers who have been visited the selected super store in the Dhaka city. Every individual respondent has been considered as potential respondent in the research. A close ended questionnaire has been developed and provided to the respondents for the convenience of the research. Personal interview has also been taken as the method of administering the questionnaire in the survey.

5.2 Nature and Sources of Information

Sources of information are primary in nature and data has been collected directly from the super shop those who came in the shop.

5.3 Sampling Plan

This research will be conducted through some convenient sample of consumer from the selected super shops. We selected Dhaka city for this paper due to capital city of Bangladesh. Almost 15 million inhabitants live in this city.

Table 1. Sampling for customer

Sampling Characteristics	Individual respondents
Population	Consumers of Dhaka city
Sampling unit	Consumer who visit super shop
Element	Consumer who visited super shop
Extent	Dhaka city
Time	January-February'14'

Data has been collected through simple random sampling procedure.

Table 2. Sampling for providers

Sampling Characteristics	Individual Respondents
Population	Shops in the Dhaka city
Sampling unit	Super shops in the Dhaka city
Element	Meena bazaar, Almas, PQS,& Shop N Save
Extent	Dhaka city
Time	January-February'14'

Shops have been selected that met the criteria of a super shop.

5.4 Sample Size

100 consumers have been selected randomly and interviewed twice before entering the store and at the time of leaving the store.

5.5 Data Collection Methodology

Primary sources of information have been used for data collection. Consumers who visited regularly and irregularly have been selected as respondents. A simple random sampling procedure has been applied for data collection. Before preparing the questionnaire a list of information has also been developed.

5.6 Method of Data Analysis

After collecting data from respondents, data analysis part has been started. First of all each questionnaire has been numbered from one to hundred. Then one by one has been taken and tabulated in a certain form so that this views a result.

In this analysis data has been analyzed by simple tabulation. Objective of the study has been considered as the guide line when data has been tabulated. The questions of the questionnaire that supports the particular objective has been separated first and tabulated thereby.

6. Environmental and Situational Analysis and Its Results

6.1 Frequency of Visiting Super Shop

Frequency of visiting to a super shop is number of times a consumer goes to shop in a definite period of time. First visit impression to a super store is influential for shopping tour to shops.

Table 3. Frequency of visiting super shop

Factors	No. of respondents	No. of respondents in %
Once in a week	04	04%
Twice in a week	0	0%
Once in a month	11	11%
Twice in a month	09	09%
No definite period of time	76	76%
Total	100	

In this survey among one hundred respondents most of them have no definite time period to visit. 76% of the respondents fall into this category. Among the rest mostly visited once or twice in a month. It was also found that those who visit more frequently to buy more of impulse items than those of less frequent. More frequent visit increases the ranges of bills compare to less frequent visitors.

6.2 Brand Choices in Specifically Planned Purchase

People go to super store in order to buy specifically planned products. In this type of specific plan most of the respondents opine in favor of the specific branded items. Almost one –third of the respondents alter the brand though they come to buy specific items. Substitute products and brands often cause for changes.

Table 4. Brand choices in specifically planned purchase

Factors	No. of respondents	No. of respondents in %
Yes	74	74%
No	26	26%
	100	

In my study in case of specifically planned purchase most of the specific purchase is based on brand choice. It is about 74%.

6.3 Substitute Brand Consideration in Specifically Planned Purchase

As it is mentioned, in case of specific plan most of the buyers bought specific branded products. But almost one-third is not much brand loyal to a specific item.

A number of factors influence a consumer to buy substitute brands or products. They are Saw merchandise, point of purchase of display, discount, variety seeking, stock outs, and recommendations of others. They bought substitute items by considering different in –store aspects. Among most of them are variety seekers, Pop display, discounts. Almost all of them consider more than one factor which is the opportunity for gaining competitive advantage and opportunity for capturing the market.

Table 5. Substitute brand choices in specifically planned purchase

Factors	No. of response	No. of respondents in %
Saw merchandise	02	0.97%
Point of purchase display	59	28.78%
Discount	58	28.29%
Variety Seeking	60	29.27%
Stock out	20	9.76%
Others recommendations	06	2.93%

Table 3 shows that substitute products or brands considerations in specifically planned purchase. Almost 29% are responsible for variety seeking buying behavior and point of purchase display. Remaining factors in the sequence are discount 28.29%, stock outs, others recommendations, and saw merchandise.

6.4 In Store Characteristics Influence in Specifically Planned Purchase

Most of the shoppers in my study hoped for a more relaxed environment and convenient and friendly environment in a super shop. They bother in the crowded and clumsy environment.

Table 6. In store characteristics influence in specifically planned purchase

Factors	No. of respondents	No. of respondents in %
Store location	32	10.42%
Store image	73	23.79%
Store size	06	1.95%
Convenience	88	28.66%
Store atmosphere	85	27.69%
Others	23	7.49%

In case of specifically planned purchase characteristics like store location, store image, store size, convenience, and lot other factors responsible for the recurrence of shopping store visit. Most of the respondents are influenced by more than two factors like convenience, store atmosphere, location etc.

Table shows that in-store characteristics influence in specifically planned purchase. A lot of factors causes for this type of purchase. Few of them are mostly responsible like convenience around 29%, store atmosphere almost 28%, store image nearly 24%. Others factors like store location and other factors also responsible.

6.5 Impulse Buying with Specifically Planned, Generally Planned and Substitute Buying

Peoples visit to a super store for a specific plan to buy few specific items most of the time causes an item to buy that was not in his or her shopping list. This is an impulse buying.

Table 7. Impulse buying with specifically planned, generally planned and substitute buying

Factors	No. of respondents	N. of respondents in %
Yes	97	97%
No	03	03%
	100	

In this study, it shows that among the hundred consumers ninety seven of them bought impulse items in their visit to the super store.

6.6 Shopping Trip Impact in the Super Store and Impulse Buying Patterns

Number of times a shoppers visits to a super store increases the number of unplanned purchases.

Table 8. Shopping trip in the super store and impulse purchase

Factors	No. of respondents	N. of respondents in %
Very Often	77	77%
Often	23	23%
Not at all	0	0%
	100	

From the survey, it is found that out of one hundreds respondents, 77% of them often buy one or more items that was not their planned, among them in this case 97% made an unplanned purchase. That may be an interesting as well as profitable segment for any providers.

6.7 In-store Characteristics that Influence Impulse Purchase

In-store characteristics like Point of purchase display, Price reduction and promotional deals, Outlet atmosphere, Stock outs, Packaging, Complements ,Others, are the relevant factors that might have an impact to make an unplanned purchase. In this study a number of factors were found that have huge influence on this type of purchase. Outlet atmosphere, pop display, price reduction and promotional deals are the most indicated character among them.

Table 9. In store characteristics influence in impulse purchase

Factors	No. of respondents	No. of respondents (%)
Point of purchase display	78	20.70%
Price reduction and promotional deals	78	20.70%
Outlet atmosphere	88	23.34%
Stock outs	59	15.65%
Packaging	18	4.77%
Complements	20	5.30%
Others	36	9.55%

From the table it is seen that the highlighting point in case of in-store, that is responsible for impulse purchase are outlet atmosphere, point of purchase display, price reduction and promotional deals.

Factors most responsible for impulse buying in in-store characteristics are outlet atmosphere 23.34%, Point of purchase display almost 21%, Price reduction and promotional deals around 21%, stock outs approximately 16%, and others are around 10%.

6.8 Relative Picture for Monthly Average Expenditure and Impulse Buying

It is seen that there is a relation in the shopping trip and impulse buying. From this study we suppose to find out the relation between these two.

Table 10. Average expenditure and impulse buying

No. of response	Avg. monthly expenditure	Exp. on impulse item	Percentage
1	2000	100	5%
1	2500	150	6%
13	3000	175	5.8%
10	3500	225	6.43%
10	4000	275	6.67%
10	4500	300	6.67%
9	5000	335	6.67%
12	5500	365	6.67%
12	6000	400	6.67%
8	6500	450	6.92%
7	7000	500	7.14%
4	7500	550	7.33%
3	8000+	650	8.13%

Out of our randomly selected respondents, it shows that their average expenditure differ .Most of the respondent's expenditure ranges from 3000 to 5000. Large portion expenditure ranges from 5000 to 6000. In our study it was found that there is a positive relation between expenditure and impulse buying. Those who expense more to the super shops the number of impulse that was unplanned items increased that results more expenses in this purchase trip.

6.9 Customer Satisfaction Level in the Super Store

Customer satisfaction is the perception about the store that they have made it visit in order to purchase products. In our queries they express their satisfaction level about the particular super shop they visited.

Table 11. Customer satisfaction level in the super store

Factors	No. of respondents	No. of respondents in %
Fully satisfied	05	05%
Somehow satisfied	54	54%
Indifferent	38	38%
Somehow dissatisfied	03	03%
Totally dissatisfied	0	0%
	100	

From the survey, it is found that customers are somehow satisfied on the total considerations. Fifty four percent of the respondents were among them. Thirty eight percent were indifferent towards the shop.

Figure is showing customer satisfaction level. In the study, it was found that 54% of the respondents are somehow satisfied and 38% are indifferent in their opinion. No one is totally dissatisfied.

7. Policy Recommendations

This research work has found out the impulse that is unplanned in case of buying behavior of consumers. We are also able to know about the super store, as well as consumers' expectations, perceptions about the store in which they made us visit. Following are some recommendations which may help them to enhance their performance and at the same time they can take prompt action against consumers' anomalies.

- Most of the impulse purchases are actually outcomes of some other characteristics like specifically planned, generally planned purchases. So they need to take initiatives to attract more customers which will increase the volume of impulse purchase
- In-store situations, this is largely responsible for impulse buying. Providers need to take every possible attempt to develop in-store requirements that the consumers expect from them.
- Store location is another highly noticeable subject to the customers. They always prefer to buy from nearer super stores. So location should be set considering the places of consumer's convenience so that they can easily buy from near about areas within their time limit.
- Consumer's awareness level is limited about the super store indeed. They are informed in most cases from personal sources. So intensive programs should be taken to inform a large number of potential customers.
- Car parking is a big issue to the customers who visit super shops. In most of the shops there is little parking space and that creates security problems. So increasing the parking space may reduce passerby harassment. If it is ensured properly, customers will be interested in frequent shopping.
- In most cases a large number of consumers visit super store with families and they are to concentrate on their children besides buying. So places like playing grounds can help parents to concentrate more on shopping with much relaxes as playing grounds for children may create more attraction for repeat purchases.
- More promotional activities like discounts, coupons, lottery, and incentives may increase impulse buying.
- Customer complaining system and prompt actions can help to increase good relation with them as well.
- Ease of shopping, improving the internal environment, quick response to instant queries may help to increase confidence of the consumers.

All of the above recommendations might help a lot to perform better in a retail environment.

8. Conclusion

In this modern period, lifestyle and livelihood of the people are changing as they are getting more facilities. They are reluctant to waste time and avoid harassment while they shop. The concept super store is the solution to these problems. People in large number from various social classes are also quite familiar with this modern shopping concept. It is increasing gradually but to be specific very steadily in the minds of consumers. Many factors are responsible for this changing buying behavior; these are - shopping ease, in store atmosphere, point of purchase display, convenience, location, product characteristics, product quality, availability of branded items, store size, store image, variety seeking, discounts, stock outs, others recommendation, complements, packaging, in store display etc. All of the characteristics are subject to consideration while making a purchase. Specifically planned purchase, generally planned purchase, substitute products all these factors have an impact on impulse buying. Frequency of purchase has an impact towards unplanned purchase that is every time a consumer visits a super store, each time he or she buys some products that was not his or consideration set. 97% of the consumers in the

survey bought impulse products. As much as the expenditure increases the amount of impulse items rises. So there is a positive and very close relation between visiting a super store and the amount of impulse buying. This expenditure increases in proportion. For these above reasons marketers have the ample opportunity to gain a new segment of consumers.

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Examining Young Malaysians Travel Behaviour and Expenditure Patterns in Domestic Tourism

Lim Khong Chiu¹, Kamal Izzuwan Ramli¹, Noor Suhaila Yusof¹ & Cheah Swee Ting¹

¹School of Tourism, Hospitality and Environmental Management, Universiti Utara Malaysia, Sintok, Kedah

Correspondence: Lim Khong Chiu, School of Tourism, Hospitality and Environmental Management, Universiti Utara Malaysia, Sintok, Kedah. E-mail: lkc@uum.edu.my

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Abstract

Young travellers, though restricted by relatively low levels of disposable income, are commonly having high interest and leisure time in exploring new destinations. It has been found that young travellers have high expectations regarding the importance of value for money though they have their financial resources available for travelling. Therefore, it has raised questions on the worthiness of carrying out a study about the travel behaviour and expenditure patterns among the young travellers in Malaysia. The study employed a survey questionnaire to collect data, which was adapted from standardized measures. A total of 643 respondents, which has been randomly selected in the Northern States of Malaysia were involved in the study. The completed questionnaires were analysed to measure the variables of the study consisted of selected socio-demographic, travel behaviour and expenditure patterns. This study found the expenditure patterns of the young travellers vary with regards to the purchase of tourism products. In addition, the results of the study also portrayed the differences of selected travel-related characteristics of young travellers in relation to the purpose of travel. Thus, this study may provide information which will help tourism marketers to develop marketing tools to satisfy and fulfill those young tourists' needs and understand certain reasons behind their spending patterns.

Keywords: young traveller, travel behaviour, expenditure pattern, domestic tourism

1. Introduction

Youth travel is one of the fastest growing and most dynamic market of the global tourism sector. The World Tourism Organization (UNWTO) estimates that approximately 20 per cent of all international tourist arrivals in 2010 were young people. In that particular year, young travellers generate 165 billion USD towards global tourism receipts, affirming their financial value to the global tourism industry and local economies (United Nations World Tourism Organisation, 2011). Likewise, the World Youth and Student Travel Conference (WYSTC) identified that the young traveller market is worth about US\$136 billion (Simpson, 2010). In addition, young travellers have a higher lifetime value compare to other travel segment such as senior travellers. According to the UNWTO, based on youth and student travel market survey 2011, young travellers often spend more than other tourists and are likely to return and give more value to the destination over their lifetime. Furthermore, as the chances of getting higher education and exposure to the world, young travellers have penetrated and played an important role in the tourism market.

Malaysian young travellers are raised in an environment with a wide and increasing range of travel opportunities. As the low-cost carriers becoming the common travelling, transportation, the ease of information searching and tourism products, purchasing via the World Wide Web, travelling is at most accessible ever and thus increasing freedom to travel. Therefore, further study needs to be carried out to investigate their travel behaviour. Despite an increasing interest in the market size of young travellers, economic potential and their desire to travel, relatively little is known about their actual travel behaviour and expenditure patterns. Understanding the behaviour and expenditure patterns of Malaysian young travellers in tourism and hospitality is a matter of utmost importance for improving the sustainability of the tourism industry.

The market segment of young travelers, especially in Western countries is generally studied by researchers (Carr, 2001; 2005; Hesse & Tutenges, 2011; Xu, Morgan, & Song, 2009). UNWTO (2008) predicted that the main source of the forecast growth in travel demand will be the young, affluent middle class that is emerging – from 175 million people in 2008 to around 500 million by 2025. In relation to that, population statistics from

Department of Statistics, Malaysia shows that there are 28.25 million of young travelers in Malaysia as in 2010. It has raised questions on the worthiness of carrying out a study of the travelling patterns of Malaysian young travelers.

Young travellers, though restricted by relatively low levels of disposable income, they commonly have high interests and leisure time in exploring new destinations. A convenient and inexpensive short-haul destination attracts younger and less affluent travellers (Jang, Bai, Hong, & O'Leary, 2004). In addition, young travellers have high expectation regarding the importance of value for money though they have their financial resources available for travelling (Glover, 2010). They are willing to pay a premium price for it if they believe that the product, services or experience is worth it. This study will investigate the young traveller behaviour and expenditure patterns for this market group.

In terms of tourist spending, a recent report of tourism in Malaysia showed that even though Malaysia has the highest tourist arrival in the Southeast Asia region in 2012, the total revenue for tourism was less than Thailand and Singapore which have fewer tourist arrivals (The Star, 2013). That was in the case of international tourists. For domestic tourists, however, it was found that they are more active as compared to their international counterparts (Carr, 2002). This is due to the fact that those tourists who travelled the furthest to the holiday destination were likely to exhibit the 'allocentric' behaviour, while those travelling a relatively short distance behaved in a 'psychocentric' manner (Debbage, 1991). An 'allocentric' tourist may be defined as an inquisitive and curious individual, who is self-confident and adventurous, which is the opposite of a psycho-centric tourist (Hoxter & Lester, 1988). Furthermore, it was suggested that the differences may have been a result of the greater ability of domestic tourists to become involved with the host population because of the lack of any language barriers, and the relative familiarity of their vacation surroundings, as compared to those of the foreign travellers (Laing, 1987). More importantly, Krippendorf (1987), who states, "having arrived at the scene of their dreams, many tourists behave in much the same way as they do at home" (p. 31) Therefore, the current study is motivated to explore the Malaysian young travellers' travel behaviour when travelling to a domestic holiday destination. Furthermore, this study focused on domestic tourists' is rather different from other studies that concentrated more on international ones. The differences may be manifested through the way they spend, as well as the use of leisure time and space during their entire holiday. Indeed, these aspects of behaviour are the major focus of the current study.

2. Objectives of the Study

The main purpose of this study was to understand the Malaysian young travellers' behaviour and their expenditure patterns. Specifically, this study aimed to provide the meaningful perspectives to answer the following research objectives:

- 1) To develop a demographic profile of young Malaysians who have travelled within Malaysia in the past 12 months.
- 2) To identify the domestic travel behaviour among young Malaysians.
- 3) To determine the travel expenditure patterns among young Malaysians during their domestic travel.
- 4) To explore the young travellers' domestic travel behaviour and their spending patterns in relation to their purpose of travel.

3. Literature Review

Today, tourism is one of the world's largest industries. It is consisted of many segments such as transportation, accommodations, food and beverage services, shopping and activities for tourists. Each of these products and services is the key of an economic generator for the community specifically and the nation generally. Therefore, tourism is also considered as the sum total of tourist expenditures within the borders of a nation or a political subdivision or a transportation-centered economic area of contiguous states or nations (Goeldner & Ritchie, 2006).

Advances in technology, communication and transportation are enhancing people's mobility and travel opportunity. It is no doubt that the travel and tourism expenditure continue to hike even during world economic recession. Hence, meeting the demands of domestic and international travellers by providing tourism-related goods and services became an attractive form of economic development in a nation (Cook, Yale, & Marqua, 2006). It is imperative for the stakeholders of tourism and hospitality industry to understand the tourists' travelling behaviour of different segmentation. The analysis of travel behaviour and expenditure patterns will definitely contribute to more adequate and effective tourism marketing and management.

3.1 Young Traveller

Taiyab (2005) defined the 'young' tourism market as travellers between 16 to 25 years old, who take a travel involving at least one night's stay. However, countries such as Canada has expanded this definition to include young adults between 26 to 30 years old. Meanwhile, the Student and Youth Travel Association of North America (SYTA) has also expanded the WTO's definition of youths to include those under 16 years of age, which makes the youth travellers are those between 16-35 years old (Carr, 2002).

In relation to this, as the chances of getting tertiary education are higher, most of the young travellers are students. This is agreed by Sellars (1998) that more are going on to higher education. Reisinger and Mavondo (2002) found that a growing proportion of young people now continue their education beyond the age of 25. Today's young generation enjoys travelling more than any generation before. The increasing purchasing power and spending behaviour of young people has made this demographic an attractive target for different industries. It was estimated that 20% of the 940 million tourists travelling the world in 2010 were young people (UNWTO, 2011). By 2020, there will be around 300 million international youth trips per year, which represent a 59% growth in 10 years. According to the UNWTO report, the average youth traveller spends a total of \$2600 per trip as compared to the average international tourist spends an average of \$950 (UNWTO, 2011). This indicates that youth travel is one of the fastest growing markets in the tourism sector. The youth, especially the student segment, though deemed as more price-sensitive yet they have ample time to travel (Grigolon, Kemperman & Timmermans, 2012). In addition, Huang and Petrick (2010) stated that young travellers aged between 18 and 25 years are expected to be very influential.

According to Swarbrooke and Horner (2001), young people would rather not to take a holiday with their parents. This could take the form of an educational travel organised by schools, an organised children's camp like BUNAC or Camp America, an activity-based travel such as a PGL canoeing holiday in the UK or a farm-based vacation, for example, the 'Gîtes d' Enfants' in France and a single-sex group holiday with a group of friends. Report by Clarke (1992) showed that the inclusive tour package by the tour operator in the United Kingdom (UK) was all tied to the youth characteristics. Furthermore, the influence of Dance Music on the UK youth tourism market has caused the majority of the main packaged youth tour brochures are a Dance Music oriented (Sellars, 1998). However, findings from Chadee and Cutler (1996) showed that 51% of respondents (students) planned their travels without a travel agent.

3.2 Campaign to Promote Domestic Tourism to Young Travellers

'Cuti-Cuti Malaysia' (Malaysians go for holidays) is the campaign launched to promote domestic tourism among Malaysians. Domestic tourism involves residents of a country travelling within the borders of that country. For example, in the contexts of Malaysia, a person from Kuala Lumpur going for a holiday to Penang is a domestic tourist. The 'Cuti-Cuti Malaysia' Campaign was first introduced in the 11th of September 1999 to stimulate the growth of the number of domestic tourists in our country. The main objective of this campaign is to encourage the locals to plan their vacation properly and this campaign was targeted to reverse the view of locals that vacationing is something unnecessary and a waste of time and money. Other than that, this campaign is aimed at changing the 'balik kampung' (back to hometown) tradition into a tourism activity. This campaign was later rebranded to 'Zoom! Malaysia' on 14th May 2008 and finally changed to 'Cuti-Cuti 1Malaysia' Campaign, in line with the 1Malaysia concept introduced by The Right Hon. Prime Minister, Dato' Sri Haji Mohd. Najib bin Tun Haji Abdul Razak. (Musa Yusof, 2014). According to Musa Yusof (2014), the director of the domestic marketing division, Tourism Malaysia, the destinations that we expect to be popular among domestic tourists are divided into a few segments: eco-travel; culture and heritage; beaches and islands; and highlands – all of these destinations are promoted through 'Cuti-Cuti 1Malaysia' packages.

In promoting this campaign, the government issued a few directives that contribute towards the success of this campaign such as the provision of additional leave on the first and the third Saturday of every month to all public sector employees. The launch of the low-cost airline, Air Asia, on the December 1st, 2001 also helped in boosting the domestic tourism industry. The peak of the growth of the domestic tourism industry was when the government declared five working days a week starting from July 1st, 2005.

Besides that, the Youth Tourism Fair was organized by the Malaysian Youth Hostel Association in collaboration with the Ministry of Tourism during the Millions of Youth Gathering event on year 2011 and 2012. With the theme "Cuti-Cuti 1 Malaysia for 1 Malaysia Youth", affordable domestic travel packages were offered to young Malaysians. Also, the Student Tourism Programme (3Ps) was officially launched on February 24th, 2001 by the Minister of Culture, Arts and Tourism and the Minister of Education in order to encourage students to travel within Malaysia from a young age. Besides promoting domestic tourism, it is to motivate students spending their

time wisely by exploring the historical, cultural and natural sites of Malaysia. Among the activities implemented are a Student Tourism Club, 3Ps Seminar as well as State and National Student Tourism Quiz (Ministry of Tourism Malaysia, 2011). Emphasis has been given for young Malaysians as their high potential in travelling can be predicted.

3.3 Tourist Behaviour and Expenditure Patterns

The study of tourist behaviour is the study of why people purchase certain tourism products, and how they make their decision (Schiffman & Kanuk, 2007). Tourist behaviour research has focused on motivations, typologies, destination choice and the decision process (Hudson, 1999). Purchase of a holiday is generally involving a large spends. Therefore, factors such as internal and external motivations as well as other determinants which influence the purchase of tourism products must be studied thoroughly. Wang (2014) addresses that the motivations for travelling can be clustered into three groups, namely, psychological, cultural and economic. However, these motivations are commonly affected by the external environment such as social, economic and political factors. Thus, in order to study the travel patterns of youth, an in-depth understanding of tourist behaviour is vital for more effective and successful marketing activities. This is due to the fact that travel related decision is multi-faceted.

Disposable income is the major funding for travelling. Hence, Wang (2014) agreed that tourism participation restricted by budget constraint. However, young travellers get their travel fund from personal saving, student loan or scholarship, parents, as well as boyfriend or girlfriend or spouse (Carr, 2005). The study by Heung and Leong (2006) found that 43.6% of the university students have a travel budget of more than HK\$10, 000. Wang (2014) pointed out that Asians have higher saving behaviour than the Europeans. Hence, it is not doubtful when young people fund their travel from personal saving. Furthermore, strong economic conditions allow parents to fund their children's lifestyle. Likewise, same situation for those who have a partner or spouse with high income. The study of Xu et al. (2009) found that Chinese students' source of funding is from their parents while British students' funded their own trip. Besides that, younger travellers prefer using credit cards (Euromonitor, 2011). This is due to the fact that it is convenient and rewarding with advantages such as reward points, frequent flyer miles and cash back. The increased availability of credit facilities allows young Malaysians to travel around the world. Therefore, it is essential to assess their funding to fully understand their travel expenditure patterns. The growth of travelling interests among young Malaysians has drawn attention of researchers and marketers in understanding the determinants which influence their expenditure. The many ways of shopping for tourism products, purchasing methods, usage of different intermediaries and payment methods (Lawson, Thyne, Young & Juric, 1999) of young travelers are worthy of investigation. Tourism expenditure is defined as "the total consumption expenditure made by a visitor on behalf of a visitor for and during his/her travel and stay at destination" (United Nations World Tourism Organization, 1994). Therefore, expenditure on different tourism products helps describing the size of each market in economic terms. Besides that, the identification of attributes that influence travel expenditure characteristics among young travellers can be achieved. According to Wang (2014), a travelers' decision on the amount to spend on a travel is the main factor that determines the tourism expenditure. Expenditure pattern is the expenses allocated on tourism products (Jang *et al.*, 2004). In this study, the amount of money spent and the preference of purchasing tourism products such as transportation, accommodation, food and beverage, gifts and souvenirs as well as entertainment and recreation during a vacation are measured.

Transportation, accommodation, food and beverage establishment and activities are among the basic yet essential elements in a vacation. Preference of accommodation (Kim & Jogaratnam, 2003), mode of transportation (Kim & Jogaratnam, 2003), food and beverage (Kim & Jogaratnam, 2003), activities (Kim & Jogaratnam, 2003) as well as souvenirs (Swanson & Horridge, 2006) has been studied in recent years. In addition to that, Reisinger and Mavodono (2004) agreed that personality and travel motivation is significantly related to activity preference. Lawson et al. (1999) was profiling the respondents into six cluster solutions (such as outdoor adventurers, sports devotees, fun-loving holidaymakers, education seekers, special family occasions as well as family holidays) to have a clearer appreciation of the different motives and attitudes differentiating between segments. The results were statistically significant when related to the behavioural variables in data that includes activities carried out on holiday, accommodation and transport choices, information search, booking options and payment methods. Due to the youth segment is more price sensitive, the main influence for their vacation decision is the cost of a travel (Grigolon et al., 2012).

The travel purpose among travellers such as visit friends and relatives (VFR) and business purposes have been widely studied by researchers. The nature of the trip will be varied according to the travelling purpose (Peerapatdit, 2004). For instance, VFR travellers spend less on accommodation because they have the tendencies

of staying with friends or relatives in the tourist destination. Heung and Leong (2006) found that 'Experiencing new and different style' and 'Take it easy and relax' are the main purpose for travelling. In the meanwhile, the study comparing Chinese and British students by Xu et al. (2009) found that there are significant differences in attitudes towards travel. For example, Chinese students demonstrated that their trip is more educational purposes while British students' purpose of travel is more about having fun. This study contributes to the literature by examining the expenditure patterns of different travel purposes, which are travelling for leisure, travel for shopping, travel for visiting a theme park, travel for sightseeing, travel to visit historical/cultural destination, travel for sport/recreation and travel to visit friends/relatives.

In brief, the major gaps in the body of knowledge regarding tourist behaviour would be a great challenge to researchers. The subject of tourist behaviour and its ever changing quality are relevant to all participants in the tourism industry including academicians, marketers and policy makers. Hence, more research shall be conducted to fulfil the underdeveloped area of the study of tourist behaviour.

4. Research Methods

4.1 Sample

For the purpose of this study, population includes Malaysian young travellers aged between 21 to 35 years old. The focus of this study is to gather information from Malaysian young travelers from the northern region, which are Perlis, Kedah and Pulau Pinang. These destinations have been selected for various reasons. For instance, most of these destinations are among the most famous tourist destination in Malaysia (Oppermann, 1992) and offering different types of travel activities. Therefore, the number of tourists at these destinations can be expected to be relatively higher. University students from Universiti Utara Malaysia, Polytechnic Perlis and Sunway College, Penang were selected randomly to participate in this study. Respondents of the study include those who have travelled domestically in the previous 12 months from the day they participate in this study.

4.2 Research Instrument

The questionnaire was developed by adapting standard measured from various sources. The questionnaire consists of three sections. In Section A aimed to gather the socio-demographic background of each respondent. There were six questions regarding the sociodemographic profiles of respondents such as gender, age, ethnicity, education level, year of study, and source of income. Section B of the questionnaire consisted of questions related to the respondents' travel behavior. Section C includes questions regarding the type of travel and expenditure pattern that can be divided into seven sub-section, type of travel such as: leisure, shopping, visiting theme park, sightseeing, visiting historical/cultural destination, sport/recreation and visiting friends and relatives.

The questionnaire was prepared in Malay (Malay national language) hence translation processes of selected sources which originally in English were performed via back translation (Brislin, 1971). Then, we conducted a pilot test on the designed questionnaire to 100 respondents to evaluate reliability of the questionnaire. The results of this pilot test show that the measured reliability based on Cronbach's Alpha is adequate. Thus, such findings allow us to use the translated questionnaire for actual study.

4.3 Data Collection

A quantitative approach by using self-completed questionnaires were administered by two trained research assistants to collect data. The questionnaires were distributed between November 2012 to January 2013. A total of 800 questionnaires were distributed to the respondents. The respondents were asked to complete a survey questionnaire. The respondents were informed concerning the purpose of the study and general instructions were provided and help was offered when needed. The responses were confidential.

From the total 800 distributed questionnaire, 685 questionnaires were returned by the respondents, 42 survey questionnaires were either incomplete or did not meet the criteria for each section of the questionnaire, which resulted in a total of 643 usable questionnaires to be analysed for this study.

5. Results

5.1 Sociodemographic Data of Respondents

The demographic data of the respondents are presented in Table 1, according to their gender, age, ethnicity, education level, year of study, and source of income. Females represented 68.7% of the respondents and males represented 31.3%. The majority of respondents were age group between 19-21 years of age (56.3%), 22-24 years of age (39.8%), 25-27 years of age (3.4%), while 28-30 years of age represented only 0.3% and 31 years of age and above group represented 0.2% of total respondents. In terms of ethnicity, 52.9% of the respondents were Malays, 37.2% were Chinese, 7.2% were Indians, and only 2.8% representation of other ethnic groups of the

total respondents. The majority of the respondents (85.7%) pursuing their bachelor degree, 12.9% pursuing other academic qualifications such as diploma and certificate, and only 1.4% study at postgraduate degree level, and 98.3% of the respondents were in year 1 to year 4 of their tertiary education, while only 1.7% were in more than year 4. In terms of source of income, the majority of the respondents (82.1%) obtained their source of income from PTPTN loan, 8.1% relied on the family, 5.8% reported income from scholarship, and 4% of the respondents reported obtained from another source of income.

Table 1. Demographic profile of respondents

Characteristic		Frequency (N=643)	Percentage (%)
Gender	Male	201	31.3
	Female	442	68.7
Age (year)	19 – 21	362	56.3
	22 – 24	256	39.8
	25 – 27	22	3.4
	28 – 30	2	.3
	31 and above	1	.2
Ethnic Group	Malay	340	52.9
	Chinese	239	37.2
	Indian	46	7.2
	Other	18	2.8
Education	Post Graduate	9	1.4
	Bachelor	551	85.7
	Other	83	12.9
Year of study	Year 1	176	27.4
	Year 2	208	32.3
	Year 3	181	28.1
	Year 4	67	10.4
	Other	11	1.7
Source of Income	PTPTN	527	82.1
	Scholarship	37	5.8
	Family	52	8.1
	Other	26	4.0

5.2 Travel Behaviour and Expenditure Patterns

Table 2 and Table 3 summarizes the results gathered from the survey pertaining to respondents' travel behaviour and expenditure patterns. The results indicate that the majority of students (54.9%) chose to travel during their semester breaks holidays. However, some of them preferred to travel during weekends and public holidays for the purpose of leisure, shopping, sightseeing, visiting historical and cultural sites, sport and recreation, visiting friend and relatives, and theme parks. A total of 493 (76.7%) out of 643 respondents reported they travelled for leisure purpose in the previous 12 months. The majority of respondents (50.1%) out of 493 reported spending two nights at the destination visited and most of them (57.2%) reported that they stayed in a hotel. In terms of spending, a majority of 44.2% of respondents reported average expenditure between RM201 and RM400, where most of their spending was on food and beverage (89%). Meanwhile, 371 respondents reported that they have travelled for shopping in the previous 12 months, where the hotel was their main choice of accommodation (49.3%). As compared with those who travelled for leisure, the majority of those who travelled for shopping stayed only one night (48.3%). The majority of this group (44.8%) spent between RM201 and RM400 while they were on their travel and surprisingly, spending on food and beverage was ranked the highest (84.1%) while money spent for shopping was ranked second (83.6%). A total of 301 (46.8%) out of 643 respondents reported they travelled for sightseeing in the previous 12 months. Most of the respondents (46.5%) reported spending one night at the destination visited with the hotel was the main choice of accommodation (42.2%). For this purpose of travel, most of them (a total of 53.2%) spent between RM101-RM300 where food and beverage was found to be the main reason of their spending.

For those who reported that they travelled to visit historical and cultural destination, hotel was still found to be the main selection of them (37.6%), which was followed by those who stayed in a friends' or relatives' house. About 39.7% of respondents reported average expenditure between RM51 and RM200 while 37.6% reported

between RM201 and RM400 with 80.8% of them ranked highest expenditure on food and beverage, which was followed by 47.6% and 46.3% spent on shopping and souvenirs respectively. The results also indicate that a total of 200 (31.1%) out of 643 respondents reported they travelled for sport and recreation in the past 12 months. For this purpose of travel, three different modes of accommodation were found to be their major selections, where 25.5% out of 200 reported they stayed in the hotel, 23.5% chose to stay in the relative's or friend's house, and 27.5% reported stayed in chalet or resort. The majority of them stayed for two nights (44.5%) when travelling for sports and recreation. Those who were involved in this type of travel seemed to have spent more where 45.5% of respondents reported their average expenditure between RM201 and RM400 while only 36% reported between RM51 and RM200. Apart from their expenditure on accommodation and transportation, 82% of them reported that food and beverage is the major factor that they spent most, and as expected, 61.5% reported spending on entertainment and recreation.

Table 2. Travel behaviour and expenditure patterns

Purpose of Travel	Leisure (N=493)		Shopping (N=371)		Sightseeing (N=301)		Visiting Historical & Cultural Destinations (N=229)		Sports & Recreation (N=200)		Visiting Friends & Relatives (N=471)		Theme Park (N=282)	
	N	%	N	%	N	%	N	%	N	%	N	%	N	%
Duration of stay														
One night	95	19.3	179	48.3	140	46.5	109	47.6	59	29.5	108	22.9	143	50.7
Two nights	247	50.1	122	32.9	101	33.6	76	33.2	89	44.5	166	35.2	98	34.8
Three nights	111	22.5	50	13.5	43	14.3	31	13.5	40	20.0	104	22.1	32	11.3
Four nights or more	40	8.1	20	5.4	17	5.6	13	5.7	12	6.0	93	19.8	9	3.2
Place to stay														
Hotel	282	57.2	183	49.3	127	42.2	86	37.6	51	25.5	56	11.9	150	53.2
Chalet/Resort	77	15.6	33	8.9	52	17.3	32	14.0	55	27.5	9	1.9	44	15.6
Friend's/Relative's house	93	18.9	127	34.2	93	30.9	77	33.6	47	23.5	390	82.8	64	22.7
Homestay	38	7.7	22	5.9	19	6.3	20	8.7	18	9.0	14	3.0	18	6.4
Other	3	0.6	6	1.6	10	3.3	14	6.1	29	14.5	2	.4	6	2.1
Average Expenditure														
Below RM50	5	1.0	2	.5	12	4.0	14	6.1	12	6.0	51	10.8	7	2.5
RM51 – RM100	29	5.9	32	8.6	37	12.3	26	11.4	15	7.5	79	16.8	23	8.2
RM101 – RM200	79	16.0	67	18.1	76	25.3	65	28.4	57	28.5	138	29.3	56	19.9
RM201 – RM300	137	27.8	100	27.0	84	28.0	51	22.3	46	23.0	95	20.2	74	26.2
RM301 – RM400	81	16.4	66	17.8	37	12.3	35	15.3	45	22.5	46	9.8	47	16.7
RM401 – RM500	68	13.8	40	10.8	28	9.3	13	5.7	13	6.8	24	5.1	38	13.5
RM501 and above	94	19.1	64	17.2	27	9.0	25	10.9	12	6.0	38	8.0	37	13.1
Time of travel														
Semester break	325	65.9	224	60.4	151	50.2	122	53.3	92	46.0	254	54.0	154	54.6
Weekdays	27	5.5	19	5.1	19	6.3	13	5.7	17	8.5	25	5.3	17	6.0
Weekends	39	7.9	74	20.0	56	18.6	48	21.0	52	26.0	87	18.5	44	15.6
Public holidays	99	20.1	53	14.3	74	24.6	47	20.4	36	18.0	104	22.1	67	23.8
Other	3	.6	1	.3	1	.3	0	0	3	1.5	1	.2	0	0
Money spent apart from accommodation & transportation														
Shopping	340	69.0	310	83.6	152	50.5	109	47.6	84	42.0	317	67.3	119	42.2
Food & Beverage	439	89.0	312	84.1	249	82.7	185	80.8	164	82.0	381	80.9	224	79.4
Souvenirs	172	34.9	145	39.1	121	40.2	106	46.3	63	31.5	151	32.1	92	32.6
Entertainment & Recreation	250	50.7	168	45.3	243	47.5	70	30.6	123	61.5	230	35.8	162	57.5
Entrance fee & Tickets	153	31.0	67	18.1	87	30.0	90	39.3	56	28.0	59	12.5	148	52.5
Tours & Visiting	188	38.1	93	25.1	108	36.0	92	40.2	49	24.5	140	29.7	65	23.1
Other	1	0.2	8	2.2	3	1.0	4	1.8	6	3.0	15	3.2	3	1.1

As compared with those who travelled for sports and recreation, the majority of those who travelled to visit friends or relatives (471 respondents) reported spending two nights at the destination (35.2%) and unsurprisingly, most of them (82.8%) reported they stayed in the relative's or friend's house (Table 2). The amount of money spent was also found to be lower than other types of visits where most of them (46.1%) spent only between RM51 to RM200. However, most of them (80.9%) still rated food and beverage as they have spent the most, which was followed by shopping (67.3%). Finally, the survey found that a total of 282 (43.9%) out of 643 respondents reported they travel to visit a theme park in the past 12 months. About half of them (50.7%) reported spending one night at the destination visited, and mostly stayed in a hotel (53.2%). About 43% of respondents reported average expenditure during visiting theme park travels between RM201 and RM400. Apart from their expenditure on accommodation and transportation, 79.4% ranked food and beverage to be on the top three most spent on this kind of travel, while 57.5% reported spending on entertainment and recreation, 52.5% reported on entrance fee and buying tickets.

Table 3. Summary of means percentage of travel behavior

Duration of stay	%	Place to stay	%	Time of travel	%
One night	37.8	Hotel	39.6	Semester break	54.9
Two nights	33.5	Chalet/Resort	14.4	Weekdays	6.1
Three nights	13.9	Relative/Friend's house	35.2	Weekends	18.2
Four nights or more	7.7	Homestay	6.7	Public holidays	20.4
		Other	4.8	Other	.4
Average expenditure	%	Money spent	%		
Below RM50	4.4	Shopping	57.5		
RM51 – RM100	10.1	Food & Beverage	82.7		
RM101 – RM200	23.6	Souvenirs	36.7		
RM201 – RM300	24.9	Entertainment & Recreation	47.0		
RM301 – RM400	15.8	Entrance fee & Tickets	30.2		
RM401 – RM500	9.2	Tours & Visiting	31.0		
RM501 and above	11.9	Other	1.8		

6. Discussion

Youth travel market has been identified as one of the major contributors to the growth of the world tourism sector. The importance of understanding about their choice of travel and spending patterns is therefore undeniable. The main objective of this study is to explore the young travellers' behaviour and their spending patterns in relation to their travel purposes. This study has been conducted among higher education students, which are said to have their own income from various sources to fund their travel activities.

From the survey, it was found that most of the young travellers who participated in this study preferred to stay in hotels, which was followed by relatives and friend's house. Other than staying in hotels this result has been contributed by those who travelled for visiting friends and relative where most of them stayed at the friends' or relatives' house. This finding is in line with a study by Swarbrooke (2007) where young travellers will stay at the friend's or relative's house to save budget. An equal percentage of respondents were found to have stayed for one night or two nights during each travel. As expected, since respondents for this study are mainly students, the travelling time is during semester break, weekends and public holiday. This finding provides an insight to the tourism marketers about when to promote their travel packages, especially those tailored to the young traveller.

Empirical results showed that even though students have relatively low income, where they relied mainly on scholarship and student loans (PTPTN) to fund their travelling activities (as with Hsu & Sung, 1997; Xu *et al.*, 2009), and that they have high interest in travelling. This has also been proven by Jang *et al.* (2004). Results from the current study also found that, in terms of where they spent their money, young travellers spent most of their money on food and beverage and shopping. Results also showed that young travellers also spent a big

fraction of their money on recreation and entertainment. As stated by UNWTO (2008), many countries have specified their marketing activities to attract young travellers' niche market (such as sports and adventure). This study proved that young travellers are actively involved in the tourism activities in Malaysia and thus, proved that there is a big potential in the youth travel market in Malaysia.

This study also found that young travellers spent less on souvenirs, entrance fees and tickets as well as tours and visiting. However, Glover (2010) suggested that young travelers are willing to pay a premium price if they believe that the product, services or experience is worth it while at the same time, they have high expectation regarding the importance of value for money though they have their financial resources available for travelling.

7. Conclusion

7.1 Implications

Based on the overall results of this study, young travellers have been found to be very important to the future of the tourism industry, as what has been suggested by UNWTO (2008). This highlighted the importance of understanding the young travelers' behavior and their expenditure patterns, especially the tourism marketers and policy makers. By understanding the needs, wants and desires of this group, the marketers as well as policy makers could tailor their product or even design, promotional campaigns that could attract more of these people to travel. In light of the intensifying competition from neighbour countries such as Thailand, Indonesia and Vietnam, which offers more fun and affordable travel experience, policy makers play an important role in attracting the uprising young traveler market. Grigolon et al. (2012) concluded that price variation influence youth's decision, especially university students', to take a vacation to any destination.

This paper combines travel purposes to analyze the domestic tourism expenditure among young travelers. It proposes a different dimension than the previous literature, which has suggested the different expenditure patterns on various tourism products. This finding is imperative to the promotion of tourism in own country. This study also supports further to the key aspects of destination development which should include youth budget accommodation, cultural routes, information services, web portals, tour packages and discount programmes (UNWTO, 2008). From the traveller behavioural perspectives, this could provide chances for youth, especially university students who do not have steady income to explore the country and broaden their mind. From the business perspectives, this could expand their business opportunity and directly contribute to creating job opportunities, promoting economic development and increasing gross domestic product (GDP) growth of the country.

This study has examined the portfolio of young Malaysians who have travelled within Malaysia in the past twelve months. It is crucial for the tourism industry to investigate how, when, why and where the young Malaysians to be more willing to spend on domestic tourism and their behaviour during the entire travel. Policy makers and travel industry marketers will benefit from the knowledge of their behaviour. Prayag and Hosany (2014) conclude that there is a common pattern of young travellers, that is, they portray the needs for strengthening self-knowledge and looking for personalized tourism activities or amenities. Hence, the information gathered from this study also can be used as guidelines in formulating promotional programmes to encourage more spending on various tourism products and services especially by the young Malaysian travellers market. However, their price sensitive nature has suggested that the strategy of offering low fares campaign would succeed in obtaining youth's continuous support (Grigolon et al., 2012).

The present study intends to strengthen the existing literature by providing knowledges as well as valid data on the travel behaviour and expenditure patterns in domestic tourism of young Malaysians. This paper differs from the literature in its emphasis on exploring young Malaysians' domestic travel behaviour and their spending pattern in relation to their purpose of travel. This study is one of the few study conducted in Malaysia. Therefore, this study will serve as a base for future studies of different dimensions and perspectives.

In addition to that, the findings of this study support the idea that young Malaysians are keen on travelling within the country. The findings are crucial in justifying the needs for more researches to be carried out in this area of tourism and hospitality field. Also, the improvement of measurement tools to be applied in future research is expected in exploring wider reviews of the travel and expenditure behaviour among young Malaysians. Hence, this study has enhanced the literature by expanding the previous knowledge of travel behaviour among youth generally and young Malaysians specifically.

The results of this study provide empirical evidence that young travellers' spending patterns are particularly based on their different purposes of travel to a destination. Spending most of their travel funds on food and beverages, shopping as well as recreation has addressed their preference during travelling. This was the unknown

previously, but the actual spending power and pattern of young Malaysians has now revealed. Though spending behaviour of travellers has been studied widely by researchers from all over the globe, young Malaysians' travel and spending patterns should not be ignored in the tourism context because it is predictable by their travelling purposes.

7.2 Limitations and Future Research

This study raised the question of why the young travellers were unwilling to spend more on particular products. Though most young travellers are adventurous and flexible in the matter of visiting new attractions, the monetary cost involved are taken into consideration before heading to the destination (Grigolon et al., 2012). This highlights a gap and future research should explore further into why this is so and how to encourage the young travellers to spend more on certain areas. Further studies shall include the mode of transportation to examine how it influences the domestic travel holiday planning process, including the destination choice and length of stay. The interactions between transportation mode, accommodation type, duration of the trip, travel party and travel destination could be explored despite the many other dimensions shall be chosen and analysed (Grigolon et al., 2012).

However, because of this study is confined to the data made available through questionnaires distributed among university students, the generalizability of the findings is somewhat limited to how students spent during travel. Likewise, Nusair et al. (2013) pointed out that the research results collected from university students cannot fully generalize though they represent the typical youth segmentation. It would be interesting to examine the expenditure patterns of young travellers from a wider scope of study such as those who have already started their career, which includes those who travelled overseas. Further studies could explore this into a wider context for the current study, backed up by the previous literatures have highlighted the importance of the young travellers to the tourism industry.

Since this paper had limited access data from official statistics regarding young Malaysians' travelling patterns, a repeat cross-section analysis shall be carried out annually to study the current and actual travelling trends among young Malaysians. Also, it is recommended that motivation theories such as push-pull framework, expectancy-value or goal directed behaviour (Prayag & Hosany, 2014) shall be added to derive more interesting conclusions. Other than money and time issue, the demand for domestic tourism too is subject to travelers motivation and intention. This study establishes a general understanding of the travel behaviour and expenditure patterns among young Malaysian travellers. Overall, this study has shown the importance of young travellers to the Malaysian tourism industry and the importance of this tourist segment in undeniable for the growth of tourism industry in the future.

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The Perception of Donors on Existing Regulations and Code of Governance in Singapore on Charities and Non-Profit Organizations – A Conceptual Study

Tamilchelvi S V Chokkalingam¹ & T Ramachandran²

¹ SIM, KAPLAN and MDIS, Singapore

² School of Management, SRM University, Chennai, India

Correspondence: Tamilchelvi S V Chokkalingam, Blk 317, Ang Mo Kio street 31,#11-209, Singapore. Tel: 65-9848-9277. E-mail: sshellvi@singnet.com.sg; daphinie@gmail.com

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Abstract

Non-profit organisations (NPOs) are meant to serve the public rather than to earn a profit for its members. Charities are also NPOs and have philanthropic goals as well as social well-being. It is imperative that these organisations to observe good corporate governance to safeguard the interest of the public and donors. Corporate governance consists of a number of good elements such as trusts, clear vision, mission, direction, transparency, internal control, sustainability and corporate social responsibility. There were a number of charities and non-profit organisations in Singapore which has flaunted the regulations and lost the trust of the public. Singapore has implemented various measures and regulations to govern these charities and NPOs. It continuously upgrades the code of governance and educates the charity and NPO sector on the need for good governance. However, irregularities seemed persistent. Donors, who are the main contributors to the existence of these charities and NPOs, had to have a say in the regulation of such charities and NPOs. Donors' perception and expectation have to be addressed so as to achieve an effective set of governance principles which do not over-regulate the charities and NPOs. Based on the findings of extant literatures and surveys, it was found that donors' perception on corporate governance has not been evaluated sufficiently. Singapore is improving the awareness of good governance among its charities and NPOs but has not looked at governance in donors' point of view. This paper stresses the importance of donors' perception in view of existing regulations and code of governance in Singapore charities and NPOs.

Keywords: charity, non-profit organisation (NPO), corporate governance

1. Introduction

The result of the immense growth of global business, and the importance of the proper management of modern corporations has brought about management theories regarding strategies on how to place good governance processes in a way that to ensure the best interest of all the stakeholders (Becht et al., 2005).

Corporate governance is a practice which concerns involvement of one or more parties with organizational decision-making where they may not behave in the best interest of the organization and related stakeholders. Berle and Means (1932), the pioneer in the contemporary thinking about corporate governance, has identified concepts which were developed from the growing separation of power between the executive management of the major public companies and their shareholders. Indeed, control and governance of company affairs has captivated various scholars in their efforts to define corporate governance. Monks and Minnow (1995) argue that corporate governance deals with mechanisms of exercising power and control over the corporation's direction and behaviour; Turnbull (1997) explains that corporate governance influences institutional processes involved in an organisation; and Cadbury (1992) reports it to be the whole system of controls which enables a company to be directed in right way to the right direction. The OECD (1999) defines corporate governance as a relationship between a company's board, its shareholders and other stakeholders. This encompasses the structure of the company where the objectives of the company are set; and provides the means of attaining those objectives and monitoring performance is determined.

Recently exceptional number of corporate scandals, financial restatements, and bankruptcies has led to increased governmental and shareholder interest in corporate governance, bringing into popularity the Sarbanes-Oxley Act (SOX). SOX established a new regulatory system for auditors of publicly-traded companies and made the most significant changes in the laws governing the responsibilities of directors, officers and corporate transparency obligations.

Charities are classified as non-profit organizations which has philanthropic goals and social well-being (e.g. charitable, educational, religious, or other activities serving the public interest or common good), Stephen P. Osborne (2005). The terms non-profit and not for profit generally are intended to describe an organization whose purpose is to serve the public rather than to earn a profit for its members, Cornforth, C. (2003). Non-profit organizations generally are very purpose driven. They are organized to serve some group, usually individuals but sometimes other organizations.

John Carver (1990) notes that from a governance perspective the relevant factor that differentiate most NPOs apart from for-profit organizations is the lack of a behavioural process to evaluate their product and cost and hence cannot assess their good performance. Their governance process differs in terms of several respects. This includes stakeholder groups, ownership conditions, purpose, legal form, civil relations, control and supervision, remuneration of management bodies (may have an honorary Status), transparency regulations, performance measurability and public perception, Thomas Sprecher (2010). The structures and management bodies of non-profit organisations have to be scrutinised more stringently in terms of governance.

One major difference between the for-profit board and the NPO board is that NPO Board is mainly composed of volunteers. Dedicated and competent volunteers are the body and soul for most NPOs at both operating and board levels. The volunteers are committed because of interests and beliefs, not compensation. Volunteer boards must be managed in a different way from compensated boards. Thus, to enforce governance in NPOs and charities seemed difficult but it is pertinent as the funds are raised from the public.

2. Objective of the Paper

Most countries in the globe have code of corporate governance for non-profit organizations and charities to support the NPO board members in their fiduciary work, promote best practices in non-profit governance and enhance public confidence in these organizations.

Though there were specific policies set out in the constitution of these non-profit organisations and charities with regards to governance, public confidence is rocked by financial scandals involving non-profit organizations.

Poor accounting and financial reporting practises are common across these non-profit organisations and charities. Weak management and bad-decision making are part of the problems faced by these organisations painting a picture of bad governance.

The Singapore corporate governance is based on the Anglo-Saxon System which revolves around the capital market controls of managerial behaviour (Prowse, 1998). Over the years, Singapore has developed a good reputation for sound government and has been rated highly for its efficiency, rule of law and lack of corruption by international rating agencies, such as IMD, Transparency International and PERC. Good governance has been a key factor to attract international attention. Being a nation with multi-cultural, multi-racial and multi-lingual, Singapore's system of governance is unique to its circumstances and they are shaped by the unique nation, unique environment and unique government.

Over the last decade, Singapore's NPO Sector has been shaken by several scandals related to lack of transparency and poor governance. In 2005, the former board and management of the National Kidney Foundation Singapore (NKF) were indicted for malpractice, including the mishandling of donated funds and false declarations of the charity's reserves. After which, many NPOs and charities have been found with multiple irregularities and mismanagement of funds, proofing bad governance.

In Singapore, the charity council has issued a code of governance on 26 November 2007. This constitutes, the roles of the board, their independence, bye-laws, distinction of duties, voting rights and policies on conflict of interest, staff appointment, asset management, fund-raising practises, transparency and disclosure requirement. . It clearly states the accountability and responsibilities of the board. Besides this, a clear code of ethics and best practises are also recommended. The council also developed tools such as online governance evaluation checklist and courses on board governance for non-profit organisations. To help charities apply the code of governance more effectively, the charity council held an exercise to refine the code in 2010 and a refined code of governance for charities was produced in January 2011.

Thus, the problem is - when such regulations are in place, are the public and donors expect more governance from charities and NPOs in extending their donation in a society which is so affluent like Singapore or do they believe charities and NPOs are over-regulated and total compliance is almost impossible?

The paper was carried out solely through the analysis of extant literatures. It analyses various literatures to understand the perception of donors on existing regulations and code of governance. It also discusses the various measures implemented by the Singapore Government to address the governance issues and addresses the need to carry out a study on donor's perception on the existing regulations and code of governance.

3. Literature Review

According to Ayo Obe, a prominent Nigerian lawyer and human rights activist, donors cut on their donation if charities or NPOs do not follow good governance. African development bank (2009) had made a set of governance assessment principles. An initial survey by the bank pointed to the risk of the duplication and overlap between donors' governance assessment tools. The survey also found why, and how, donors make their own assessments and on the possibility of harmonising donor approaches to assessing governance. Subsequently, a major international conference was held (London, February 2008) to initiate dialogue between donors, partners and practitioners involved in governance assessments. Among the findings, it was said that transparency and disclosure are big concerns of donors. Joint assessments were recommended to improve the coherence of donor responses to corruption and weak governance.

OECD country donors and multilateral agencies use multiple definitions of governance in NPO sector, "A prescriptive or a non-prescriptive approach to governance? Prescriptive governance definitions establish a clear norm or standard on how governance should be ("good governance") and measure against this standard. They often focus on measuring or describing the gap between the current governance reality and the prescribed reality, as well as identifying the problems associated with attaining this prescribed reality (e.g. "binding constraints"). Non-prescriptive approaches focus on describing and understanding how governance actually functions and why it functions as it does in a country or sector". OECD performs governance assessments on NPOs for the purpose of donor decisions and concerns, to general donor-partner co-operation and to promote the support for governance reform. Hence, OECD has found that assessment criteria are important for a donor who needs to know the governance process of the sector.

In the paper written by Paul Hoebink (2006), 'Good Governance': condition or goal? European Donors and the discussion on 'Good Governance' emphasised the importance of good governance and the donor's role in shaping the governance of a country or sector.

Amina Singh (2007), in his discussion paper on donor best practices towards Non-government organisations (NGO) in Nepal, have explained that donors look forward to a number of vital values in that NPOs when they extend their donation. In his survey, it was found that donors require frequent audits on funds spent by NPOs, transparency in terms of funding policy, introduction of donor agencies, zero tolerance on misuse of funds, upholding of good governance and an active role played by the head of agencies (or Charity council).

In their survey by NGO TIPS (2011), fostering effective governance explained that like investors in the financial arena, donors want their investments (grants) to have highest possible rate or return. Good governance practices contribute to an organization's efficiency, effectiveness and focus, and these are relevant to NPOs and their donors. The survey also reinforce the use of councils forming a "Good Governance Working Groups" consisting of NPO leaders and donor focus groups to identify weaknesses in NPO governance and ways to institutionalise better governance practises throughout the sector. In NPOs, good governance is exercised through an internal system of checks and balances that divides power and authority between management and a governing body in order to ensure that the public interest is served, NGO TIPS (2011). Again this proves that donors find the good governance is significant contributor to their donations.

Grey Matter Research (2008), has conducted a study on Americans' Perceptions of the Financial Efficiency of Non-profit Organizations, the purpose of study is to find whether the donors are justified of their donations made to charities and NPOs. The survey showed that an average American believes the typical non-profit should be 40% more efficient with its money than it actually is. More than one third believes that if they give, at least half of their money will go towards common expenses rather than towards the cause they want to support. "If people don't know anything specific about your organization, they're likely to lump you in with all the other ones they perceive to be financially inefficient" (Grey Matter Research 2008). There are already many financial scandal or rumoured lack of accountability in the NPO sector which not only hurts individual organizations but the industry as a whole. The research confirms that the donors' perception and expectations need to be valued to have continued support of charities and NPOs. It highlighted that charities have to be prudent in their spending and be

transparent of the donations it receives. NPO's accountability and prudence are components necessary for the donors' support.

"NPO and their donors with different cultural and religious background may demonstrate specific understanding and conceptual perceptions in the act of donation. Therefore, as the competition for funds increases, understanding of donors' perceptions and laying out effective communication strategies are crucial for NPO to remain viable" Jer San Hu (2011). The study on perceptions of donors to religious organisations, stressed the importance on effective communication of NPO strategies on the use of donations.

Adrian Sargeant (2003) surveyed the reasons on why donors stop giving. The results identified the quality of service provided to donors as a critical issue and also identified other potential causes of lapse, such as a shortage of funds or a desire to support other charitable organizations. Donor's perception of the quality of the fundraising communications received was found to be the more important predictor. Those donors perceiving that the communications strategy reflects their needs tend to be more loyal than those who do not. Hence, communication to donors on use of resources and activities of NPO is vital to continuance of donation.

Another survey conducted in Canada by National Survey of Giving Volunteering and Participating (2000) found that married couple donate more than unmarried individuals and the likelihood of donating and making higher donations increased with education levels. Most donors make their donation decision in response to being asked, the way they are asked can be a critical factor in determining whether a donation will be made and how much they will give. Therefore, good communication of the cause, good branding of the NPO increases the donations received by charities and NPOs. Good Branding comes with good governance.

CNPL (Center for Non Profit Leadership of Singapore) has conducted a study on disclosure and governance practices of charities in Singapore' in October 2013. This study of charity governance in Singapore was conducted from August 2012 to April 2013. The objectives were to examine the current level of public disclosure on governance by charities, key attributes of individuals serving as board members in these charities, and the board structure, practices and the desired skill sets of these charity boards. The study concluded that the disclosure of governance information by charities in Singapore is generally poor. The information in the annual reports provided was also poor. CNPL recommended minimum requirements like all charities should have an official website that provides basic information about their board members such as name, gender, tenure or date of first appointment, educational background and work experience. It also recommended that all charities should place their annual financial statements and annual reports on their website. However, how donors' perceive these disclosure as being relevant was not measured in the survey.

Acting Minister for Culture, Community and Youth of Singapore, Mr Lawrence Wong has said in his speech to National University of Singapore Business School, that there has been increased public demand for greater transparency from charities around the world. He demanded to have transparency rating systems to help donors make informed decisions on giving, and the ratings can also help the charities to improve their performance just like in the United States. There are more than 2,000 charities in Singapore today, and Mr Wong said this number is expected to increase. He reiterated that charities must improve in the areas of accountability and transparency due the increasingly sophisticated public who wants clearer reporting on the work done by charities.

In a recent survey, donations to charities in Singapore reduced with tax deductible donations totalling S\$969.7 million in 2013 compared to the record \$1,031 million in 2012. This is according to the latest annual report released by the office of the Commissioner of Charities (COC). The council has vowed to focus on strengthening the good governance and transparency of charities in maintaining public confidence. The Council chairperson has said "Donors are no longer just going by the objects and programmes of the charities but also how well-governed and transparent they are, charities need to be both effective and accountable."

In the review of previous research, survey and study on the perception of donors towards compliance to code of governance and regulations, the following was studied.

- NPO Branding (National Survey of Giving Volunteering and Participating in Canada 2000)
- Reasons on why donors stop giving (Sargeant, 2003)
- Non-profit Marketing (Chang, 2005)
- Requirements of basic governance by public and stakeholders (Hoebink, 2002; Singh, 2007),
- Americans' Perceptions of the Financial Efficiency of Non-profit Organizations (Grey Matter Research, 2008),
- Governance assessment principles are set based on donor focus group (African development bank, 2009, International conference held London, 2008, OECD),

- How governance safeguard public interest (NGO TIPS, 2011),
- Perceptions of donors to religious organisations (Hu, 2011)
- Incomplete disclosure of governance information failing governance and expectation of donors (CNPL 2013),
- Transparency rating systems to help donors make informed decisions on their donations (COC, 2013),
- Reduction in donation in Singapore (COC, 2013).

4. Regulation of NPOs and Charities in Singapore

The charities and NPO sector was very well regularized in Singapore through many initiatives by the government. Briefly, there are:

- The Charities Act - guides the registration and administration of charities and their affairs. It regulates charities and institutions of a public character and its fund-raising activities.
- The Charities Regulation 2011 – institutes various regulations on financial reporting standards
- The Charities Council headed by the Commissioner of Charities - promotes and encourages the adoption of good governance and best practices, help to enhance public confidence and promote self-regulation in the charity sector.
- The Charity Portal launched 2007 – about 1500 charities have updated their profile in the portal, code of governance and charity regulations are published in the portal to guide charities
- Code of Governance amended recently 2011- set out principles and best practices in key areas of governance and management that charities are encouraged to adopt.
- Governance Evaluation Checklist to be submitted annually - is designed to help charities to self-evaluate the extent they have complied with essential guidelines in the Code of Governance for Charities
- Charities Accounting Standard issued in June 2011- makes financial reporting simpler and more relevant for charities and enhancing disclosures for greater transparency. An accounting template has also been produced to prepare the financial statements in accordance to the Charities Accounting Standard.
- Charity Awards imitated in 2012 - recognizes charities with the highest standard of governance. This promotes good governance and inspires charities to emulate best practices.
- Developing a transparency rating system – to improve the effectiveness of NPO and charities and to boost public confidence.

Moreover, many events and initiatives were promoted by the government to safeguard governance process in the Charities Sector. In brief they are as follows:

- Government has spent \$10.5 million of VWOs- Charities Capability Fund (VCF) to equip 850 charities and IPCs with the governance and management. The fund is extended for another 5 years to 2017.
- 33 Charities signed up for shared services in accounting, payroll and procurement
- Organizes free Governance seminars to more than 300 board members and staff
- Associates with professional bodies to match board members for charities. In 2011, 85 professionals were matched to 37 charities requiring board and committee volunteers. 25% of the roles required professionals with finance expertise
- Launched a Charity Council website in 2010
- Prepared “Guidance on Independent Examination” to assist independent examiners in reviewing and certifying statements of smaller charities which do not require audits.
- As of December 2011, 366 charities were selected to undergo governance reviews where they are given professional advice to improve their internal processes.
- Council officers frequently conduct field visits to charities to help them address issues and to make them understand the grant available to them.
- Charity Council launched a Newsletter “Charity News” in 2011 which is to provide the latest development in charity sector and highlight best practices in Corporate Governance.

The Charity Council has planned in future years to place the financial statements for public viewing on the online portal of Charities which are externally audited. It is also looking to revise regulations for the fund-raising from third-parties and commercial organizations. They also have planned to organize network sessions among charities to relate on issues they are facing.

5. Discussions and the Way Forward

The literature review reveals many authors were looking at the various aspects of donors' perception for instance, in terms of increasing donations, marketing and branding NPOs, to form assessment tools for NPOs and improving the financial efficiency of NPOs. However, the perception of donors towards the compliance to code of governance for charities and NPOs has not been addressed very well.

Moreover, the literature also finds that Singapore Government has good regulations for their charity and NPO sector. Awareness and education to improve the system has been ongoing. More and more charities and NPOs are identified as having good governance and are rewarded. Only the future research could tell whether these initiatives have taken good shape in regulating governance at greater percentage among the charities and NPO. At present, results are still at the preliminary stage and scandals and irregularities have been continuously reported. The main causes of these scandals results from the following:

- Lack of sound internal control systems
- No documented policies and procedures
- Inadequate checks and balance
- Inadequate segregation of duties
- Breakdown in book-keeping functions
- Lack of skilled resources
- High turnover of staff
- Issues on conflict of interest

A study has to be made on the perception of donors on the existing regulations and code of governance in charities and NPOs. This might throw light on the governance of charities and NPOs in Singapore as donors are the ultimate determinant for the existence of such charities and NPOs. Their perception would likely to measure the level of compliance that is expected from the charities and NPOs. Hence, a heavy regulation may "over-kill" the charities and NPOs and their contribution to the society might be limited. Much focus has been raised to questions concerning how to increase donations, but very little attention has been given to the specific question of how much governance do donors expect from the charities they support. Their decision to give drives the charity sector; it is inevitable that their view is measured and included to give an "inclusive and effective" governance principles and associated regulations.

6. Limitations and Future Research

The paper is solely based on the review of extant literatures; no empirical evidence was deduced. Due to limited time, an empirical study has not been done. Further research should be performed to gain empirical evidence on the perceptions of donors towards the compliance to code of governance and regulation can be studied by quantitative research. A survey questionnaire could be used to collect primary data from samples of donors to understand their opinion on the existing regulations and code of governance in Singapore. With the availability of more empirical evidence on researches on donors' perception, it may have profound implications on the ongoing development of good governance structure in Singapore charities and NPO sectors.

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Spatial Differentiation and Market Potential of the Regions: the Case of Russia

Tatiana Mirolubova¹ & Alexander Biryukov²

¹ Department of Economics, Perm State National Research University, Perm, Russian Federation

² Department of Economic Theory and Analysis, Bashkir State University, Sterlitamak, Republic of Bashkortostan, Russian Federation

Correspondence: Tatiana Mirolubova, Department of Economics, Perm State National Research University, 614990 Perm, Bukireva str. 15, Russian Federation. E-mail: mirolubov@list.ru

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Abstract

This paper investigates spatial differentiation between Russian regions in the context of business location factors. First, we selected a number of variables to describe key factors of business location in the regions. They include market potential of the region's retail markets, fixed asset investments, the number of economically active population, and average nominal monthly wage in the region. Segmentation of Russian regions on the basis of these variables allows comparison and selection of the regions from investors' standpoint. To segment Russian regions on the basis of the selected variables we use self-learning neural networks allowing assessment of several variables with the lack of some input data. Second, we classified Russian regions based on their market potential indicators and represented the results on the map of Russia. We presented a structure of Russian regions which accounts for spatial differentiation of the market potential.

Keywords: spatial differentiation, factors of business location, market potential, Kohonen's self-organizing maps, Russian regions

1. Introduction

Russia has been transforming into a market economy since the early 1990-s. These changes have had different impacts on the socio-economic development of Russian regions. Some of them have successfully adjusted to new conditions and are experiencing economic growth and gain in living standards. Other regions still suffer economic stagnation and decline in their living standards.

As a result modern Russia is characterized by increased spatial differentiation and regional inequalities. This leads to such problems as economic slowdown, considerable outflow of population from unsuccessful regions to successful ones, growing separatist sentiment, disintegration processes, etc. To solve these problems we need to study spatial differentiation in modern Russia, to determine its features and sources. The results of this study can provide the basis for an effective economic policy both at the federal and regional levels.

Economic heterogeneity of territories, characteristic of the modern world, is an integral part of the economic area and the result of regional diversity. Spatial differentiation of economic development is an objective reality that exists both between countries and regions within one country. This is especially true for countries with a large area. The study of spatial differentiation in Russia's economic development has become very acute, as Russia is the world's largest country by area.

A lot of works within the framework of new economic geography have been devoted to the theoretical analysis of spatial economic development (Krugman, 1991; Matsuyama, 1991; Venables, 1996; Fujita et al., 1998; Krugman & Venables, 1995, 1996; Puga, 1999; Martin & Ottaviano, 1996, 1999; Baldwin, 1998; Markusen & Venables, 1997; Baldwin et al., 2003). Their conceptions are based on the Dixit-Stiglitz model of monopolistic competition (Dixit & Stiglitz, 1977).

In conditions of imperfect competition firms' decisions on geographical (territorial) location of a business are becoming particularly important. Under otherwise equal conditions firms, trying to reduce transport costs, choose locations closer to major markets with high potential demand for their products. Market potential plays a key role in the investor's decision making about locating production in this or that region.

Market potential (Harris, 1954) characterizes the level of regional market accessibility to businesses, consumers and other economic agents. Harris found out that, on the one hand, some industrialized regions of the USA had extremely high market potential. But on the other hand, not only regions with good market access were chosen for production location; concentration of production also improved access to the market. On this basis C. Harris deduced that market potential of a region is the main factor in production location.

According to the Keynesian approach to economic development, the relationship between economic growth and investment is explained with the help of Harrod-Domar model (Harrod, 1939; Domar, 1946). Central to the model is positive correlation between the rate of investment and economic growth.

If a decision on business location and investment in a region is made by a firm, but not by the state, the level of the economic development of the region will depend on the business investment. This is the principal difference between the market economy of modern Russia and the command-administrative socialist economy. Under socialism all production location decisions in Russia were made centrally by the State Planning Commission, a special state body.

Choosing a region to invest in, the investor will compare regions on a number of parameters. This requires selection of Russian regions where a business can achieve maximum return on investment.

In order to do this, it is necessary to segment all Russian regions in groups according to several features. To evaluate a region from different perspectives, it is necessary to conduct comparative analysis of regional economies based on a number of features. It should be emphasized, that one or two features are not enough and a thorough analysis can require three, four or even more features. Thus, application of the multivariate analysis methods, allowing simultaneous use of several variables to segment selected objects, is needed for research.

Segmentation allows to select regions with similar characteristics for the analysis and to solve several problems. Firstly, investors can compare and select regions more accurately. First of all, it is necessary to group all the regions, select the most attractive group of regions and then compare different regions within each group depending on the investor requirements for natural and labor resources, tax, infrastructure, etc. This will allow to select the most attractive regions.

Secondly, this can help the government bodies of regions within one group set clear goals and performance measures to create strategies of socio-economic development of the regions, as these particular regions, which are very similar and members of one group, have to compete with each other for capital resources.

Our research has the following objectives:

- create a set of indicators (factors) $\{X_j\}$, representing regional specific features for investors and their transformation in one composite index $F(X)$, where $X = (X_1, \dots, X_j, \dots, X_n)$, all of them should account for the regional specificity of the clustering model;
- apply the clustering model of Russian regions to the neural network using Kohonen's self-organizing maps;
- to conduct empirical analysis using real statistics for Russia's regions in order to test the hypotheses put forward in this study.

In our research we intend to test the following hypotheses:

- 1) according to the systemic analysis, assessment of a region in terms of business location should be systemic, but not for each individual region. This means that it is necessary to compare parameters of the analyzed region with other regions.
- 2) business location in Russian regions depends on its market potential, the number of economically active population, and the average nominal monthly wage. A quantitative indicator characterizing a region is the volume of fixed asset investments.
- 3) Russia's economy is characterized by spatial differentiation of business locations in the regions.
- 4) Russian regions are characterized by spatial differentiation of the retail market potential.

This research aims at contributing to the study of spatial differentiation between Russian regions and conducting empirical estimation of market potential and other factors of business location in Russian regions. We use self-learning neural networks which allow assessment of several variables with the lack of some input data. The research will result in a structure of Russian regions accounting for special differentiation of market potential as well as other business location factors.

2. Methodology and Data

2.1 Key Characteristics of a Region

A business, investing into production of goods in a region, wants to maximize its profit. Therefore, the business is particularly interested in the quantity demanded of the product in this and nearby regions as well as in those regions, transportation costs to which and the price level of which allow profit.

In our research we apply Harris's formula (Harris, 1954) defining the market potential of a region as the inverse distance-weighted sum of the purchasing power of all regions:

$$MP_i = \sum \left(\frac{M_j}{D_{ij}} \right)$$

where:

MP_i is the market potential of county i ;

M_j is the market of county j ;

M_{ij} is the distance from county i to county j .

To make necessary calculations with the help of this formula, it is crucial to select empirical data: what data to use in the calculation?

Let us refer to the first necessary variable – the market size of a region.

According to the classical macroeconomic approach, the market size can be calculated by the value of sales to a market in a given period. It is based on the assumption that theoretically any Russian region can be a potential market for other regions of the country.

In the calculations we will use the retail turnover indicator for Russian regions in 2005 and 2010. Our information source is the Central statistical database of the Federal State Statistics Service of the Russian Federation. In this case we will be able to assess the regional market potential from a consumer demand perspective.

Retail markets, with total sales of 635833 million dollars (19075 billion rubles) and 2436.6 thousand people in 2011, are an important part of Russia's economy. 57% of goods sold at these markets are produced in Russia and 43% of goods are imported (Russia-2012, pp. 33-34). These particular markets allow producers to sell their products.

The main problem with calculating the market potential of Russian regions is the lack and poor quality of information, or incompleteness of information. Another limitation for this research is that the Federal State Statistics Service of the Russian Federation can not provide information on all indicators or all 83 Russian regions. To overcome this limitation we need to select appropriate research methods.

A second variable needed for the calculation is the distance between the region under consideration and other regions of the country.

To assess the market potential of a region we will use the shortest railway route between the administrative center of the region under consideration and those of other regions of the country. For regions with no train service modified data on driving, river and sea distances will be used. Thus, we will use not just a geographical straight line distance, but a so called "economic" distance, which depends on economic people's activities including availability of road/rail/sea/ river transport links. The information on distances between the main cities of Russian regions is taken from calculations of Russian scientists (Abramov & Gluschenko, 2000).

Besides the market potential, we will need some other parameters characterizing the regions.

In modern economy an investor first of all needs qualified workforce to build a globally competitive business. A business should be able to recruit personnel with good job skills. That is why such a characteristic of regional economy as "the number of economically active population" is very important for an investor.

From an investor's perspective, to maximize profit it is necessary to evaluate factors affecting the production costs. It is important to know the cost of labor in the region, which is characterized by the average monthly nominal wage index.

To make the right choice an investor should also know the general economic activity of business in the region. Therefore, we will use such an indicator as "fixed assets investment" in the region.

Thus, for our research we have selected the following variables: market potential of a region, fixed asset investment, economically active population, and average monthly nominal wages in a region.

Information on the variables is taken from the Central statistical database of the Federal State Statistics Service of the Russian Federation for the years 2005 and 2010.

2.2 Neural Network Approach to Data Classification

Studies on spatial differentiation generally use traditional methods of econometric modeling. As it has been stated, we will do our research with incomplete information. Thus, to overcome this limitation we will use artificial neural networks. They can be more effective than traditional research methods. Compared to traditional methods, the main advantage of the artificial neural networks is that they are not programmed but trained.

Theoretical and practical aspects of using artificial neural networks are discussed in many scientific works.

McCulloch W. S., Pitts W. in their work (McCulloch & Pitts, 1943) first suggested a mathematical model of the biological neural network, and later Hebb D. O. (1949) formulated basic rules of learning a neural network.

Rosenblatt F. (1958) was one of the first to suggest a mathematical representation of the living neuron to recognize data patterns. He also conducted a series of experiments proving the possibility of such applications.

Minsky M. L. and Papert S. A. (1969) conducted a detailed mathematical analysis of Rosenblatt perceptron properties and, in particular, proved that existing learning algorithms do not allow the use of perceptron to solve n-separable problems. This work significantly declined interest in artificial neural networks for more than a decade.

Rumelhart D. E., Hinton G. E. and Williams R. J. (1986) suggested a method for training artificial neural networks with a nonlinear activation function and a hidden layer, which solved the issue of n-separable problems and renewed interest in artificial neural networks.

Kohonen T. (1982) suggested a structure of the neural network capable of self-learning through clustering the input data space. It is T. Kohonen's work that initiated a widespread use of artificial neural networks in scientific research.

Hopfield J. J. (1982) developed a fundamentally new architecture of the artificial neural network with self-feedback (recurrent network). Unlike previous artificial neural networks, Hopfield recurrent networks are models of physical, not biological processes allowing to solve problems using associative memory.

Haykin S. (1999) summarized about 1200 most important works on neural network theory. His work is still considered the most comprehensive study in the field of neural network modeling.

Using neural networks allows a principally new level of creating algorithms to solve many complex problems with incomplete information, which is especially important for solving economic problems. Economic, financial and social systems result from actions and reactions of both objective reality and individuals. This makes it difficult to create a complete mathematical model with account for all possible actions and reactions. It is almost impossible to get a detailed approximation of the model based on such traditional parameters as utility and profit maximization.

Models directly imitating social and economic behavior are more effective to use in such complex systems. This is what the neural network methodology allows to do.

In this study we suggest segmentation of the regions on the basis of the market potential and other selected parameters using the Kohonen layer and Kohonen's self-organizing networks (sometimes called maps) (Kohonen, 1982).

According to different authors, Kohonen's neural networks, or Kohonen's self-organizing maps (SOM), are used for automated classification with no training sequence of patterns, i.e. when there is no a priori information of the desired output (Kruglov & Borisov, 2001). Consequently, there is no knowledge of the error between the network's and some desired outputs and no need to minimize this error like in the back propagation algorithm.

Using Kohonen's self-organizing maps – one of the neural network algorithms – for analysis allows the automation of pattern discovery.

The main advantage of this method is that the result of the training process depends only on the input data structure. In this method an artificial network of connected neurons during its unsupervised training process tries to understand the relationship between input data and to visualize it on the map.

In this research we used the following methodology. First, we figured out the factors characterizing regional economy from different perspectives. These factors affect the location of a business in Russian regions and include market potential of a region, fixed asset investment, economically active population, and average monthly nominal wage in a region.

Second, we calculated retail market potential for Russian regions using Harris's equation. We also formed generalized indicator $F(X_j)$ based on the selected factors and created generalized production function $F(\bar{X}(t), t)$ using Zwicky's morphological approach (see: Odrin & Kartavov, 1977). Zwicky suggested the idea of defining additive sets of values (conditions), shown at the axes of the morphological box, and "reducing" all mutually contradictory conditions with the help of the cross-consistency assessment. Specifically, in our task of clustering Russian regions the main useful function $F((t), t)$ is written as:

$$F(\bar{X}, t) = F_1(\bar{X}, t) \cdot F_2(\bar{X}, t) \cdot F_3(\bar{X}, t) \cdot F_4(\bar{X}, t), \quad (2)$$

where t is the time; $F_1(\bar{X}, t)$ is the indicator of a region's market potential; $F_2(\bar{X}, t)$ is the indicator of fixed asset investments; $F_3(\bar{X}, t)$ is the indicator of the number of economically active population; and $F_4(\bar{X}, t)$ is the indicator of the average nominal monthly wage in the region.

Multiplication of partial criteria $\{F_{k_j}\}$ in (2) represents the interrelationship of all indicators in the overall assessment F of a region: this indicator will reach its maximum value in case of simultaneously maximum values of all aggregates F_1, \dots, F_p .

To explore causal relationship between the selected factors of business location in Russian regions, we carried out correlation and regression analysis. It was found out that a quantitative indicator characterizing the location of a business is fixed asset investment in a region.

Next, we use Kohonen's method of self-organizing maps to calculate the selected factors across Russian regions. After that we rate the regions based on the selected indicators, sum up rating positions for every region and classify the regions.

Finally, we classify Russian regions based on the market potential of their retail markets.

3. Calculation Results

3.1 Spatial Differentiation of Market Potential in Russian Regions

Retail market potential in Russian regions was calculated based on the above mentioned methodology. Retail trade turnover across Russian regions from 2005 to 2010 was chosen as input data. The central statistical database of the Federal State Statistics Service was chosen as the source of information. Another indicator used for the calculation was the shortest railway between the administrative centre of the region under consideration and other regions.

The results of the calculation of market potential for Russian regions in 2005 and 2010 are given in Table 1.

Table 1. Market potential of Russian regions (across retail markets)

Subject of the RF	Administrative center	2005	2010
Belgorod Oblast	Belgorod	9556,54	16213,29
Bryansk Oblast	Bryansk	12737,3	20912,07
Vladimir Oblast	Vladimir	20725,56	33215,92
Voronezh Oblast	Voronezh	11668,5	19827,63
Ivanovo Oblast	Ivanovo	16134,2	26435,47
Kaluga Oblast	Kaluga	21042,77	33629,99
Kostroma Oblast	Kostroma	14849,04	24462,92
Kursk oblast	Kursk	11159,82	18829,39
Lipetsk Oblast	Lipetsk	13379,11	22371,65
	Moscow	28605,01	53282,77
Moscow oblast	Krasnogorsk	96288,87	138294,28
Orlov Oblast	Orel	13868,06	22980,86
Ryazan Oblast	Ryazan	20400,17	32634,79
Smolensk Oblast	Smolensk	12007,03	19641,63
Tambov Oblast	Tambov	12822,67	21524,79
Tver Oblast	Tver	22014,98	34879,38
Tula Oblast	Tula	21361,93	34011,31
Yaroslavl Oblast	Yaroslavl	16681,06	26984,95
Arkhangelsk Oblast	Arkhangelsk	5620,66	9515,3
Vologda Oblast	Vologda	11396,72	18846,63
Kaliningrad Oblast	Kaliningrad	5169,76	8714,21

Subject of the RF	Administrative center	2005	2010
Republic of Kareliya	Petrozavodsk	7121,04	11999,9
Komi Republic	Syktvykar	10055,86	10735,51
Leningrad Oblast	Gatchina	12181,62	21749,09
Murmansk Oblast	Murmansk	3959,94	6729,2
Nenets Autonomous Okrug	Naryan-Mar	2962,55	5068,64
Novgorod Oblast	Veliky Novgorod	11657,59	19242,07
Pskov Oblast	Pskov	8985,06	14985,42
Saint-Petersburg		9810,83	16611,34
Republic of Adygeya	Maikop	7305,93	15499,47
Astrakhan Oblast	Astrakhan	6213,36	11021,25
Volgograd Oblast	Волгоград	8044,42	14289,65
Kalmykia	Elista	7618,19	13741,54
Krasnodar Krai	Krasnodar	6733,23	11419,34
Rostov Oblast	Rostov-on-Don	7213,25	13527,84
Republic of Daghestan	Makhachkala	5012,89	9010,09
Ingush Republic	Magas	6785,55	12653,21
Kabarda-Balkar Republic	Nalchik	6256,9	11627,94
Karachai-Cherkes Republic	Cherkessk	7385,94	13798,48
Republic of North Ossetia – Alania	Vladikavkaz	6071,59	11320,24
Stavropol Krai	Stavropol	6663,91	12547,52
The Chechen Republic	Grozny	6045,21	11256,22
Republic of Bashkortostan	Ufa	8001,02	14042,53
Kirov Oblast	Kirov	8780,56	15257,94
Republic of Mari El	Yoshkar-Ola	11203,48	19340,53
Republic of Mordovia	Saransk	11250,9	19255,25
Nyzhniy Novgorod Oblast	Nyzhniy Novgorod	12414,56	20770,28
Orenburg Oblast	Orenburg	12385,03	12578,36
Penza Oblast	Penza	11152,67	18927,08
Perm Krai	Perm	7943,13	14239,7
Samara Oblast	samara	8351,68	14730,65
Saratov Oblast	Saratov	9471,22	16310,02
Republic of Tatarstan	Kazan	10109,97	17453,66
Republic of Udmurtiya	Izhevsk	8604,84	14819,23
Ulyanovsk Oblast	Ulyanovsk	10556,82	18200,19
Republic of Chuvashia	Cheboksary	11761,70	20295,48
Kurgan Oblast	Kurgan	7891,99	13827,73
Sverdlov Oblast	Ekaterinburg	7614,25	13423,27
Tyumen Oblast	Tyumen	6301,72	11092,14
Khanty-Mansi Autonomous Okrug – Yugra	Khanty-Mansiysk	3676,5	6384,37
Chelyabinsk Oblast	Chelyabinsk	7932,14	14009,34
Altai Republic	Gorno-Altaysk	4117,20	6996,31
Altai Krai	Barnaul	4549,30	7687,91
Republic of Buryatia	Ulan-Ude	2470,17	4185,81
Trans-Baikal Krai	Chita	2046,63	3492,3
Irkutsk Oblast	Irkutsk	2489,15	4273,89
Kemerovo Oblast	Kemerovo	4639,63	8214,47
Krasnoyarsk Krai	Krasnoyarsk	3411,88	5792,6
Novosibirsk Oblast	Novosibirsk	4909,79	8321,87
Omsk Oblast	Omsk	5043,87	8732,45
Tomsk Oblast	Tomsk	5022,46	8471,95
Republic of Tyva	Kyzyl	2888,14	4938,67
Republic of Khakassia	Abakan	3569,80	6081,1
Amur Oblast	Blagoveshchensk	1695,48	2886,84
Jewish Autonomous Region	Birobidzhan	2124,59	3542,96

Subject of the RF	Administrative center	2005	2010
Magadan Oblast	Magadan	1135,37	1944,95
Primorskiy Krai	Vladivostok	1350,58	2310,81
Republic of Sakha/Yakutiya	Yakutsk	1407,25	2414,46
Sakhalin Oblast	Yuzhno-Sakhalinsk	1998,58	2284,5
Khabarovsk Krai	Khabarovsk	1608,58	2739,14

Russian regions were also classified by their market potential (for retail sales) based on the data for 2005 and 2010 respectively.

For this purpose the market potential of Moscow and Moscow Oblast was taken as 100% since, according to our calculations, it is the maximum value. Relative values of the market potential of other regions were calculated as the ratio of the market potential of a region under consideration to the value of Moscow Oblast and Moscow’s market potential. We introduced the following parameters of grouping regions based on their market potential value: 0-10%, 10-20%, 20-40%, 60-80% and 80–100%.

The results are presented on the maps of Russia (Figures 1 & 2).



Figure 1. Market potential of Russian regions (retail markets), 2005



Figure 2. Market potential of Russian regions (retail markets), 2010

The maps (Figures 1 & 2) show an inverse relationship between the market potential of Russia's regions and their proximity to the central region: the farther from Moscow a region is, the lower market potential it has. It proves our hypothesis of a high level of spatial differentiation of Russia's economic development. This puts bounds to comprehensive socio-economic development of the country.

Classification of Russian regions by their market potential resulted in 4 groups of regions (Tables 2 & 3).

Table 2. Classification of Russian regions by retail market potential, 2005

IV group 0–20%	III group 20–60%	II group 60–80%	I group 80–100%
Republic of Sakha (Yakutiya)	Arkhangelsk Oblast	Leningrad Oblast	Moscow Moscow Oblast
Nenets Autonomous Okrug	Ivanovo Oblast		Tver Oblast
Chukchi Autonomous Okrug	Kaliningrad Oblast	Saint-Petersburg	Vladimir Oblast
Yamalo-Nenetskiy Avtonomnyy Okrug	Yaroslavl Oblast	Novgorod Oblast	Kaluga Oblast
Magadan Oblast	Pskov Oblast	Vologda Oblast	Tula Oblast
Jewish Autonomous Oblast	Republic of Karelia	Republic of Komi	7. Ryazan Oblast
Kamchatka Krai	Kirov Oblast	Smolensk Oblast	
Trans-Baikal Krai	Republic of Udmurtiya	Kostroma Oblast	
Khabarovsk Krai	Perm Krai	Nyzhniy Novgorod Oblast	
Republic of Buryatiya	Republic of Bashkortostan	Respublika Mariy El	
Sakhalin Oblast	Chelyabinsk Oblast	Republic of Chuvashia	
Republic of Tyva	Sverdlov Oblast	Republic of Tatarstan	
Amur Oblast	Kurgan Oblast	Orenburg Oblast	
Irkutsk Oblast	Tyumen Oblast	Ulyanovsk Oblast	
Primorskiy Krai	Omsk Oblast	Respublika Mordoviya	
Krasnoyarsk Krai	Tomsk Oblast	Penza Oblast	
Khanty-Mansi Autonomous Okrug	Samara Oblast	Tambov Oblast	
Novosibirsk Oblast	Saratov Oblast	Lipetsk Oblast	
Altai Krai	Volgograd Oblast	Orel Oblast	
Republic of Altay	Rostov Oblast	Bryansk Oblast	
Republic of Khakasiya	Republic of Kalmykia	Kursk Oblast	
Kemerovo Oblast	Astrakhan Oblast	Belgorod Oblast	
23. Murmansk Oblast	Krasnodar Krai	22. Voronezh Oblast	
	Stavropol Krai		
	Republic of Adygea		
	Karachay-Cherkess Republic		
	Kabardino-Balkaria		
	Republic of North Ossetia-Alania		
	Republic of Ingushetia		
	Chechen Republic		
	31. Republic of Dagestan		

Table 3. Classification of Russian regions by retail market potential, 2010

IV group 0 – 20%	III group 20 – 60%	II group 60 – 80%	I group 80 – 100%
Republic of Sakha (Yakutiya)	Perm Krai	Leningrad Oblast	Moscow Moscow Oblast Saint-Petersburg
Nenets Autonomous Okrug	Respublika Karelia	Kostroma Oblast	Tver Oblast
Chukchi Autonomous Okrug	Respublika Komi	Yaroslavl Oblast	Vladimir Oblast
Yamalo-Nenetskiy Avtonomnyy Okrug	Sverdlov Oblast	Ivanovo Oblast	Ryazan Oblast
Magadan Oblast	Tyumen Oblast	Nyzhniy Novgorod Oblast	Tula Oblast
Krasnoyarsk Krai	Kurgan Oblast	Republic of Chuvashia	8. Kaluga oblast
Kamchatka Krai	Chelyabinsk Oblast	Tambov Oblast	
Republic of Khakasiya	Orenburg Oblast	Lipetsk Oblast	
Khabarovsk Krai	Republic of Bashkortostan	Orel Oblast	
Republic of Altay	Republic of Udmurtiya	10. Bryansk Oblast	
Sakhalin Oblast	Kirov Oblast		
Altai Krai	Volgograd Oblast		
Primorskiy Krai	Respublika Mariy El		
Kemerovo Oblast	Respublika Tatarstan		
Jewish Autonomous Oblast	Samara Oblast		
Novosibirsk Oblast	Ulyanovsk Oblast		
Amur Oblast	Republic of Mordoviya		
Tomsk Oblast	Penza Oblast		
Trans-Baikal Krai	Saratov Oblast		
Omsk Oblast	Vologda Oblast		
Republic of Buryatiya	Voronezh Oblast		
Khanty-Mansi Autonomous Okrug	Belgorod Oblast		
Irkutsk Oblast	Kursk Oblast		
Arkhangelsk Oblast	Smolensk Oblast		
Republic of Tyva	Pskov Oblast		
Republic of Dagestan	Novgorod Oblast		
Murmansk Oblast	Rostov Oblast		
28. Kaliningrad Oblast	Republic of Kalmykiya		
	Astrakhan Oblast		
	Krasnodar Krai		
	Stavropol Krai		
	Republic of Adygeya		
	Karachai-Cherkes Republic		
	Kabarda-Balkar Republic		
	Republic of Severnaya Osetiya-Alaniya		
	Republic of Ingushetiya		
	37. Chechen Republic		

Tables 2 and 3 show that Russian regions are characterized by a significant spatial differentiation of the market potential: the maximum market potential concentrates in few regions, while the majority of the regions are characterized by a far less market potential. The 3rd group of the regions (from 20 to 60%) is the most numerous: it included 31 regions in 2005 and 37 in 2010. At the same time, the group with the maximum market potential (from 80 to 100%) is the smallest in quantity: it included only 7 regions in 2005, and 8 regions in 2010 as Saint Petersburg moved from the 2nd group to the leader group. The number of the regions in the 2nd group (from 60 to 80%) reduced from 22 in 2005 to 10 in 2010, as the rating positions of 11 regions became worse and they moved to the 3rd and even 4th groups. These results once again prove our hypothesis of a high and increasing level of spatial differentiation of Russia's economic development.

Based on the data of tables 2 and 3, we classified Russian regions by the dynamics of their market potential. We obtained three groups of regions: 1) regions with a stable market potential; 2) regions with an improved market potential; 3) regions with a decreased market potential. The results of the classification are presented in Table 4.

Table 4. Classification of Russian regions by retail market potential dynamics

Regions with a stable market potential	Regions with an improved market potential	Regions with an aggravated market potential
The Republic of Sakha (Yakutia)	Pskov Oblast	Jewish Autonomous Oblast
Chukchi Autonomous Okrug	Kirov Oblast	Trans-Baikal Krai
Magadan Oblast	Republic of Kareliya	Republic of Buryatiya
Kamchatka Krai	Republic of Udmurtiya	Republic of Tuva
Khabarovsk Krai	Republic of Bashkortostan	Irkutsk Oblast
Sakhalin Oblast	Chelyabinsk Oblast	Arkhangelsk Oblast
Amur Oblast	Sverdlov Oblast	Kaliningrad Oblast
Primorsky Krai	Kurgan Oblast	Pskov Oblast
Nenets Autonomous Okrug	Tyumen Oblast	Omsk Oblast
Yamalo-Nenets Autonomous Okrug	Samara Oblast	Tomsk Oblast
Krasnoyarsk Krai	Saratov Oblast	Republic of Dagestan
Khanty-Mansi Autonomous Okrug	Volgograd Oblast	Novgorod Oblast
Novosibirsk Oblast	Rostov Oblast	Vologda Oblast
Altai Krai	Republic of Kalmykiya	Republic of Komi
Republic of Altay	Astrakhan Oblast	Smolensk Oblast
Republic of Khakasiya	Krasnodar Krai	Respublika Mariy El
Kemerovo Oblast	Stavropol Krai	Respublika Tatarstan
Murmansk Oblast	Republic of Adygeya	Orenburg Oblast
Perm Krai	Karachai-Cherkes Republic	Ulyanovsk Oblast
Leningrad Oblast	Kabarda-Balkar Republic	Republic of Mordoviya
Kostroma Oblast	Republic of Severnaya Osetiya-Alaniya	Penza Oblast
Nizhny Novgorod Oblast	Republic of Ingushetiya	Kursk Oblast
Republic of Chuvashia	Chechen Republic	Belgorod Oblast
Tambov Oblast	Ivanovo Oblast	24.Voronezh Oblast
Lipetsk Oblast	Yaroslavl Oblast	
Orel Oblast	26. Saint-Petersburg	
Bryansk Oblast		
Tver Oblast		
Vladimir Oblast		
Kaluga Oblast		
Tula Oblast		
32.Ryazan Oblast		

Table 4 shows change in the market potential of Russian regions over the indicated period of time: 24 regions are characterized by decrease in their market potential, 26 regions are marked by the market potential growth, and

the market potential did not change in 32 regions. This says about slow positive dynamics of economic development in most regions of Russia.

3.2 Casual Relationship between Factors of Business Location in Russian Regions

Casual relationships between the selected factors of business location in Russian regions were established with the help of the correlation-regression analysis. The volume of fixed asset investment in a region was taken as an explained variable Y, characterizing business location in a region. Explaining variables include:

X1 – the retail market potential;

X2 – the number of economically active population in the regions;

X3 – the average nominal monthly wage in the regions.

The correlation-regression analysis was based on the data on Russian regions for 2005 and 2010 from the Central statistical database of the Federal State Statistics Service of the Russian Federation.

We created pairwise comparison matrices of correlation between the values of the selected factors in 2005 and 2010 (Tables 5, 6).

Table 5. Correlation pairwise comparison matrix (2005)

	Y	X1	X2	X3
Y	1	0.2629	0.7601	0.5683
X1	0.2629	1	0.4379	-0.0844
X2	0.7601	0.4379	1	0.1569
X3	0.5683	-0.0844	0.1569	1

Table 6. Correlation pairwise comparison matrix (2010)

	Y	X1	X2	X3
Y	1	0.2164	0.7209	0.5401
X1	0.2164	1	0.4721	-0.0296
X2	0.7209	0.4721	1	0.2544
X3	0.5401	-0.0296	0.2544	1

These correlation matrices show that factors X2 and X3 are significant both in 2005 and 2010, which means a strong linear relationship between the volume of fixed asset investment, the number of economically active population and the average nominal monthly wage. At the same time factor X1 turned out to be insignificant meaning the absence of correlation between the volume of fixed asset investment and the region's market potential. As correlation between the factors is not very high, the problem of multicollinearity should not arise.

The multiple regression equation in a linear form is written as:

1) based on data for 2005:

$$Y = -80823.36 + 0.0049 * X1 + 59.439 * X2 + 9.351 * X3$$

General characteristics of the obtained model:

<i>Regression statistics</i>	
Multiple R	0.8857
R-squared	0.7845
Normalized R-squared	0.7760
Standard error	35588.14
Observation	80

Variance analysis

	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	3	3.505E+11	1.17E+11	92.2455	2.91E-25
Excess	76	9.626E+10	1.27E+09		
Total	79	4.467E+11			

	Coefficients	Standard error	t-statistics	P-Value
Y-intersection	-80823.36	10354.61	-7.806	2.59E-11
Variable X1	0.0049	0.403	0.012	0.990
Variable X2	59.439	5.244	11.334	5.32E-18
Variable X3	9.351	1.111	8.414	1.77E-12

The obtained model is characterized by a rather high value of determination coefficient ($R^2=0.7845$), which means that the model is reliable enough. The model is also significant, since F-statistic has a large value. However, according to t-test results, factor X1 is not significant (P-value is close to 1).

Figure 3 shows a graph of the explained value (the volume of fixed asset investment) and values obtained from the model.

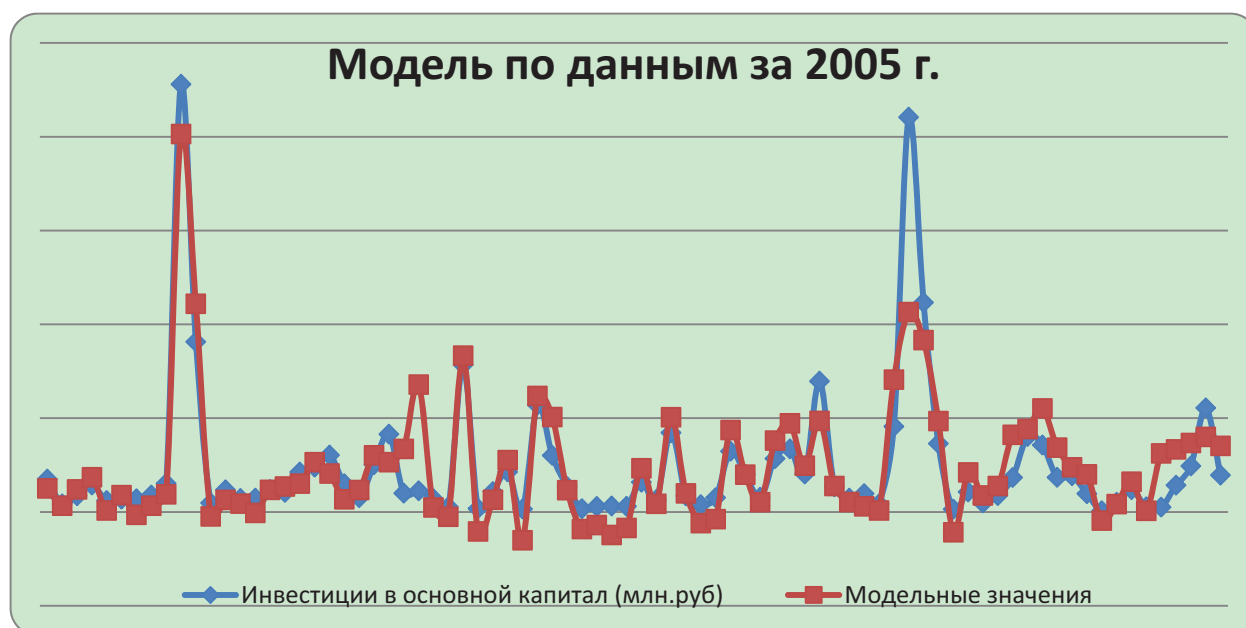


Figure 3. A model of fixed asset investment based on data for 2005

2) Based on data for 2010:

$$Y = -136312.96 - 0.898 * X1 + 123.83 * X2 + 8.355 * X3$$

General characteristics of the obtained model:

<i>Regression statistics</i>	
Multiple R	0.8135
R-squared	0.6617
Normalized R-squared	0.6484
Standard error	99340.48
Observation	80

<i>Variance analysis</i>					
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	3	1.467E+12	4.89E+11	49.5523	7.46E-18
Excess	76	7.5E+11	9.87E+09		
Total	79	2.217E+12			

	Coefficients	Standard error	<i>t</i> -statistics	<i>P</i> -Value
Y-intersection	-136312.96	32320.6	-4.218	6.75E-05
Variable X1	-0.898	0.779	-1.154	0.252
Variable X2	123.83	14.699	8.424	1.69E-12
VariableX3	8.355	1.595	5.240	1.39E-06

As compared to the model obtained for 2005, the model for 2010 has smaller values of R^2 and F -statistics, but it is well significant. Similar to the model obtained for 2005, the model for 2010 has significant factors X2 and X3 and insignificant factor X1. Nevertheless, P-value of factor X1 is much less in the second model than in the first one.

Figure 4 shows a graph of the fixed asset investment and model values for 2010.

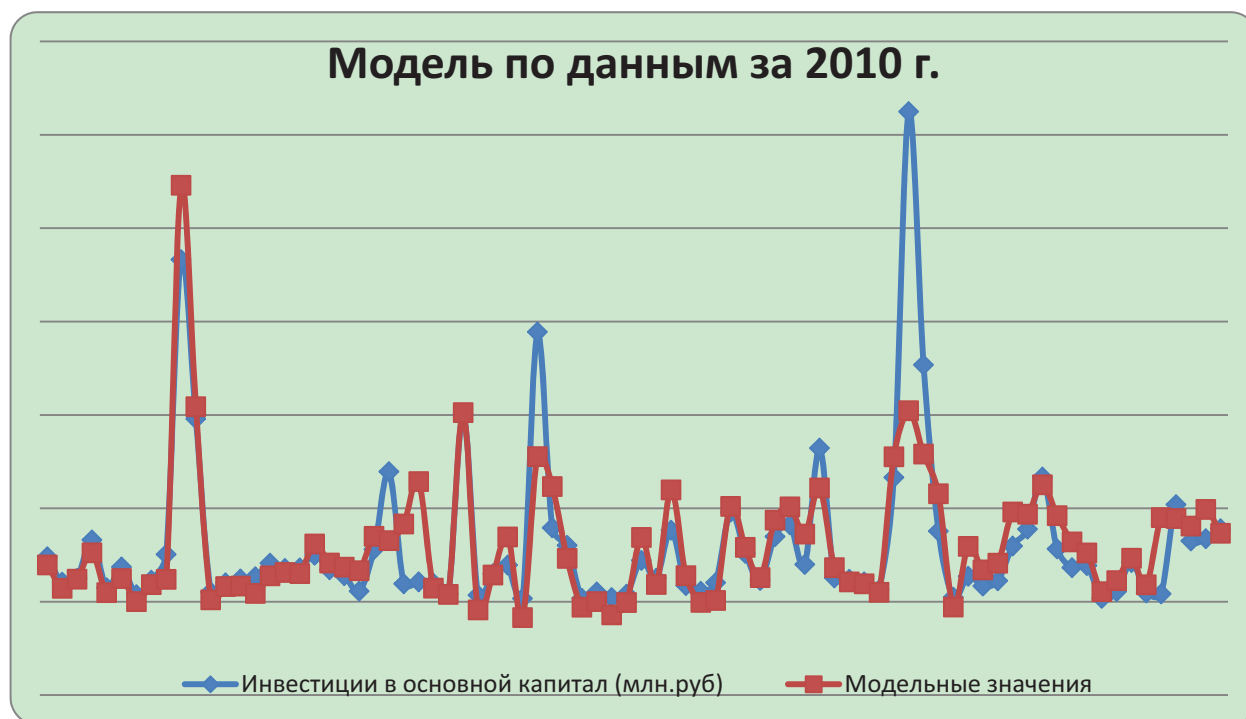


Figure 4. A model of fixed asset investment based on data for 2010

So, correlation-regression analysis showed that our hypothesis that business location in Russian regions is determined by such factors as the market potential, the number of economically active population and the average nominal monthly wage is partially true. According to the obtained results, there is a strong linear relationship between the volume of fixed asset investment and such factors as the number of economically active population and the average nominal monthly wage while the amount of fixed asset investment does not correlate with the retail market potential.

3.3 Classification of the Regions

Russian regions were clustered on the basis of 5 variables: aggregates and the main useful function F . The latter allows a clear and simple interpretation of calculation results.

Using the initial values of parameters, we rated each region of the Russian Federation based on the selected indicators by means of the Kohonen layer and self-organizing net. Further we summed up rating positions of every region and grouped the regions.

The calculation results for the selected variables in Russian regions for 2005 and 2010 are given in Tables 7 and 8, where column A is the classification of regions by their retail market potential, B is the classification of regions with the help of the Kohonen layer, column C is the classification of regions by means of the

self-organizing net, x_1 is the classification by fixed capital investment, x_2 is the classification by economically active population, x_3 is the classification by the average monthly nominal wage, and column D is the total rating of a region.

Table 7. Ratings of Russian regions, 2005

Subject of the Federation	A	B			C			Total places
		x1	x2	X3	x1	x2	x3	D
1	4	5	6	7	8	9	10	11
Belgorod Oblast	2	1	1	3	1	1	3	14
Bryansk Oblast	2	1	1	2	1	1	2	12
Vladimir Oblast	3	1	1	2	1	1	2	15
Voronezh Oblast	2	1	2	2	1	2	2	14
Ivanovo Oblast	3	1	1	2	1	1	2	14
Kaluga Oblast	3	1	1	3	1	1	3	17
Kostroma Oblast	2	1	1	2	1	1	2	13
Kursk Oblast	2	1	1	2	1	1	2	12
Lipetsk Oblast	2	1	2	3	1	1	3	15
Moscow	4	4	4	4	4	4	4	32
Moscow Oblast	4	3	3	4	2	3	4	27
Orel Oblast	2	1	1	2	1	1	3	14
Ryazan Oblast	3	1	1	2	1	1	2	15
Smolensk Oblast	2	1	1	3	1	1	3	14
Tambov Oblast	2	1	2	2	1	1	2	13
Tver Oblast	3	1	1	3	1	1	3	17
Tula Oblast	3	1	1	3	1	1	3	17
Yaroslavl Oblast	3	1	1	3	1	1	3	16
Arkhangelsk Oblast	1	1	1	4	1	1	4	14
Vologda Oblast	2	1	2	1	1	2	2	13
Kaliningrad Oblast	1	1	1	3	1	1	3	12
Republic of Kareliya	1	1	2	3	1	1	3	13
Komi Republic	2	1	2	4	1	1	4	16
Leningrad Oblast	2	1	2	3	1	1	3	15
Murmansk Oblast	1	1	1	4	1	1	3	13
Nenets Autonomous Okrug	1	1	1	4	1	1	4	14
Novgorod Oblast	2	1	1	3	1	1	3	14
Pskov Oblast	2	1	1	2	1	1	2	12
Saint-Petersburg	2	2	3	4	2	3	4	22
Republic of Adygeya	2	1	1	2	1	1	2	11
Astrakhan Oblast	1	1	2	3	1	1	3	13
Volgograd Oblast	2	1	2	3	1	2	3	16
Kalmykia	2	1	1	2	1	1	1	11
Krasnodar Krai	2	2	3	3	2	3	3	19
Rostov Oblast	2	1	3	2	1	3	2	16

Republic of Daghestan	1	1	1	2	1	2	2	11
Ingush Republic	1	1	1	2	1	1	2	10
Kabarda-Balkar Republic	1	1	1	2	1	1	2	10
Karachai-Cherkes Republic	1	1	1	2	1	1	2	10
Republic of North Ossetia – Alania	1	1	1	2	1	1	2	10
Stavropol Krai	1	1	2	1	1	2	2	11
Republic of Bashkortostan	2	1	2	3	1	2	3	16
Kirov Oblast	2	1	1	2	1	1	2	12
Republic of Mari El	2	1	1	2	1	1	2	12
Republic of Mordovia	2	1	1	2	1	1	2	12
Nyzhniy Novgorod Oblast	2	1	2	3	1	2	3	16
Orenburg Oblast	2	1	2	3	1	2	3	15
Penza Oblast	2	1	1	2	1	1	1	11
Perm Krai	2	1	2	3	1	2	2	15
Samara Oblast	2	1	2	3	1	2	2	15
Saratov Oblast	2	1	2	2	1	2	3	15
Republic of Tatarstan	2	2	2	3	2	2	3	18
Republic of Udmurtiya	2	1	1	3	1	1	3	14
Ulyanovsk Oblast	2	1	1	2	1	1	2	12
Republic of Chuvashia	2	1	1	2	1	1	3	13
Kurgan Oblast	2	1	1	2	1	1	2	12
Sverdlov Oblast	2	1	3	3	1	3	3	18
Tyumen Oblast	1	4	2	4	4	2	4	22
Chelyabinsk Oblast	2	1	2	3	1	2	3	16
Altai Republic	1	1	1	2	1	1	2	10
Altai Krai	1	1	1	2	1	2	3	12
Republic of Buryatia	1	1	1	3	1	1	3	12
Trans-Baikal Krai	1	1	1	1	1	1	2	9
Irkutsk Oblast	1	1	2	4	1	2	4	16
Kemerovo Oblast	1	1	1	3	1	1	3	12
Krasnoyarsk Krai	1	4	2	4	4	2	4	22
Novosibirsk Oblast	1	1	2	3	1	2	3	14
Omsk Oblast	1	1	2	3	1	2	3	14
Tomsk Oblast	1	1	2	4	1	1	4	15
Republic of Tyva	1	1	1	3	1	1	3	12
Republic of Khakassia	1	1	1	3	1	1	3	12
Amur Oblast	1	1	1	3	1	1	2	11
Jewish Autonomous Region	1	1	1	1	1	1	2	9
Magadan Oblast	1	1	1	4	1	1	4	14
Primorskiy Krai	1	1	1	3	1	2	3	13
Republic of Sakha/Yakutiya	1	1	2	1	1	1	2	10
Sakhalin Oblast	1	1	1	4	1	1	4	14
Khabarovsk Krai	1	1	1	4	1	1	4	14

Table 8. Ratings of Russian regions, 2010

Subject of the Federation	A	B			C			Total places
		x1	x2	x3	x1	x2	x3	D
1	4	5	6	7	8	9	10	11
Belgorod Oblast	2	1	1	2	1	1	2	12
Bryansk Oblast	2	1	1	2	1	1	2	13
Vladimir Oblast	4	1	2	2	1	2	2	18
Voronezh Oblast	2	2	2	2	3	2	2	18
Ivanovo Oblast	3	1	1	2	1	1	2	15
Kaluga Oblast	4	1	1	3	1	1	2	17
Kostroma Oblast	3	1	1	2	1	1	2	15
Kursk Oblast	2	1	1	2	1	1	2	13
Lipetsk Oblast	3	2	1	2	2	1	3	17
Moscow	4	4	4	4	4	4	4	32
Moscow Oblast	4	3	3	3	4	3	3	27
Orel Oblast	3	1	1	2	1	1	2	14
Ryazan Oblast	4	1	1	2	1	1	2	13
Smolensk Oblast	2	1	1	2	1	1	2	13
Tambov Oblast	3	1	1	2	1	1	2	14
Tver Oblast	4	1	1	2	1	1	2	16
Tula Oblast	4	1	1	2	1	1	2	16
Yaroslavl Oblast	3	1	1	2	1	2	2	16
Arkhangelsk Oblast	1	1	1	3	1	2	3	14
Vologda Oblast	2	1	2	2	1	2	3	15
Kaliningrad Oblast	1	1	1	3	1	1	3	13
Republic of Kareliya	2	1	1	3	1	1	3	14
Komi Republic	1	2	1	4	1	1	4	16
Leningrad Oblast	3	3	1	3	3	1	3	20
Murmansk Oblast	1	1	1	4	1	1	4	14
Nenets Autonomous Okrug	1	1	1	4	1	1	4	14
Novgorod Oblast	2	1	1	3	1	1	3	15
Pskov Oblast	2	1	1	2	1	1	2	12
Saint-Petersburg	2	4	3	4	4	3	4	26
Republic of Adygeya	2	1	1	2	1	1	2	12
Astrakhan Oblast	2	1	1	3	1	1	2	13
Volgograd Oblast	2	1	1	3	1	1	3	15
Kalmykia	2	1	1	2	1	1	1	11
Krasnodar Krai	2	4	3	2	4	2	3	22
Rostov Oblast	2	2	2	2	2	1	2	15
Republic of Daghestan	1	2	2	2	2	2	2	14
Ingush Republic	2	1	1	2	1	1	2	12
Kabarda-Balkar Republic	2	1	1	2	1	1	2	12
Karachai-Cherkes Republic	2	1	1	2	1	1	2	12

Republic of North Ossetia – Alania	2	1	1	2	1	1	1	11
Stavropol Krai	2	1	2	2	1	2	2	14
Republic of Bashkortostan	2	2	2	3	2	2	3	18
Kirov Oblast	2	1	1	2	1	1	2	12
Republic of Mari El	2	1	1	2	1	1	2	13
Republic of Mordovia	2	1	1	2	1	2	2	14
Nyzhniy Novgorod Oblast	2	2	2	3	2	2	3	19
Orenburg Oblast	2	2	2	2	1	2	3	16
Penza Oblast	2	1	1	2	1	1	1	12
Perm Krai	2	2	2	3	3	2	3	18
Samara Oblast	2	2	2	3	2	2	3	17
Saratov Oblast	2	1	2	2	1	2	3	14
Republic of Tatarstan	2	3	2	3	3	2	3	19
Republic of Udmurtiya	2	1	1	2	1	1	2	11
Ulyanovsk Oblast	2	1	1	2	1	1	1	10
Republic of Chuvashia	2	1	1	2	1	1	2	13
Kurgan Oblast	2	1	1	2	1	1	2	12
Sverdlov Oblast	2	3	3	3	2	2	3	20
Tyumen Oblast	2	4	2	4	4	2	4	24
Chelyabinsk Oblast	2	2	2	3	2	2	3	18
Altai Republic	1	1	1	2	1	1	2	10
Altai Krai	1	1	2	2	1	2	2	12
Republic of Buryatia	1	1	1	3	1	1	3	12
Trans-Baikal Krai	1	1	1	3	1	1	3	12
Irkutsk Oblast	1	2	1	3	2	1	2	13
Kemerovo Oblast	1	2	2	3	2	2	3	16
Krasnoyarsk Krai	1	4	2	4	4	2	3	21
Novosibirsk Oblast	1	2	2	3	2	2	3	16
Omsk Oblast	1	1	2	3	1	2	3	14
Tomsk Oblast	1	1	1	3	1	1	3	12
Republic of Tyva	1	1	1	3	1	1	3	12
Republic of Khakassia	1	1	1	3	1	1	3	12
Amur Oblast	1	1	1	3	1	1	3	12
Jewish Autonomous Region	1	1	2	1	1	1	1	9
Magadan Oblast	1	1	1	4	1	1	4	14
Primorskiy Krai	1	2	2	3	2	2	3	16
Republic of Sakha/Yakutiya	1	2	1	4	2	1	4	16
Sakhalin Oblast	1	2	1	4	2	1	3	15
Khabarovsk Krai	1	2	1	3	2	2	3	15

The comparative analysis of the calculation results using the Kohonen layer and self-organizing net (Tables 7, 8, Columns A and B) reveals that the work of the Kohonen layer slightly differs from the work of the self-organizing network. In some cases the self-organizing network omitted one group while classifying the

regions. That is why it is useful to apply both the Kohonen layer and the self-organizing network in order to improve accuracy of the calculation.

The calculation results in tables 7 and 8 allow to segment the regions. In our research we identified 4 groups of regions from the most attractive to the least attractive for investors to locate a business in accordance with the criterion in column D: the first group includes the most attractive regions and the forth one – the least attractive (Tables 9, 10).

Table 9. Classification of Russian regions by attractiveness for investors to locate a business, 2005

I group (28-23)	II group (22-18)	III group (17-13)	IV group (12-8)
<i>Moscow</i>	Saint-Petersburg	Kaluga Oblast	Belgorod Oblast
Moscow Oblast	Krasnodar Krai	Lipetsk Oblast	Bryansk Oblast
	Tyumen Oblast	Tver Oblast	Tver Oblast
	Krasnoyarsk Krai	Tula Oblast	Tula Oblast
		Yaroslavl Oblast	Yaroslavl Oblast
		Arkhangelsk Oblast	Arkhangelsk Oblast
		Republic of Komi	Kursk Oblast
		Leningrad Oblast	Orel Oblast
		Nenets Autonomous Okrug	Ryazan Oblast
		Volgograd Oblast	Smolensk Oblast
		Rostov Oblast	Tambov Oblast
		Republic of Bashkortostan	Vologda Oblast
		Nyzhniy Novgorod Oblast	Kaliningrad Oblast
		Orenburg Oblast	Respublika Kareliya
		Perm Krai	Murmansk Oblast
		Samara Oblast	Novgorod Oblast
		Saratov Oblast	Pskov Oblast
		Republic of Tatarstan	Respublika Adygeya
		Sverdlov Oblast	Astrakhan Oblast
		Chelyabinsk Oblast	Respublika Kalmykiya
		Irkutsk Oblast	Respublika Dagestan
		Novosibirsk Oblast	Respublika Ingushetiya
		Omsk Oblast	Kabarda-Balkar Republic
		Tomsk Oblast	Karachai-Cherkes Republic
		Magadan Oblast	Republic of North Ossetia - Alania
		Sakhalin Oblast	Stavropol Krai
		Khabarovsk Krai	Kirov Oblast
			Republic of Mariy El
			Republic of Mordoviya
			Penza Oblast
			Republic of Udmurtiya
			Ulyanovsk Oblast
			Republic of Chuvashia
			Kurgan Oblast
			Republic of Altay
			Altai Krai
			Republic of Buryatiya
			Trans-Baikal Krai
			Kemerovo Oblast
			Republic of Tyva
			Republic of Khakasiya
			Amur Oblast
			Jewish Autonomous Oblast
			Primorskiy Krai
			Republic of Sakha (Yakutiya)

Table 10. Classification of Russian regions by attractiveness for investors to locate a business, 2010

I group (28-23)	II group (22-18)	III group (17-13)	IV group (12-8)
<i>Moscow</i>	Krasnodar Krai	Vladimir Oblast	Belgorod Oblast
Moscow Oblast	Republic of Tatarstan	Voronezh Oblast	Bryansk Oblast
Saint-Petersburg	Sverdlov Oblast	Kaluga Oblast	Ivanovo Oblast
	Krasnoyarsk Krai	Lipetsk Oblast	Kostroma Oblast
	Tyumen Oblast	Vologda Oblast	Kursk Oblast
		Republic of Komi	Orel Oblast
		Leningrad Oblast	Ryazan Oblast
		Murmansk Oblast	Smolensk Oblast
		Nenets Autonomous Okrug	Tambov Oblast
		Rostov Oblast	Tver Oblast
		Republic of Dagestan	Tula Oblast
		Republic of Bashkortostan	Yaroslavl Oblast
		Nyzhniy Novgorod Oblast	Arkhangelsk Oblast
		Orenburg Oblast	Kaliningrad Oblast
		Perm Krai	Republic of Kareliya
		Samara Oblast	Novgorod Oblast
		Saratov Oblast	Pskov Oblast
		Chelyabinsk Oblast	Respublika Adygeya
		Kemerovo Oblast	Astrakhan Oblast
		Novosibirsk Oblast	Volgograd Oblast
		Omsk Oblast	Republic of Kalmykiya
		Magadan Oblast	Republic of Ingushetiya
		Primorskiy Krai	Kabarda-Balkar Republic
		Republic of Sakha (Yakutiya)	Karachai-Cherkes Republic
		Sakhalin Oblast	Republic of North Ossetia - Alania
		Khabarovsk Territory	Stavropol Krai
			Kirov Oblast
			Republic of Mariy El
			Republic of Mordoviya
			Penza Oblast
			Republic of Udmurtiya
			Ulyanovsk Oblast
			Republic of Chuvashia
			Kurgan Oblast
			Republic of Altay
			Altai Krai
			Republic of Buryatiya
			Trans-Baikal Krai
			Irkutsk Oblast
			Tomsk Oblast
			Republic of Tyva
			Republic of Khakasiya
			Amur Oblast
			Jewish Autonomous Oblast

Tables 9 and 10 show that Moscow and Moscow Oblast are the absolute leaders by all parameters; these regions are included into the first group. The group is the smallest and includes only two regions. The second group includes slightly more regions – in 2010 it included 6 regions attractive for investors. Groups 3 and 4 are the most numerous and unattractive for economic activity, in 2010 group 4 (the most unattractive) was bigger than group 3 by 14 regions. Some regions of Russia, such as Krasnodar Krai, Republic of Bashkortostan and Sverdlovsk Oblast had improved their positions over 5 years, and moved from group 3 into group 2 thus having increased their attractive force.

Tables 9 and 10 prove spatial differentiation of Russia's economy by means of spatial differentiation of factors affecting business location in regions. It is obvious that modern Russia has a very high level of spatial differentiation – most regions are the most unattractive for business location, and vice versa, only few regions are the most attractive for business location.

So, applying the neural networks to assess factors affecting the location of a business in Russian regions allows to identify regions with similar features in terms of basic factors of business location in conditions of incomplete information.

4. Conclusions

The results of the research are the following:

1. To investigate spatial differentiation of the regions' economic development, it is necessary to carry out analysis of regional economies based on numerous parameters affecting the attractiveness of a region for business location. In the context of incomplete information, applying self-learning neural networks gives good results. Neural networks, alternatively to the traditional methods of data processing operations, help to solve problems without preliminary hypotheses and theoretical conclusions (for example, to state that the desired value is linear or one variable has normal distribution). The neural approach can be used both for linear and complex nonlinear relations, but it is especially effective while used in the exploratory data analysis aiming at finding out any relations between different variables. It should be noted that the data can be incomplete, controversial or even knowingly corrupted. If there is relation between input and output data, even non-discoverable by the traditional correlation methods, the neural network is able to automatically set itself up for that relation with a desired level of accuracy.
2. The empirical analysis proved the hypothesis that Russia is characterized by a significant spatial differentiation of the market potential: only few Russian regions have the biggest market potential, whereas a large majority of the regions have small market potential. The obtained results emphasize spatial differentiation of Russia's economic development.
3. Segmentation of Russian regions based on the market potential and other multidimensional data allowed to group regions with similar features in terms of basic factors of business location. The obtained results prove the hypothesis about spatial differentiation of Russia's economy through spatial differentiation of factors of business location in Russian regions. Russia is characterized by a high and growing level of spatial differentiation: a large majority of the regions are the least attractive for business location and only few Russian regions are attractive for business location.
4. The results of Russia' regions segmentation allow to select the most attractive regions to locate a business. Thus, methods of "new economic geography" help to find patterns of business location in modern market economy of Russia.
5. Correlation-regression analysis helped to establish casual relationship between the fixed asset investment on the one hand and the number of economically active population and average nominal monthly wage on the other hand. However, there is no relationship between the fixed asset investment and retail market potential of a region.
6. The results of our research allow to determine the most important task of public authorities, both at the federal level and at the regional level, which is to reduce spatial differentiation of Russia's economic development. Normal economic development of the country is impossible in a situation where the capital and nearby regions are the only regions characterized by the maximum values.
7. The obtained results also allow to assess the effectiveness of the regional development policy and to find ways of increasing its effectiveness. To reduce the level of spatial differentiation it is proposed to take into account the specificity of certain groups of the regions, as well as to use the policy of selective impact on growth points in the regions, on key industries of economic growth. The transition of the regions from groups with low rates into groups with higher rates can indicate correct management decisions of public authorities in the sphere of economic policy.

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The Role of HR Managers: A Conceptual Framework

Bahare Ghalamkari¹, Negar Mahmoodzadeh¹, Nouredin Barati¹, Aliyu Isah-Chikaji¹, Ahmed Umar Alkali¹ & Roya Anvari¹

¹ Department of Human Resource Development, Faculty of Management, Universiti Teknologi Malaysia, Malaysia

Correspondence: Roya Anvari, Department of Human Resource Development, Faculty of Management, Universiti Teknologi Malaysia, Malaysia. E-mail: roya.anvari@utm.my

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Abstract

In the process of decentralization, the role of Human Resource (HR) Manager has changed from having overall responsibility for employees to having responsibility for the management of the organization. Despite the aforementioned fact, a gap in the knowledge can be detected in the field of systematic evaluations of the claims that it is linked to effectiveness and doubts. This review has determined influence of HR practices on the three basic patterns base on Resource based view. Further studies need to be established to study other important factors involved.

Keywords: human resource management, performance, resource based view

1. Introduction

The factors of globalization of production and markets contribute to increase the dynamism of the competitive environment and innovation in global scale. Firms need to exploit all the available resources as a means of achieving competitive advantage in order to survive in a global economy in the new millennium. The human resources have been recently identified as a source of competitive advantage (Pfeffer, 1994). To state the matter differently, it is widely accepted that people in organizations are an important source of competitive advantage for firms. According to several researches, the assumptions that employees and the way they are managed are critical to the success of a firm are based on the increasing interest in human resources (Lado & Wilson, 1994; Wright & McMahan, 1994; Kamoche, 1996). Similarly other researchers consider human resources as intangible assets that have essential role for successful in organizations (Rayej et al., 2011). Several of the strategic human resource management studies have been concentrated on the understanding the relationship between SHRM practices and firm performance because firm performance is considered as one of the major organizational goals. As the matter of fact, it is rational to emphasize on the role of SHRM system as solutions to business problems in a study that illustrates the organizations with ability to achieve competitive advantages and greater market share. Producing the quality and productive individuals that will eventually minimize the problems that are related to human resource such as turnover of employees, job dissatisfaction and absenteeism are the direct results of having an effective strategic human resource. In order to compete effectively with other organizations, firms must constantly improve their performance by enhancing quality, reducing costs and differentiating their services and products. Furthermore, by increasing the intensity of competition among organizations, corporation cannot guarantee their ability to compete by price, quality competition and eventually uncertainty of environment increases. Hence, innovation and speed in respond to customers is the key to business success (Chang & Huang, 2005).

The pressures on firm increase considerably and the need to continuously reform ways to compete has become inevitable. It was indicated that only by the value, rarity, difficult to copy and difficult to imitative a firm is able to achieve competitive advantage (Barney, 1991). According to many investigators, a sustained competitive advantage for an organization will be gained if that organization controls human resources in a direct employment relationship (Wright & McMahan, 1994). Similarly, finding of Pang et al. (2009) in IC design industry in Taiwan shows that the management and human resources have positive impacts on firm performance.

The quality of being diverse and not comparable in kind of human resources makes investigators to seek competitive advantage from outside the enterprise environment, industry structure that transferred to the internal enterprise. Current research is an effort to analyse the human resource practices in the enterprise applications.

2. Strategic Human Resource Management

Although, many various definitions of SHRM have been recognized over the past several years, the term remains unclear. SHRM has been described in various ways by investigators. They referred to SHRM as an outcome, a process or as a combination of process and outcome (Chang & Huang, 2005). Strategic human resource management was defined by Wright and McMahan (1992) as a model that enables a firm to achieve its goals through the human resource. For human resource manager SHRM has been described by Ulrich and Lake (1991) as a process to link between business strategy and human resource practices. Some scholars considering both process and outcomes together and described SHRM as the correlation agent between the improvement of business performance and cultivation of an organizational culture and human resource functions with strategic goals and organizational objectives (Truss & Gratton, 1994). Researchers have consensus toward the central feature of SHRM in the absence of a consistent definition which is included implementing and designing a set of internally consistent practices and policies to ensure that firm human capital contributes to achieving business objectives (Jackson & Schuler, 1995; Hope-Hailey et al., 1999; Jackson & Schuler, 1995; Hope-Hailey et al., 1999). The process to combine human resources with the organization's strategic objectives has been known as strategic human resource management (Bratton & Gold, 2001). It is a novel field of study which combined of two different fields of research, strategic management and human resources management (Xiao-dong, 2004). A general definition of strategic human resource management that we can rely on is: a process that motivates, chooses, sustains and develops human resources in order to achieve organization's strategic objectives.

3. Resource-Based View of the Firm

The unique bundles of intangible and tangible assets that are valuable, imperfectly imitable, sustainable and rare refer to the resource based view are the fundamental of firm competitiveness (Barney, 1991). The theory of resource based view of the firm in strategic human resource management has gained great deal of attention (Wright & Snell, 1991; Virick et al., 1999). Human being is a significant part of an organization's resources based on RBV theory.

Therefore, organizations that manage to value this resource will get advantages in compare with their competitors which ultimately usher them to long term profitability (Barney, 1986; 1991). Organizations have the ability to apply human resource practices which lead them to develop strategies and eventually to a sustained competitive advantage (Schuler & MacMillan, 1984; Ulrich & Lake, 1991). Regarding to the potential of resources, resource of sustained competitive advantage has a recognizable quality such as inimitable, valuable, non-substitutable and rare (Barney, 1991).

4. Human Resource Management and Performance

The linkage among human resource management and organizational performance and also competitive advantages has been indicated by various researches (Jackson et al., 1997; Harel & Tzafrir, 1999; Huang et al., 2008). It was shown by theoretical works on business strategy that firm human resources (HR) are able to generate firm competitive advantage. The firms could develop sustained competitive advantage through creating value according to the resource based view (Barney, 1986). These firms make it difficult and rare to imitate for their competitors. The value of it become clear when we realize that natural resources, technology and economics of scale which comprised traditional sources of competitive advantage are quite easy to imitate. Human resource's notion as a strategic asset involved many advantages for this issue. The value is created by an invisible asset entitle human resource. HR improves firm ability to deal with a turbulent environment. Hence, the fundamentals of strategic human resource management are to achieve competitive advantage and enhance business performance through Human resource management system. To state the matter differently, in order to develop and achieve organizational strategy's aims, it is compulsory to enhance the core competitive advantage of resources.

5. Classification of SHRM Practices

Although the classification of SHRM practices is a controversial issue, a comprehensive literature review on strategic human resource management theory was conducted by Delery and Doty (1996). They concluded that there are three dominant modes of theorizing which comprise of contingency, configurational and universalistic approach.

Universalistic perspective: The universalistic perspective has been described by several investigators and encourages as the best practice approach to SHRM. It has been referred as the selection of the right human resource practice which suits to best for organization (Huselid, 1995; Fitz-enz, 1997; Pfeffer & Veiga, 1999; Truss, 2001). Based on the global perspective, in order to attain and sustain competitive advantage, a universal

set of HRM best practices should be applied (Pfeffer, 1994; 1995; Pfeffer & Veiga, 1999). There are various applications for universal best practices. Some of these applications have been declared by Delery and Doty's (1996) such as formal training systems, internal career ladders, and employment security, broadly defined jobs, results oriented appraisal, employee voice and performance based compensation.

Contingency approach: According to the contingency approach which is the second approach, superior performance will be reported in an organization that has HR policy and responsible toward external factors (Miles & CC, 1978; Porter & Millar, 1985; Guest, 1997). Based on the contingency theory, the relationship between the relevant dependent and independent variables will be differ for deferent level of critical continece variable. The primary contingency factor in the strategic HRM literature is the organization's strategy perspective suggests that the reorganizations should impalement human resource practices that promote employee behaviours in the frame of the organization's strategy. The organizations will be able to achieve superior performance by applying this alignment of strategy and HRM practices (Delery & Doty, 1996). In order to exceed the only financial dimension of performance, contingency approach seeks to integrate other criteria like customer satisfaction, flexibility, social image, product quality or innovation (Arcand et al., 2003).

Configurational approach: The holistic principle of inquiry is used by configurational theories in order to recognize unique patterns of factors or configurations that are proposed to be maximally effective. As the matter of fact, nonlinear synergetic effects and higher order interactions are represented by such configurations (Delery & Doty, 1996). A more comprehensive look at the configurations suggested that it likes an architecture of multiple (non-linear) and interactive bonds between the HRM bunches of practices and the strategy elements (Miller, 1989). Therefore, a system perspective is used by configurational approach and it is founded on the holistic pattern of HR practices. The contingency theory tries to find the correlation between organizational strategy and individual HR practices. The main debate in the configurational approach concentrates on pattern of relationships among human resource practices that anticipate superior performance when applied in association with one another or correct strategy or both (Delery & Doty, 1996).

6. Strategic Human Resource Management Practices in the Organization

Human resources management engaged in upgrading human resources of enterprises despite the fact that practices are complex and complicate. Several scholars concentrated on the examination of the adoption of HR practices based on the significant growing of HR practices and its effect on the competitive advantage (Tannenbaum & Dupuree-Bruno, 1994). Also, other aspects of HR practices have been considered such as financial performance and effects on organizational outcomes, such as productivity and efficiency (MacDuffie, 1995; Delery & Doty, 1996; Snell et al., 1996; Pfeffer, 1998; Collins & Clark, 2003) four categories of practice have been identified by several empirical studies of human resource practices and organizational performance and its positive effects on organizational performance has been acknowledged.

7. Training and Development

Training regarded as a vital expenditure to make the organization more effective and also it has effect on increasing productivity in an organization. Practising a systematic modification of behaviour through learning events, programmers and instruction has been described by Armstrong (2001). This training enables the individuals to achieve the levels of skill, knowledge and competence required to perform their work effectively. Maximum productivity that is achieving by effective and efficient employee's performance is more related to training of manpower as the main initial needs for every organization. In fact, employees will have better performance when they obtain initial ability, knowledge and skill trough the training program (Akinyele, 2007). To state the matter differently, SHRM researchers show human resource management practices that affect behaviour of individuals which ultimately influence organization as well as its employee in a positive manner (Guest, 1987; Iles, 1990; Becker & Gerhart, 1996; Jackson et al., 1997; Meyer, 1997). Goldstein (1980) and Latham (1988) in Clarke (2010, p. 11), defined training as "The systematic acquisition and development of the knowledge, skills, and attitudes required by employees to adequately perform a task or job or to improve performance in the job environment". The demand for the organization to accelerate the renewal of knowledge is become vital regarding the speed of technological upgrade, the process of globalization and customer demands. Based on this perspective, the main focus in the training for a specific job is to enhance staff quality, organizational adaptability, diversity and overall organizational skills training, innovation and eventually potential to absorb high level dynamic capabilities.

8. Performance Appraisal

In context of performance appraisal by providing feedback to support the attainment of strategic goals and monitoring performance the assimilation stage is facilitated (Werbel & DeMarie, 2005). Based on Some scholars

performance appraisal is intended to further formalize the process of employee's controlling also it can be considered as implemented in management (Brown & Heywood, 2005). According to Hsu et al. (2011) in order to establish the performance evaluation standardise, supervisors have perceived human resource has become more significant in business. Performance appraisals can be motivate employees for significant contribution attempts by appropriately manage and strategy for changing and developing behaviours with reasonable aims, providing positive feedback, and appraisal evaluate performance (Hester, 2005). These employees adopt behaviours that are monitored for performance appraisals regarding this assumption that they wish to have positive performance evaluations. Furthermore, in order to reinforce desired behaviours and skills plus offer constructive criticisms, performance appraisal feedback is designed. Also, to monitor employee performance, the traditional control based human resource management practices have been used. It accentuates on the employee evaluation and their results, which are according to the perspective of ex post facto control evaluation of the work of employees. The following points are presented despite the fact that the four strategic human resource practices influence the organization performance.

9. Employee Behaviour

The concept of motivated employees are likely to perform better and ultimately leading to higher firm performance is the basic of the Ability, Motivation and Opportunity (AMO) theory (Paauwe & Boselie, 2005). In order to exhibit favourable attitudes and behaviours, which are necessary for supporting the competitive strategy of an organization, HRM practices play a significant role in motivating employees (Hiltrop, 1996; Anvari & Atiyaye, 2014). There are several applications for SHRM practice, such as improving the ability of staff to execute their responsibilities, inspiring staff's motivation, creating opportunity for employee to participate in the organizational objectives. Through the staff behaviour towards the direction of the enterprise recognized norms the organizational performance as well as employee performance will be improved. It is only increase the cost of enterprise management and possessing a high turnover rate whether creating a rigorous selection of training for employee do not associate with complement and appreciation.

10. Dynamic Match

In order to have more efficiency impact on organizational performance, initially SHRM require matching with organizational strategy. Also, there must be mutual complementary and support among the various HR practices. Based on several empirical studies, the certain types of organizational performance such as employee participation and profit sharing will be enhanced through various human resource practices. Thus, different combinations and systematic practice of human resources must be applied in order to improve the firm. The companies required to apply the selection methods of internal promotion when the external labour market is tense. Regarding the appropriate intake of personnel for a company it is possible to recruit from the outside.

11. Contingency Aspects

The influence of the strategic human resource management practices on the business strategy is indicated through the strategic human resource management. Several of other contingency factors such as firm size, organizational culture have a significant impact on strategic human resource practices.

As the matter of fact, there is a difference between the performance assessment methods and manufacturing industry. A formal and comprehensive range of human resource management usually is preferable for the large companies. However, the companies that are in early stage of growth concentrated on absorbing talents while the growth stage companies tend to institutionalize and standardize their process. A full consideration of organization's internal and external environment is required to select the suitable and practical strategic human resource management practice. Regarding the better firm performance and being the sources of sustained competitive advantage theoretical research on SHRM proposed that systems of HR practices are a reliable source. It is because that these systems of practices are often unique, multifaceted and difficult to imitate (Lado & Wilson, 1994). Despite the fact that HR practices are able to be a source of sustained competitive advantage, they only support competencies that provide value to a firm (Gardner et al., 2003).

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Exploring Malaysian Household Consumers Acceptance towards Eco-friendly Laundry Detergent Powders

Parthiban Siwayanan¹, Nooh Abu Bakar², Ramlan Aziz¹ & Shreeshivadasan Chelliapan³

¹ Institute of Bioproduct Development (IBD), Universiti Teknologi Malaysia, Johor Bahru, Malaysia

² Malaysia-Japan International Institute of Technology (MJIIT), Universiti Teknologi Malaysia, Kuala Lumpur, Malaysia

³ Razak School of Engineering and Advanced Technology, Universiti Teknologi Malaysia, Universiti Teknologi Malaysia, Kuala Lumpur, Malaysia

Correspondence: Parthiban Siwayanan, Institute of Bioproduct Development (IBD), Universiti Teknologi Malaysia, 81310 UTM, Johor Bahru, Johor, Malaysia. Tel: 60-13-612-8425. E-mail: sparthi@yahoo.com

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Abstract

Due to the current environmental pressures and ever-rising prices of petrochemical feedstock, the detergent industry is gradually moving towards the development of green and eco-friendly products. However, besides the production cost, the challenge for today's detergent formulators still lies in increasing the quantity of green and eco-friendly surfactants in laundry detergent formulations without compromising their performance. Realizing this, research was undertaken to develop the Asian market preferred low-density laundry detergent powders by incorporating green palm oil based surfactant (known as MES) and also by eliminating the use of environmentally damaging phosphate-builders in the detergent formulation. Prior to commercialization of this newly developed eco-friendly low-density laundry detergent powder, a pilot survey was attempted over 112 respondents using mall-intercept approach in one of the popular shopping complex in Kuala Lumpur city with the aim to study consumers' preferences (format, brand, origin) and their purchasing behaviour (awareness/knowledge and perception) towards both commercial and MES based laundry detergent powders. The pilot survey results have indicated that the majority of respondents has high affinity towards green and environmental benefits offered by MES based laundry detergent powders. These positive results imply huge market potential for MES based laundry detergent powders and through effective marketing strategies and product awareness activities, this product is likely to attain success in the marketplace.

Keywords: green marketing, consumer preferences, purchasing behavior, consumer awareness/knowledge, consumer perception

1. Introduction

The one thing that unites all people is their interest in cleanliness. Cleanliness may have different definitions for different people but maintaining and restoring cleanliness is usually the top priorities of everyone, no matter where they live, whatever their social rank or whatever their age. Cleaning the clothes by means of washing has been among an individual's important task in a daily life. There are many varieties of cleaning products in the store nowadays and it comes in a variety of packages. These cleaning products are mostly laundry detergents in the format of powder, tablet, liquid or paste, suitable for hand or machine wash (Siwayanan, 2005).

Detergent industry is a highly competitive market and laundry detergent in the form of powders has the largest market share worldwide compared to other detergent formats. The major players in the business of laundry detergent powders are Procter & Gamble (P & G), Unilever, Henkel, Lion Corporation and Kao Corporation (Boerefijn, Dontula, & Kohlus, 2007). Laundry detergent powders (LDP) formulated for washing clothes are typically contain surfactants, builders, bleaching agents, enzymes and fillers in various proportions. Among these ingredients, surfactants or surface active agents play a major role where its cleaning activity has been the driving force in detergent innovation for years (Lafferty, 2010). In 2008, the annual global production of surfactants was 13 million metric tonnes and the turnover reached US\$24.33 billion. It is expected that the global surfactant market would generate revenues of more than US\$41 billion in 2018 (Reznik et al., 2010). During the twentieth

century, petrochemical based linear alkyl benzene sulfonate (LABS) has been the dominant surfactant in LDP formulations (Chemsystems, 2007) and Malaysia being one of the importers of this surfactant (Ahmad, Kang, & Yusof, 2000).

Since the beginning of the new millennium, LABS has been under constant pressure due to escalating hike in crude oil prices (Foster, 2006; Scheibel, 2004). Moreover, green and eco-friendly became two big buzzwords in the marketing and production of detergents (Guala & Merlo, 2013) and this development creates a great challenge to the detergent industry to find ways in increasing the green oleochemical based surfactants (De Guzman, 2010) and reducing environmentally harmful phosphate-based builders (Kohler, 2006) in the detergent formulations. In addition, this situation also has heightened public apprehension on petrochemical based LABS over its environmental impact towards the aquatic ecosystem (Huber, 1989; Okbah, Ibrahim, & Gamal, 2013).

As part of the research efforts to address the challenges of the detergent industry, several detergent formulations were developed by increasing the amount of palm C16 carbon chain based methyl ester sulfonate (C16MES) and without the incorporation of phosphate-builders. C16MES, which drawn immense interest among the detergent manufacturers particularly in the Asian region (Giese, 2006), was mainly utilized in the formulation studies due to its commercial availability (Edser, 2010; Edser, 2011; Edser, 2013) and also because of its superior cleaning properties to LABS. C16MES has great potential as sole surfactant or co-surfactant in the production of LDP and was found to have the edge over LABS in the aspects of green, performance, production cost and sustainability (Adami, 2008).

The formulation studies have revealed that the synergistic effect between C16MES and linear alkyl benzene sulfonic acid (LABSA) at certain ratios can be used advantageously to produce non-phosphate based low-density LDP, which known as MES detergent powders (Siwayanan et al., 2014a; Siwayanan et al., 2014b). These detergent powders were found to demonstrate excellent cleaning performance, acceptable particle characteristics and lower production cost. They also possess excellent biodegradability and are unlikely to cause any serious impact to the aquatic environment. Since the experimental results were very encouraging, these detergent powders have enormous potential for commercialization. However, prior to commercialization process, it is necessary to gain market insights particularly about consumer preferences and consumer purchasing behaviour towards laundry detergent products at the targeted location where the new product is intended to be marketed.

In this paper, a pilot survey was carried out using mall-intercept approach with the aim to study consumers' preferences and also their purchasing behaviour towards commercial laundry detergents in general and particularly on MES detergent powders. Figure 1 shows the conceptual framework of the study, which emphasizes on the demographical characteristics and psychological factors that affect the purchasing decision of the consumers.

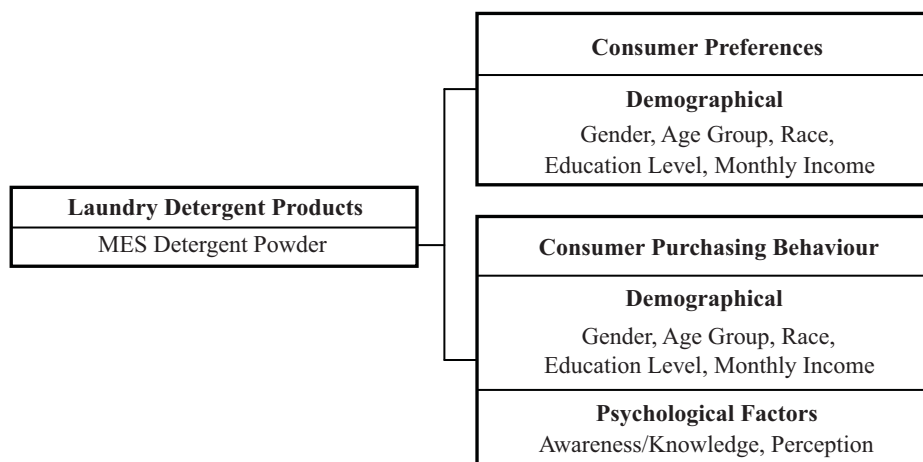


Figure 1. Conceptual framework of the pilot survey

2. Literature Review

Generally in any industries, the ability to commercialize new products quickly, effectively and efficiently that specifically addresses the needs of the consumers will determine the product success in the marketplace (Schilling, 2005). However, prior to commercializing or launching a new product, it is of vital importance for

product manufacturers or marketers to understand the consumers' preferences and purchasing behaviour towards the product they intend to market. Besides knowing what the consumer wants and needs, some of the products also must be in compliance with the ever-changing regulatory requirements. This kind of information has a direct impact on the overall performance of the businesses and would be very useful in developing commercialization or marketing strategies.

Consumer preferences generally refer to the consumers' selection towards a particular product or services in accordance to their tastes and totally independent of income and prices. Preferences are created through an individual's religious principles, moral values, ideological characteristics, philanthropic impulses and sense of common destiny with family, clan, tribe, ethnic group or other forms of community (Shepsle & Bonchek, 1997). Consumer preferences are not permanently fixed and often change over time depending on the purchasing trends of the consumers. Consumer purchasing behaviour, on the other hand, can be defined as decision making process and physical, mental and emotional activities involved while selecting, purchasing, using and disposing of either products or services (Samadi, 2003; Schiffman & Kanuk, 1987). Three well-known major factors that have the influence on the consumer purchasing behaviour are personal (e.g., demographics), psychological (e.g., motives, awareness, knowledge, perception, personality, lifestyle, attitude) and social (e.g., opinion, culture, reference groups) (Bhagat, 2012).

Detergent industry is recognized as one of the industries that continuously involved in the development of new laundry detergent products. Since the beginning of the new millennia, the detergent industry has been moving toward the development of green and eco-friendly products due to change in environmental regulations and increase of petrochemical feedstock prices. Green and eco-friendly in the context of detergents may be defined as products that manufactured using natural or oleochemical based surfactants and will not harm the aquatic ecosystems. These features provide benefits not only to the environment but also the consumers. Besides the environmental regulations and petrochemical feedstock prices, there are two more significant factors that drive the development of laundry detergent products and these include the consumer preferences and purchasing behaviour.

2.1 Consumer Preferences and Purchasing Behaviour

The detergent industry has seen many changes on its consumers' preferences, particularly when it comes to detergent formats and brand images. Although laundry detergent products are available in a variety of formats but they differs from one region to the other depending on its consumer perception and expectation. For instance, in the 1980s, when P & G introduced the Ariel brand concentrated detergent powder in India, they progressed without paying much attention on the washing habit of the Indian households where majority have the tendency to cling to detergent bars. Indians prefer the bar format over the powder because for them rubbing action is very essential to effectively clean the fabrics. P & G, upon realizing the scenario, have eventually switched the format from powder into bar (India News Network Digest, 1994). After continuous attempts via promotions and advertisements especially from many multinational detergent companies, the preferences of the Indian households have slowly shifted towards the LDP. According to Euromonitor International (2013), 73.8% of consumers in India are using LDP for both hand and machine wash. In 2013, the per capita consumption of detergents in India was about 2.7 kg per year (Choudhury & Kakati, 2013).

Besides India, consumers in China also prefers LDP than any other detergent formats. Low cost per wash load and high volume over weight ratio (Kent, 2012; Yazaki, Tanaka, & Nakamura, 1984) are the reasons for consumers to choose the powder format. In 2010, the per capita consumption of detergents in China was 3 kg per year and their detergent powder production accounted for about 14% of the world production (China Cleaning Industry Association, 2011). In Japan, on the contrary, concentrated detergent powders are well accepted by their consumers. The quality of the concentrated detergent powders plays a major role where consumers perceived these products as premium.

In North America and Western Europe, detergents in the form of liquid are very popular than powders (Euromonitor International, 2011). Tablets and sachets are relatively new formats in the market but they are highly preferred in the United Kingdom and other countries in the European Union. In Malaysia, detergent in the form of powder is still the preferred format for laundry detergent although there is an increasing market pressure from liquid detergents. In 2011, the per capita consumption of detergents in Malaysia was about 3.7 kg per year (Kulkarni, 2011). Based on the current recorded Malaysian population of 29.91 million people (Malaysian Department of Statistics, 2013), the calculated market size for laundry detergents is 110,000 metric tonnes. Generally, in Asia, the evolution in the detergent consumption habits and improvement in the standard of living due to modernization are the contributing factors that drive significant growth in the laundry detergent business.

Brand image is another important factor that determines the consumers' decision towards purchasing LDP. It is a set of beliefs that consumers attach to the brand and seen as the means to deal with the competition (Domzal & Unger, 1998). The competition among brands in the household market is getting tighter by day. Building a brand loyalty is a challenging task particularly when it comes to laundry detergents. A study on detergent brand preferences among Indian consumers has shown that the brand loyalty of the consumers changes over time (Mohankumar & Shivaraj, 2010) and not lasting due to ever-changing tastes of the consumers. Meanwhile, Stern and Hammond (2004) have carried out a study to determine the relationship between number of purchases and the consumer loyalty, which based on three leading brands and one minor brand laundry detergents.

In this study, a similar trend was observed for all the detergent brands where as the number of purchases increases, the brand loyalty declines exponentially in the first 60 purchases and then stabilizes until it reach the 200 purchases. This study also indicates that the leading brands have higher loyalty levels among consumers as compared to smaller brands.

2.2 Environmental Regulation

From the detergent industry perspective, the manufacturers are currently in the stage of shifting their attention towards green and eco-friendly based laundry products. The escalating price of petrochemical based surfactants and the adverse effect of phosphate-builder on aquatic environment are among the reasons for the transformation in the detergent industry (Lafferty, 2010). The volatility of the crude oil prices in the late nineties had resulted in the price hike of synthetic surfactant prices (Foster, 2006; Scheibel, 2004) and as a countermeasure the detergent industry has opted for oleo-based surfactants.

Phosphate-builders, on the other hand, have been regarded as culprits responsible to cause eutrophication of water bodies (Schweiker, 1981; Schwuger & Liphard, 1989) and many countries have imposed new environmental policies to phase-out these builders from laundry detergent products. Over the last decade, the production of phosphate incorporated detergent products has been very rare in the United States (McCoy, 2000). Recently, the European Parliament also has implemented a new regulation to limit the usage of phosphate builder in all consumers LDP (<http://www.euractiv.com/specialweek-waterpolicy/parliament-backs-limits-phosphates-news-509724>). Other countries such as Japan, Korea and China are now using zeolite as replacement to phosphates in their laundry detergent products. However, in India and other Asian nations, the phosphates are still being used (Lafferty, 2010). From the viewpoint of consumers, it appears to be that the more involved the consumers are with the environmental issues, the greater will be the tendency for them to purchase green products (Schuhwerk & Lefkock-Hagius, 1995; Chan, 1996).

2.3 Green Consumers

Green consumers can be regarded as those who make efforts to protect the environment through various means such as recycling, purchasing green products, saving energy, etc. (Paco, Alves, Shiel, & Filho, 2009). It has been estimated in 2008 that the green consumers had an annual purchasing power of US\$500 billion (Grimmer & Bingham, 2013). Although a lion share's of research studies have demonstrated that most of the consumers have concerns towards environment (Laroche, Tomiuk, Bergeron, & Barbaro-Forleo, 2002; Matthes, Wonneberger, & Schmuck, 2013) but not all of them are willing to pay a premium for environmental benefits (OECD, 2011). However, the outcome of these studies would not be applicable to certain market segments. This is because some market segments value their product attributes more than others. One example of such market segments is laundry detergents.

Currently, additional efforts are being undertaken by the detergent industry to incorporate the green features and environment benefits in the development of new laundry detergent products. These characteristics indirectly have some sort of influence on the public opinion and consumer attitudes. According to the survey conducted by Accenture (2010), the percentages of the consumers' willingness to pay extra for green products in two developing countries in Asia are as follows: China (98%) and India (84%). In the recent AOCS 2012 Sustainability Survey study, 84.1% of the Chinese industry experts believed that the Asian consumers rank the degree of green issues from "quite highly" to "very highly".

Another study also has indicated that among all the green issues, natural ingredient is the most important factor for consumers when considering or purchasing detergent products (Genencor, 2011). All these survey results not only shows the high preferences of the consumers towards green and environment friendly products but also on their willingness to pay more. These results reflect the social caring and responsibilities among the consumers towards the world surrounding them.

2.4 Research Framework

Based on the literature review and the conceptual framework described earlier, a study was sought to understand the consumer preferences (detergent format, brand and origin) and their purchasing behavior (awareness/knowledge and perception) towards laundry detergents in general and particularly on MES detergent powders. Figure 2 shows the research framework used for the study.

3. Research Methodology

The pilot survey was conducted for three days (16 to 18 February 2011) at “The Waterfront” shopping complex in Desa Parkcity, Kuala Lumpur, Malaysia. This venue was chosen due to its strategic location in Kuala Lumpur where the residents comprise a diverse community and most of them are from above average household income group. A self-administered closed end questionnaire was developed using quantitative approach for the pilot survey. The questionnaire focused on two areas which include the consumers’ preferences and the psychological factors that affect their purchasing behaviour. There are five demographic questions and seven specific questions in the questionnaire. The potential consumers were randomly approached and were asked to fill in the survey questionnaire. Box-packs containing 500 gram of detergent powders incorporated with MES were presented as token of appreciation to those consumers participated in the pilot survey. The questions prepared in the survey questionnaire were structured into three parts (a) consumer demographics, (b) consumer preferences, and (c) consumer awareness/knowledge and perception.

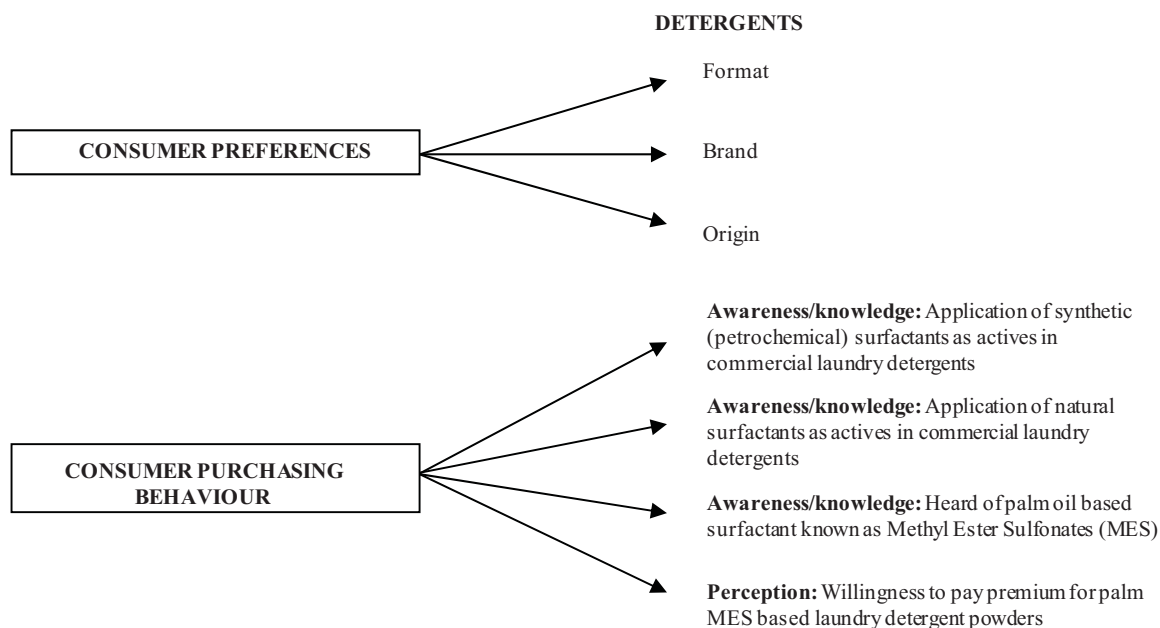


Figure 2. Refined framework of the pilot survey research

Consumers demographics. Five questions were asked to obtain information about respondents’ background, which include the following:

- Gender : Male/Female
- Age Group : Below 21/21 – 30/31 – 40/Above 40
- Race : Malay/Chinese/Indian/Others
- Education Level : SPM or MCE (equivalent to O Level)/Diploma/Degree/Higher Degree
- Monthly Income : Below RM1,500/RM1,501 – 2,500/RM2,501- 4,000/Above RM4,000

(Note: RM - Ringgit Malaysia)

Consumers preferences towards detergents format, brand and origin. Respondents were requested to answer three questions in accordance to their preferences on the following:

- Please indicate the brand of the laundry detergent you use daily? TOP, FAB, BREEZE, DYNAMO or other brands: _____

- Please indicate the type of the laundry detergent used? Liquid/Normal Powder (low-density powder)/ Concentrated Powder (high-density powder)
- Which of these, you would prefer to use, petrochemical or palm oil based laundry detergent? And why (please state your reasons): _____

TOP and FAB are products of Southern Lion and Colgate Palmolive respectively. BREEZE is a product of Unilever while DYNAMO is produced by Procter & Gamble.

Consumers awareness/knowledge and perception affecting purchasing behavior. Three questions were asked in relation to consumers' awareness/knowledge on the application of synthetic and natural based actives in laundry detergent products particularly on palm MES detergent. One question was asked to understand consumers' perception by assessing their willingness to pay premium for palm MES based detergent powder. The questions set for the respondents were as follows:

- Are you aware that most laundry detergents are made of synthetic or petrochemical based actives? Yes/No/Uncertain
- Have you ever used laundry detergent that made of natural based actives? Yes/No
- Have you ever heard about laundry detergent made from palm oil based actives, or known as Methyl Ester Sulfonates (MES)? Yes/No
- Are you willing to pay a premium for the laundry detergent made of palm oil based actives, MES? Yes/No

In the questionnaire, the answer options provided for questions on demographic characteristics and consumers' preferences were straightforward. However, for questions on consumers purchasing behaviour, two different answer rating scales were used. The answer rating scales were prepared according to Guttman scale, which include the binary Yes/No and ternary Yes/Uncertain/No scales. These data, which gathered from the survey questionnaire, were analyzed by computing various descriptive statistics such as means, standard deviations, standard errors, lower 95% confidence limit and upper 95% confidence limit. Both lower and upper 95% confidence limits were calculated in order to express the reliability of the mean. These descriptive statistics were computed to figure out the extent of knowledge/awareness and perception level among consumers towards laundry detergents in general and more specifically on palm MES based laundry detergents.

4. Results and Discussion

4.1 Demographic Characteristics

A summary of respondents' demographic profile is presented in Table 1. Out of the total respondents participated ($n=112$) in the survey, 33.9% ($n = 38$) were females as opposed to 66.1% ($n = 74$) males. Almost 70% of the respondents are Chinese while the remaining includes Malay (18.8%), Indian (3.6%) and others (8%). In terms of education level, about 53% of the respondents have attained tertiary education while others include diploma holders (20.5%) and high school certificate holders (25.9%). About 17% of the total respondents earn a monthly income of less than RM1,500, 35.8% receive from RM1,501 to RM4,000 while 47.3% earn above RM4,000. It was also observed that majority of the respondents (74.1%) are from the age group of above 30 years old and they are generally represents by those who are married and actively involved in household chores.

4.2 Preferences towards Detergent Brand

The graphical illustration of the survey results with relation to the detergent brand preferences are shown in Figure 3. Based on Figure 3a, the survey found that TOP was the most preferred brand for laundry detergents. A total of 38.6% of the overall respondents prefer this particular brand. DYNAMO, which is the close competitor to TOP in Malaysia, was preferred as second choice and it represents 32.7% of the total respondents. These results are in total agreement with the 2012 home care country report released by Euromonitor International. In this country report, Southern Lion's TOP brand was acknowledged as the leading brand for laundry care in Malaysia (<http://www.euromonitor.com/home-care-in-malaysia/report>).

Figure 3b – 3f indicates the respective demographics (gender, age group, race, education level and monthly income) on preferred laundry detergent brands. From the total respondents, almost 65% of male and 75% of female were found to be in favor of TOP and DYNAMO than any other brands (Figure 3b). Similar results were also obtained for age group of above 30 years old. About 39% of the respondents from this age group prefer TOP brand while another 36% are in favor of DYNAMO brand (Figure 3c).

Among the Chinese community, which is the largest race group residing close to the survey location, TOP (51%) and DYNAMO (32%) are the most preferred brand for laundry detergents (Figure 3d). Other brands can be

considered as not popular to this community. TOP also seemed to be well-liked by respondents from all education levels and monthly income groups except for those who in the category of postgraduate degree and have a monthly income of above RM4,000 (Figure 3e and 3f). This category of respondents prefers DYNAMO more than TOP.

Table 1. Demographic profile of respondents

Variables		Sample (n=112)	
		Frequency	%
Gender	Male	38	33.9
	Female	74	66.1
Age Group	Below 21	5	4.5
	21 – 30	24	21.4
	31 – 40	42	37.5
	Above 40	41	36.6
Race	Malay	21	18.8
	Chinese	78	69.6
	Indian	4	3.6
	Others	9	8.0
Education Level	High school certificate, SPM or equivalent	29	25.9
	Diploma	23	20.5
	Bachelor’s degree	23	20.5
	Postgraduate degree	19	17.0
	Not mentioned	18	16.1
Monthly Income	Below RM1,500	19	17.0
	RM1,501 – RM2,500	20	17.9
	RM2,501 – RM4,000	20	17.9
	Above RM4,000	28	25.0
	Not mentioned	25	22.3

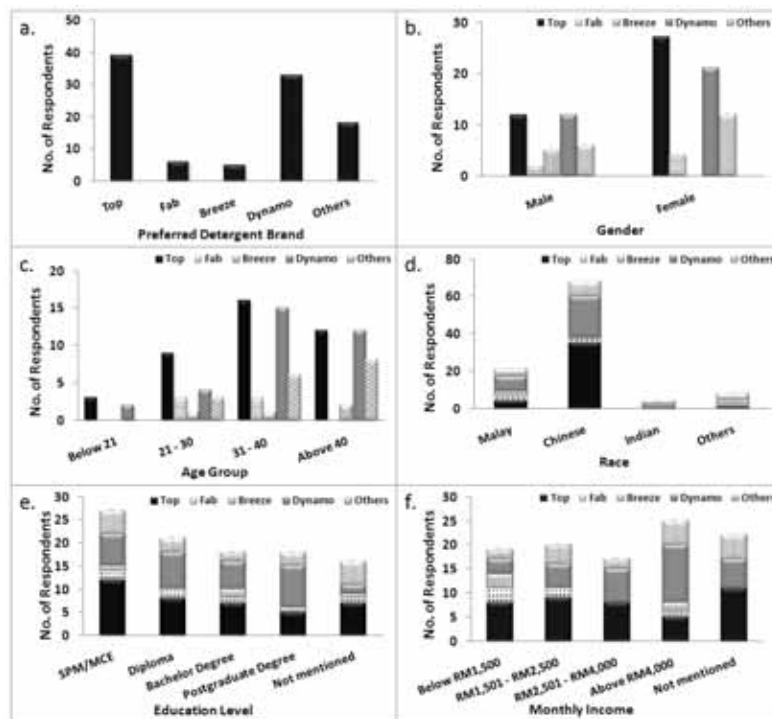


Figure 3. Preferred laundry detergent brand among (a) overall respondents, (b) gender demographics, (c) age demographics, (d) race demographics, (e) educational level demographics, and (f) monthly income demographics

4.3 Preferences towards Detergent Format

The survey results with reference to the detergent format preferences are presented graphically in Figure 4. According to Figure 4a, the most preferred detergent format among the respondents was liquid detergent (43%). This was followed sequentially by normal powder (36%) and concentrated powder (21%). In Malaysia, particularly the urban areas, the ratio of consumers using liquid detergents over powder detergents is relatively high. However, the consumers in rural areas, on the contrary, have high preferences towards normal detergent powders because the cost of normal powders is significantly lower than the liquid formats.

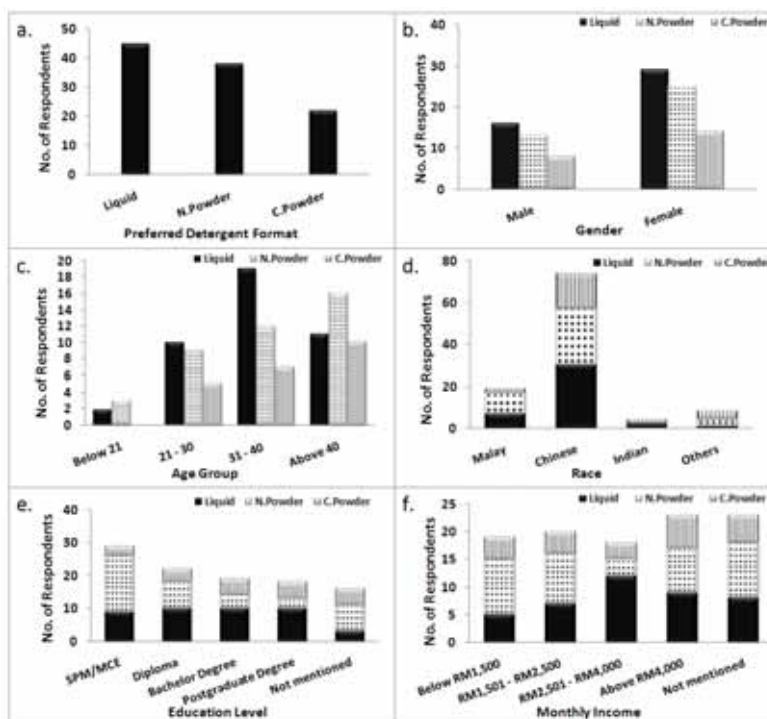


Figure 4. Preferred laundry detergent format among (a) overall respondents, (b) gender demographics, (c) age demographics, (d) race demographics, (e) educational level demographics, and (f) monthly income demographics

Figure 4b – 4f indicates the respective demographics (gender, age group, race, education level and monthly income) on preferred laundry detergent formats. About 43% of both male and female respondents likewise have indicated that they prefer liquid detergents more than powders (Figure 4b). Meanwhile, the respondents in the category of above 30 years old who normally spend a great deal of time in the household tasks, favors liquid detergents (40%) more than normal powders (37%) and concentrated detergent powders (23%) (Figure 4c).

Among the race group, the Chinese being the majority of the respondents shows high preferences towards liquid detergents (41%) while normal detergent powders was favored as the second choice (36%). In contrast, the Malays prefer normal powders (53%) than the liquid detergents (37%) (Figure 4d). This could be due to economic reasons where the normal powders are offered at lower price as compared to other formats. The data obtained on education level has supported these findings as well where it shows a correlation between the education level of the respondents and their preferences towards detergent formats. The higher the education level, the higher will be their preferences towards liquid detergents (Figure 4e). Similarly, the higher the monthly income of the respondents, the preferences towards liquid detergents will be higher than any other formats (Figure 4f).

4.4 Preferences towards Detergent Origin

The preferences towards detergent origin among the overall respondents are plotted graphically in Figure 5. Based on survey results received from 82% of the total respondents, it was observed that about 94% of them prefer the palm oil based detergent than the petrochemical based detergent. This overwhelming majority may be due to two possible reasons: a). green features and environmental benefits offered by the palm oil based detergents and b). green awareness among consumers (Figure 5a).

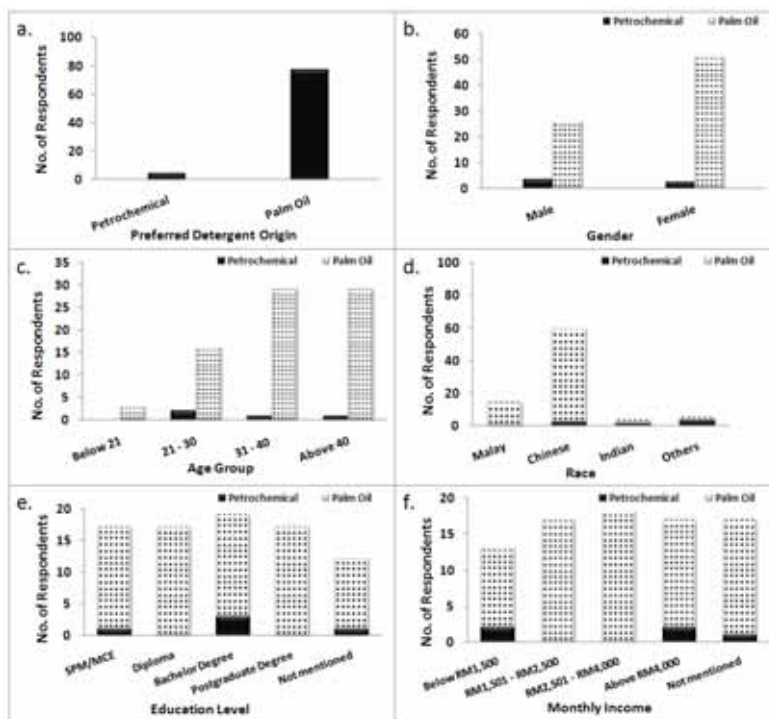


Figure 5. Preferred laundry detergent origin among (a) overall respondents, (b) gender demographics, (c) age demographics, (d) race demographics, (e) educational level demographics, and (f) monthly income demographics

Figure 5b – 5f indicates the respective demographics (gender, age group, race, education level and monthly income) on preferred detergent origin. Approximate 90% of male and 96% of female respondents have indicated their strong preferences towards palm oil based detergent over petrochemical based detergent (Figure 5b). The female respondents were found to have greater environmental concern than male respondents. Past studies also reports similar findings in which women were seen to express greater environmental concern than men due to their different value and belief systems over environment issues (Mostafa 2007). Furthermore, the survey results also have demonstrated that the preferences towards palm oil based detergents for all age groups are considerably higher than the petrochemical based detergents (Figure 5c).

The major three races in Malaysia are Malays, Chinese and Indians. These three races were found to completely in favor of the palm oil based detergents than the petrochemical based detergents (Figure 5d). Other than the race group, a similar trend was observed for education level and monthly income groups, where all the groups have indicated high preferences towards palm based detergents than the petrochemical based detergents (Figure 5e and 5f respectively). Overall, these findings have demonstrated a high degree of affinity among consumers towards products that derived from natural ingredients.

4.5 Awareness/Knowledge on the Application of Synthetic Surfactants as Laundry Detergent Actives

Table 2. Respondents statistical scores for awareness/knowledge on application of synthetic/petrochemical surfactants

Psychological Factors	Response Rate (%)	Mean	Standard Deviation	Number of Respondents	Standard Errors	Lower 95% limit, Upper 95% limit
Awareness/Knowledge: Application of synthetic surfactants as actives in commercial laundry detergents*	100.0	1.089	0.79	112	0.074	0.943, 1.235

Note. *Scale rating: No – 0, Uncertain – 1, Yes – 2

Table 2 shows the respondents' statistical scores, which was calculated using a three point scale. The calculated mean for this respondents' awareness/knowledge is 1.089 while the standard deviation is 0.79. Based on the respondents' statistical scores, the findings explicitly show that on average the respondents were uncertain on the application of synthetic surfactants as actives in commercial laundry detergents. This situation occurs for two possible reasons. One of them can be due insufficient information on the detergent product label. Another reason is that the detergent manufacturers normally tend to keep the formula and ingredients of their laundry detergent products as trade secrets.

4.6 Awareness/Knowledge on the Application of Natural Surfactants as Actives in Commercial Laundry Detergents

The statistical scores for this respondents' awareness/knowledge, which tabulated in Table 3, was calculated using a two point scale. The calculated mean and standard deviation for this awareness are 0.182 and 0.39 respectively. These statistical scores strongly indicate lack of awareness/knowledge among the respondents on application of natural surfactants as actives in commercial laundry detergents. Similarly to synthetic surfactants, these natural surfactants are also lesser known as detergent actives among the respondents.

Table 3. Respondents statistical scores for awareness/knowledge on application of natural surfactants

Psychological Factors	Response Rate (%)	Mean	Standard Deviation	Number of Respondents	Standard Errors	Lower 95% limit, Upper 95% limit
Awareness/Knowledge:						
Application of natural surfactants as actives in commercial laundry laundry detergents*	98.2	0.182	0.39	110	0.037	0.110, 0.254

Note. *Scale rating: No – 0, Yes – 1

4.7 Awareness/Knowledge on the Existence of Palm Based Surfactant, MES

Previous findings have indicated low level of awareness/knowledge among respondents on application of natural surfactants in laundry detergents. Likewise, a similar low level of awareness/knowledge was observed for palm based MES, which can be seen in Table 4. The calculated mean and standard deviation for this respondents' awareness, which calculated using a two point scale, are 0.189 and 0.39 respectively.

4.8 Perception on Willingness to Pay Premium for Palm MES Detergent Powder

Table 5 indicates the statistical scores for respondents' perception, which calculated using a two point scale. The calculated mean for this perception is 0.831 while the standard deviation is 0.37. The respondents' statistical scores indicate that the willingness among respondents to pay a premium for palm MES detergent powder is reasonably high. Most of the respondents were found to have some level of understanding about the benefits of eco-friendly products and this could be the reason for the high statistical scores. In addition, higher education level among the respondents was seen as another important factor, which affects the consumer willingness in paying the premium.

Table 4. Respondents statistical scores for awareness/knowledge on existence of palm based MES

Psychological Factors	Response Rate (%)	Mean	Standard Deviation	Number of Respondents	Standard Errors	Lower 95% limit, Upper 95% limit
Awareness/Knowledge:						
Heard of palm based surfactant - Methyl Ester Sulfonates (MES)*	94.6	0.189	0.39	106	0.038	0.115, 0.263

Note. *Scale rating: No – 0, Yes – 1

Table 5. Respondents statistical scores on willingness to pay a premium for palm MES detergent powder

Psychological Factors	Response Rate (%)	Mean	Standard Deviation	Number of Respondents	Standard Errors	Lower 95% limit, Upper 95% limit
Perception:						
Willingness to pay premium for palm MES based laundry detergent powder*	79.5	0.831	0.374	89	0.040	0.753, 0.909

Note. *Scale rating: No – 0, Yes – 1

5. Conclusion

Since the beginning of the new millennium, the term “green and eco-friendly” has been regarded globally as the way forward for production and marketing of laundry detergents. With respect to this development, high performance non-phosphate MES detergent powders, which formulated using binary surfactants of palm oil based C16MES and linear alkyl benzene sulfonic acid (LABSA), were developed. In this paper, a pilot survey was carried out to study consumers’ preferences and their purchasing behaviour for both commercial laundry detergent products and MES detergent powders. The pilot survey results have showed that the majority of survey respondents were neither have the knowledge about MES detergent powder nor heard of its surfactants but their preferences to use this new eco-friendly product were generally positive. Most of the consumers were found to have intellectual orientation to value the environment. Due to their strong commitment towards greener lifestyles, respondents are also willing to pay a premium for MES detergent powder. However, there is limitation in this study where the pilot survey was carried out in one particular location and in order to corroborate the pilot survey findings, a more comprehensive survey covering several more locations is required.

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Home Environment and Emergent Literacy among Young Children in Iran

Azimeh Jafari Sadr¹, Rumaya Juhari², Mariani Mansor² & Nooshin Sabour Esmaeili³

¹ Department of Human Development and Family Studies, Faculty of Human Ecology, Universiti Putra Malaysia, Malaysia

² Family, Adolescent and Child Research Excellent Centre (FACE), Faculty of Human Ecology, Universiti Putra Malaysia, Malaysia

³ Department of Psychology, University of Fribourg, Switzerland

Correspondence: Azimeh Jafari Sadr, Department of Human Development and Family Studies, Faculty of Human Ecology, Universiti Putra Malaysia, Malaysia. E-mail: azjsadr@gmail.com

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Abstract

The major purpose of the present study was to determine the relationship between home environment and emergent literacy among 90 children (40 boys and 50 girls) aged 3 to 4 years. Pearson correlation analysis was conducted to examine the relationship between home environment and emergent literacy. The result of this study revealed that home environment had significant relationship with children's emergent literacy.

Keywords: home environment, emergent literacy, children

1. Introduction

In recent century, literacy deeply affects children's lives and their future (UNESCO, 2005). Therefore, literacy is a vital skill in the new world and a powerful tool for academic, intellectual and personal growth. Emergent literacy skills which are developed prior to five years of age, strongly predict achievement in later literacy learning and many other fields throughout life (Coursin, 2012).

Emergent literacy describes as a continuum of multitude behaviors, skills, methods, and perception about written and language that lead and expand into conventional literacy skills and serve as a basis for future formalized instruction in reading, writing, and spelling (Fischel, Bracken, Fuchs-Eisenberg, Spira, Katz, and Shaller, 2007). In Iran, reading instruction begins in the first grade. Pre-primary education is a one-year programmed for 5 to 6 years old which is not compulsory (Kian, 2010). Only less than 50% of Iranian children join this program (Mofidi, 2012).

1.1 Home Environment

Home is the first place where a child is exposed to a language and has opportunity to observe, discover, and engage in literacy-related activities to explore the development of literacy skills (Lonigan & Shanahan, 2008). The shortcomings of emergent literacy experiences of preschoolers at home may have been compensated by the frequent drills provided in the first grade for the children. The environment is considered as an integral part of emergent literacy development (Sénéchal, LeFevre, Smith-Chant, & Colton, 2001; Sénéchal & LeFevre, 2002; Zill & Resnick, 2006). Whitehurst & Lonigan (1998) believed that reading, writing, and oral language may develop in early age when children are exposed to the social contexts in which literacy is an important phenomenon. It has been shown that parents are able to build a home environment that persuades children's learning and communication. Furthermore, the experiences, attitudes, and materials that a child interacts with at home effect on child's home literacy environment (Leseman & DeJong, 1998; Sénéchal, LeFevre, Thomas, & Daley, 1998; Whitehurst & Lonigan, 1998). Exposure to books, magazines, newspapers, and environmental print may influence on children's development of learning to reading (Whitehurst & Lonigan, 1998). Children with better home literacy environments show higher levels of reading knowledge and skills at kindergarten (Nord, Lennon, Liu & Chandler, 2000) and primary school (Wade & Moore, 2000).

1.2 Home Environment and Emergent Literacy

The home environment contributes to young children's emergent literacy, as it is the primary situation in which language and literacy are confronted (Purcell-Gates, 1996). Home environment effects on emergent literacy and language skills because within the home environment children have chances to (a) become familiar with literacy materials, (b) view others who are engaged in literacy activities, (c) investigate literate beliefs individually, (d) engage joint reading and writing behaviors and actions with caregivers, and (e) learn teaching strategies which family members use during joint literacy activities (DeBaryshe, Binder, & Buell, 2000).

Some researchers studied the relationship between children's home environment and their positive cognitive development (Bradley et al., 1994; Bradley et al., 2001; Linver et al., 2002; Molfese et al., 2003, Leventhal, Martin, & Brooks-Gunn, 2004). Families whose homes were scored high on the HOME (Caldwell and Bradley, 1984); a measure of the quality and quantity of stimulation and support available within the home setting, had scored higher than families with low scores on the HOME on measures of language skills, cognitive ability, and academic skills through preschool (Bradely et al., 2001). So, the opportunities that parents provided within the home environment have shown to enhance children's emergent literacy (Bennet, Weigel, & Martin, 2002).

Zhou (1994) examined the relationship between children's emergent literacy achievement and their home literacy activities. Zhou indicated that home literacy were positively associated to children's literacy success. The home literacy direct activities include reading to children, telling stories, and teaching letters, words, or letters had a significant relationship with children's emergent literacy development. The home indirect literacy activities include doing arts and crafts, training children music or songs, doing household chores, visiting a library, visiting an art gallery, museum, or historical place, discussing about family history or ethnic heritage, and connecting children into community or religious events.

Burgess, Hecht, and Lonigan (2002) tried to determine which areas of home literacy environment predict emergent literacy skills. The active home literacy environment was used to measure the amount of child television viewing and the age of initiation of joint reading. The passive home literacy environment was assessed how often the children detected the parents' reading, amount of parent television viewing, and the actual amount of parental reading. The overall home literacy environment was measured by combining questions from the interactive and limiting environment assessments. Results of this study indicated that the active home literacy environment was significant predictor of emergent literacy skills.

Burgess (2002) examined the link between the growing of phonological sensitivity, speech perception, oral language, and other elements of emergent literacy in four and five years old children. In this study, family social class, parents' beliefs and attitudes about spending their money, as well as home literacy environment were measured. Burgess found that home literacy atmosphere was the only predictor of phonological sensitivity progress in children. This study did not examine whether the family social factors, parental attitudes, and traditional variables included in the home literacy environment assessment, or a combination of those factors were responsible for the substantial consequences.

Welsch et al. (2003) divided emergent literacy into three points of reference including outcome based, process-orientated, and developmental orientations. These points of reference have been used to study and characterize the importance of children's emergent literacy skills (Welsch et al., 2003). According to Welsch et al. outcome based may describe the relationships between emergent literacy and later literacy success. Process-oriented describes the associations between social, cognitive, and cultural procedures that mediate children's early success in literacy (Welsch et al., 2003). Welsch et al. (2003) described emergent literacy as a broad theoretical framework in which children's pre-conventional reading and writing behaviors developed mainly during home and school experiences with oral and written language, and it was observed as the foundation of later conventional literacy skills.

Haney and Hill (2004) in a study examined children's vocabulary, alphabet knowledge, and conventions of print. Haney and Hill concluded that the type of direct literacy instruction affected the children's emergent literacy skills. It means that children who received direct instruction on letter sounds involved in other non-formal home literacy activities that may contribute to the higher scores on the vocabulary test. The home literacy environment is a complex system includes both formal and informal components (Sénéchal et al., 1998). As a result, the home literacy environment is a complex system that should be assessed from a broader perspective.

Ayatollahzade (2004) investigated emerging literacy development in young Iranian children. Elements of Iranian children's activities at home, Iranian literacy tools at home, and literacy experiences of Iranian children were examined. The participants were 48 children ages 2 to 3 years. A model of emergent literacy in Iranian family was suggested, which include of Literacy Activities, Verbal Interaction, Environmental Print, and Literacy Tools.

Ayatollahzade specified that Iranian young children participated in a variety of emergent literacy activities at home, most of which were verbal in nature. Presentation to written and spoken Arabic and literacy activities in religious contexts were unrivaled aspects of emergent literacy in Iran. Iranian homes prepared children with very limited experience to print. The limited writing exposure was through fixed environment print elements which were not directly handled by children. Children's books, storybook reading, and joint book reading were not found to be daily experiences of Iranian children, and this might delay the development of some early literacy skills.

Roberts, Jurgens, and Burchinal (2005) investigated the activities of home literacy among African-American mothers with children aged 3 to 5 year old. This study examined four measurements of home literacy practices include of the shared reading storybook, techniques of maternal reading book, enjoying reading book, and maternal sensitivity. Also, a general measure of the quality of the home environment during pre-school years was applied in order to predict language and emergent literacy skills. The Home Observation for Measurement of the Environment Inventory (HOME; Caldwell & Bradley, 1984) was also carried out annually. After controlling for maternal education, maternal reading skills, and the child's gender, home literacy practices showed significant correlations with the language and literacy development. Roberts, Jurgens, and Burchinal found that home environment may contribute to the children's language and early literacy skills. Findings of this study revealed that the quality of the home environment predicted the later reading progress of children.

Weigel, Martin, and Bennett (2005) examined the relation between parental reading habits (e.g. parents' reading enjoyment, time spent reading for leisure) and emergent literacy skills among preschool children. Based on ecological perspective, this study indicated that the children's community and environment have a direct influence on literacy development. Results of this study demonstrated that parents were less prepared and conscious during shared-reading practices; rather than, child-care professionals who were more likely attentive and took a more directive view when interacting and reading with young children. Findings also suggested that literacy skills in preschool children affected by combination of both home and child-care literacy experiences. However, this study was measured only language skills not all variety of measures, such as phonemic awareness, letter knowledge, book knowledge, and expressive language.

In addition, Foster, Lambert, Abott-Shim, McCarty, and Franze (2005) examined a broader scope of home literacy environment. In this study four variables were related with the home literacy environment to examine emergent literacy in a group of children enrolled at Head Start. Regularity of reading to the child in the past week, enrichment experience (trips to the library, museum, etc.) in the past month, home learning activities (teaching a song, art projects, etc.) in the past week, and books and other reading materials available at home assessments completed by the parents. Results of this study confirmed that home literacy environment, as well as family social risk, mediated the relationship between socioeconomic status and emergent literacy skills in children. This study considered four elements of home literacy environment however the current studies didn't examine home environment by HOME observation scale (Caldwell & Bradley, 2003) which is a best known measurement on home environment.

Wu (2007) in a study revealed that Taiwanese mothers teach their children during various kinds of home experiences. These teaching skills could differ from oral language teaching during activities such as cooking, doing house tasks, shopping, to other aspects of structured reading and writing instruction at home. Taiwanese children's early literacy experiences might be received from culturally specific activities such as interaction with family relatives or peers in the society.

Research shows that the experiences children have before formal schooling largely impact development of emergent literacy skills. It has been established that the home is where children first encounter language and literacy and begin to participate in activities that foster their literacy development (DeBaryshe, Binder, & Buell, 2000). The home environment of young children also has a strong impact on emergent literacy outcomes (DeBaryshe et al., 2000). Much of these research (Sénéchal, LeFevre, Thomas, & Daley, 1998; Zhou, 1994; Welsch et al., 2003; Edwards, 2007) have focused on home literacy activities that have been shown to be "consequential" to successful acquisition of literacy skills, but they didn't examine home environment by HOME inventories (Caldwell & Bradley, 2003). As a result, Learning in the home starts from birth; however, families differ in their attitudes toward their responsibility for supporting their children's literacy development and their enthusiasm. Previous studies recommended that parents play an essential position in forming their children's learning environment by selecting appropriate activities, reading materials, and toys (Baker & Scher, 2002; Rogoff, 1998).

2. Method

2.1 Location and Respondents

This study was conducted in Kerman city, the capital and largest city of the Kerman province. Kerman is placed in the south-east of Iran, with a population of 621,374 (Iran census Bureau, 2011). The sample of this study consists of children aged between 3 to 4 years old. According to census of Kerman city (2011), the number of children from birth to 4 years old was 107,885, which only 8589 of them attend in kindergartens (Bureau of welfare organization Iran, 2011).

2.2 Procedures

The sample of this survey consisted of 2146 children age 3-4 years old and their mothers (Table 1). In the first step 14 kindergartens have been selected out of four districts by conducting the cluster method. A consent letter was sent to 283 parents and only 188 of them agreed to participate in this survey. Then 96 family was selected randomly from 188, and 6 pairs were deleted from this survey due to incompatible age range.

2.3 Measures

Home Environment: The Early Childhood Home Inventory (HOME; Caldwell & Bradley, 2003) and its 55 items were used to measure the influence of the home environment in a child's cognitive, language, and literacy development. This checklist provides general characteristics of the home environment including responsiveness, sensitivity, acceptance of the child's behavior by parents, structure of environment, provision of positive and caring environment, along with stimulating toys, materials and interactions (See Appendix D). The eight subcategories of HOME were measured: (1) Learning Materials (e.g., child has at least ten children's books), (2) Language Stimulation (e.g., Child is encouraged to learn the alphabet), (3) Physical Environmental (e.g., Building appears safe and free of hazards), (4) Responsively (e.g., Parent holds child close 10-15 minutes per day), (5) Academic Stimulation (e.g., Child is encouraged to learn colors), (6) Modeling (e.g., TV is used judiciously), (7) Variety (e.g., Child has real or toy musical instrument), and (8) Acceptance (e.g., No more than one instance of physical punishment occurred during the past week). The Cronbach's alpha coefficient for the HOME total scores was .90.

Emergent Literacy Assessments: In order to examine emergent literacy, the Language and Emergent Literacy Assessment (LELA; Cunningham, Hicks, & Williams, 2002) was used. Alphabet Recognition, Book Knowledge, Expressive Language, Beginning Sounds, and Phonemic Awareness are included in this scale. There are upper case and lower case letters in Alphabet Recognition scale as two templates in a random order. The researcher asked the child to show name the letters that are known. Some information about the books is involved in the book knowledge scale. Child must response about his or her favorite book The Expressive Language scale contains five items in which asked the child to retell the story that their teacher read to them several times. Specifically, the teacher listens to discover whether the child has a sense of the story or he or she doesn't influence by the beginning, characters, setting, sequence, and the ending. How children match the beginning sounds is the aim of the Beginning Sounds scale which was assessed by eight items. The Phonemic Awareness scale was measured phonological awareness, the ability to recognize the separate sounds of language. While the child was sitting next to her/his teacher in a private playroom or classroom in the kindergarten, the researcher administered the Language and Emergent Literacy assessments with the child's teacher.

3. Data Analysis

A descriptive statistics (mean, standard deviation, minimum and maximum) were utilized to describe the respondents' background (personal and family characteristics) and the key study variables. A Pearson correlation analysis was conducted to examine the relationship between the dependent variable (Emergent Literacy) and independent variable (Home Environment).

4. Results and Discussion

4.1 Descriptive Findings

More than half (53.3%) of the respondents were girls. The respondents' age ranged from 3 to 4 years old. The majority (60%) of children were first born. Less than half (15.50%) of the respondents' fathers were below 30 years old. About 44% of fathers had bachelor degree. Regarding father's occupation, all (100%) were employed. In terms of father income, majority (87.9%) of the fathers were in medium income category (\$800 per months). Only 11% of families were in low income category. According to Raghfar, Khoshdast, and Yazdanpanah (2012), the poverty line in Iran was \$800 (800,000 Toman) per month for a family with four members. In terms of mother's age 84.50% of mothers were more than 30 years old. Majority (55.60%) of the respondents' mothers had bachelor

degree. However, more than half (65.60%) of the mothers were unemployed. According to census of Iran (2011) only 13.7% of women were employed. As shown in Table 1, more than half (56.7%) of the respondents had lower total scores in home environment. In terms of children scores in emergent literacy, more than half (52.2%) of children indicated low *emergent literacy*.

Table 1. Respondent's levels of variables

Variables	N	%	Min	Max	Mean	S.D
Total Home Environment			14	54	41.21	8.830
Low (scores<41.21)	51	56.7				
High (scores>41.21)	39	43.3				
Total Emergent Literacy			6	29	19.36	4.918
Low (scores<19.36)	47	52.2				
High (scores>19.36)	43	47.8				

4.2 Bivariate Findings

Pearson correlation was used to determine the relationship between home environment and emergent literacy skills. As Table 2 shows, there is significant relationship between home environment and emergent literacy ($r=.48, p\leq 0.001$). This means that respondents, who have high home environment scores, have high literacy skills. The present finding support past studies (Sénéchal & LeFevre, 2002; Purcell-Gates, 1996; Burgess, Hecht, & Lonigan, 2002; Hirst & Di Cristo, 1998; Sénéchal, LeFevre, Thomas, & Daley, 1998; Haney & Hill, 2004) that confirmed the significant and positive relationship between home environment and emergent literacy. There are some reasons for the relationship between home environment and emergent literacy. First, the home environment is contributed to young children's emergent literacy, as it is the primary situation in which language and literacy are confronted (Purcell-Gates, 1996). Home is typically the first place in which a child is exposed to language and has the chance to observe, discover, and engage in literacy-related activities (Bracken & Fischel, 2008; DeBaryshe et al., 2000). Second, parents provide the better quality of home environment including toys, books, and games to facilitate learning literacy in childhood (DeBaryshe, Binder, & Buell, 2000; Hood, Conlon, & Andrews, 2008; Korat, 2009). Furthermore, the physical environment as safe, sufficiently roomy, and perceptually appealing may related to mothers' tendency to encourage their child acquiring early literacy skill related to emergent literacy skills (Caldwell & Bradley, 1984).

Table 2. Relationship between home environment and emergent literacy

Variables	<i>r</i>
<i>Home Environment</i>	.483**

5. Conclusion

Present study aimed to examine the relationship between home environment and emergent literacy among Iranian children. This study found that there was a significant relationship between home environment and emergent literacy. This means that positive home environment which is facilitated by highly involved parent has an important factor in emergent literacy skills of young children. Consequently, Iranian families may need to facilitate their home environment by providing a greater numbers of awareness on knowledge related to emergent literacy activities for their children. As the child grows up in a conducive home environment, the way in which he or she thinks about the world around themselves can be positively enhanced. Growing up in a rich literacy environment may lead children to take hold of literacy skills. In contrast, children in an environment without any value of literacy may fail to realize the importance of literacy then.

So, it is important to consider positive and stimulating home environment characteristics because the home is typically the first place in which a child is exposed to many life experiences. According to Vygotsky social cultural theory (1978), the quality of the adult-child interaction and home environment have a powerful influence

on the development of child's emergent literacy skills. Vygotsky (1978) also stressed the importance of the multidimensional role of the adults in the home environment.

Home environments may influence on the relationships between parents and their young children literacy. Parents may supply a library area for example in the child's bedroom. They can talk about the environmental print such as signs and food labels, read them with the child, and visit libraries and/or bookstores regularly. Comfortable places and sufficient lighting are also important physical resources. A basket of books in each room is helpful and excite children's literacy. Parents can join art, dramatic play, field trips, music, and singing to the literature that may contribute to their children. While involving interventions that planned to increase quality of home environment, may positively influence children levels of emergent literacy. If quality of the home literacy environment is developed, researchers can start to clarify the exact activities, resources, and contextual factors that are necessary for successful literacy achievement.

6. Implication

The findings of this study will be beneficent for parents, educators, and developmental psychologists. The result of this study is significant for professionals to better realize the factors which may have important impact on emergent literacy. The results of this study propose that parent and home environment play a unique and vital role in children's emergent literacy. The finding in this study is also useful for Iranian Ministry of Education, Welfare organization, NGOs in order to promote the language and literacy skills of preschool-age children. Researchers, educators, parents, and policy makers need to consider planning, implementing and evaluating programs for children's emergent literacy.

For developing early literacy in Iran, the government should participate and cooperate in investment and funding programs that are deemed beneficial in nurturing interest and emphasis in the area government should give more attentions and supports to train childhood educators so that they can provide appropriate programs for children. In order to achieve an influential imputes on emergent literacy of children and enduring educational success, workshops, conferences and seminars for parents and educators should be organized by government and relevant organizations.

The present results have significant recommendation for future research and practice. This research is limited home environment and children emergent literacy. Many relevant factors can affect emergent literacy. Future studies are needed to examine other factors such as the impact of parenting style, self-efficacy, emotional intelligence, self-esteem, self-control of mothers. This study was conduct in Kerman, hence, to generalize the results of this study to the other population it is suggested to carry out studies in different locations of the country. The present study was carried out among 90 children aged between 3 to 4 years old. It is recommended that future studies investigate larger samples from different age of groups. This study was a cross-sectional design, so a longitudinal study is needed to clarify the relationship between home environment and emergent literacy.

There are a few limitations related with this study. First, the sample of this study involved children aged 3 to 4 years old live in Kerman. This study has not excluded those children, who live in rural areas, or speak non-standard Farsi dialect, Arabic, Turkish or Kurdish and children who speak in particular regions of Iran. Therefore, the results cannot be generalized beyond this population. Second, another limitation relates to the lack of literature in Iran that could support the result of this study.

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The Meaning Extensions of Human Body Part Terms in Thai Idioms

Nuntana Wongthai¹

¹ Department of Linguistics, Srinakharinwirot University, Bangkok, Thailand

Correspondence: Nuntana Wongthai, Department of Linguistics, Srinakharinwirot University, Bangkok, Thailand. E-mail: nuntana.w@gmail.com

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Abstract

This paper presents the linguistics evidence from Thai idioms in support of the claim that our bodily experience plays a prominent role in the meaning construction. The data was collected from 29 Thai idiom books. The analysis is primarily based on metaphor, metonymy and chained metonymies in cognitive semantic approach. The data show that metaphor and metonymy are the motivating forces behind the semantic extension in the body part terms in Thai. However, most of the meaning extension of body part terms is found via metonymy. This fact supports the claim that metonymy is a more fundamental cognitive phenomena than metaphor. The most extended meaning found in the data is person. The body part term that its meaning is extended most is hand. This study also is a linguistic manifestation of Thai culture.

Keywords: body part terms, cognitive semantics, meaning extension, Thai idioms

1. Introduction

Humans always use the body part terms to refer to other things, for example, English has such expressions as the mouth of the river, the foot of the mountain or the hand of the clock. In Thai, the body part terms are also used in the extended meanings, for example, *คอขวด* *khoo khùat* (neck bottle) means the upper part of the bottle which is narrow. *ปากซอย* *pàak sooy* (mouth lane) means the entrance. This kind of usage is the comparison of the prominent attributes of the body parts and the part of the bottle and the lane. This makes the meanings of neck and mouth extend its meaning to mean a specific part of an entity. The body part terms are also found in idioms. In Thai, we are familiar with the idioms such as *ซุ่มมือเปิบ* *chúp mǎu pǎep* (soak hand eat), *ไถหน้า* *dây nâa* (lose face), *ปอกกล้วยเข้าปาก* *pòok klúay khâw pàak* (peel banana enter mouth). The meanings of these body part terms are not used in the conceptual meanings but extended to be used in the metaphorical meanings. This study is aimed to discover the meanings of human body part terms used in idioms and to analyze the processes of meaning extensions of human body part terms in Thai idioms. The findings of study will reveal the importance of body to meaning construction.

2. Objectives

1. To study the meanings of human body part terms in Thai idioms.
2. To analyze the processes of meaning extensions of human body part terms in Thai idioms.

3. Theoretical Framework

This paper uses the theoretical ground of metaphorical relationships (Lakoff & Johnson, 1980; Vyvyan, Melanie, 2006), metonymic relationships (Radden & Kövecses, 1999) and chained metonymies (Hilpert, 2007) from the perspective of cognitive semantics as a framework to analyze the meaning extension encountered in the data.

4. Methods

In the study, the human body part terms are divided into 3 parts: upper part (including head, hair, face, brow, eye, ear, nose, cheek, mouth, chin, neck), middle part (including arm, hand, finger, shoulder, elbow, breast, chest, waist, belly), and lower part (including leg, calf, shin, knee, buttock, foot). The data were collected from 29 Thai idiom books. The data show that some body parts which are head, hand, buttock, and foot in Thai are called differently to mean the same. Head can be called *hǎa* (normal), *sǎan*, and *klâaw* (royal). Hand can be called *mǎu* (normal), *khoo* (poetry or royal word). Buttock can be called *kôn* (normal), *tùut* (impolite). Foot can be called *táaw* (normal) and *tiin* (impolite).

The data of body part terms in this study is limited to the external parts. From the data, there are 12 terms of the upper part, which are head (hǔa), head (sǎan), head (klâaw), face, hair, chin, brow, nose, neck, ear, mouth, and eye; 13 terms of the middle part, which are back, hand (mǎa), hand (kǎon), elbow, waist, chest, breast, arm, fist, stomach, belly, shoulder, and finger; 8 terms of the lower part, which are leg, buttock (kôn), buttock (tùut), shin, foot (táaw), foot (tiin), knee, and calf. The total is 34 body part terms used in the study.

5. Results

The study shows that the meaning extensions of body part terms are varied. Table 1 presents the meaning extensions of body part terms.

Table 1. The meaning extensions of body part terms

body part terms	meaning extensions
upper part	
head (hǔa)	health, character, life, person, wisdom, taste, emotion, extremity
head (sǎan)	wisdom
head (klâaw)	wisdom
face	honor, capability, interaction, character, person, appearance, action, front
hair	important things, small issues, aging,
chin	speaking manner, illness
brow	action
nose	interference, honor, dependence, thought, smelling, quickly knowing
neck	important things, ignorance, speaking, drinking, person, action, sound,
ear	intensity, hearing, obedience, understanding, person
mouth	easiness, capability, speaking, eating
eye	behavior, obstacle, important things, trust, logic malfunction, time, person, action, thought
middle part	
back	originality, relationship, cooperation, cowardice, laziness, betrayal, seriousness, unseen action, support
hand (mǎa)	character, intention, quantity, possession, power, capability, fight, cooperation, time, person, action
hand (kǎon)	fight
elbow	speaking, person
waist	shape
chest	protection, space for feeling/thought
breast	burden
arm	welcome, person
fist	power, speaking
stomach	eating, excretion, pregnancy, action
belly	knowledge, happiness, memory, obesity
shoulder	capability
finger	Time, person, action
lower part	
leg	freedom, relationship, rules, person, walking, action
buttock (kôn)	person, sitting, action
buttock (tùut)	money, person, sitting, action
shin	person
foot (táaw)	person
foot (tiin)	action, lowest part
knee	energy, sadness, intimacy, power,
calf	walking, leg, buttock, shin, foot, foot

From Table 1 the meanings extended can be categorized into 3 domains: human (including the relationships among them), entities, and time.

The study found that the meaning extensions of human body part terms are motivated through metaphor and metonymy. Metaphor is the understanding of one conceptual domain in terms of another conceptual domain whereas metonymy is the conceptual link between two entities in the same frame of reference. However, the

findings show that not only single mapping of metaphor or metonymy that explain the meaning extension phenomena in the body part terms, do the serial conceptual mappings which highlight the interaction between metaphor and metonymy as well as chained metonymies also involve.

5.1 The Metaphorical Mappings in Body Part Meaning Extension

The findings show that from 33 body part terms, there are 22 words that their extended meaning motivated by metaphor from the conceptual domain of body parts to another different conceptual domains such as health, honor, thought, trust, operation. There are 8 terms in upper part, 11 terms in middle part, and 3 terms in lower part that the meanings are extended metaphorically. Table 2 shows the meaning extensions of body part terms motivated by metaphor.

Table 2. The meaning extensions of body part terms motivated by metaphor

body part terms	meaning extensions	linguistic expressions	
upper part			
head (hũa)	health	<i>หัวแข็ง</i> hũa khểng (head-hard) 'to be healthy; rarely ill' <i>หัวอ่อน</i> hũa ?อ่อน (head-soft) 'to be tractable'	
	character	<i>หัวรั้น</i> hũa rần (head-stubborn) 'to be bullheaded' <i>หัวแข็ง</i> (Note 1) hũa khểng (head-hard) 'to be stubborn'	
	life	<i>ถวายหัว</i> thawáy hũa (offer-head) 'to be dedicated; to fight till death'	
face	honor	<i>ได้หน้า</i> dáy nũa (receive-face) 'to get the favor of; to get a fame' <i>ฉีกหน้า</i> chik nũa (tear-face), <i>หักหน้า</i> hắc nũa (break-face) 'to humiliate' <i>กู้หน้า</i> kũu nũa (regain-face) 'to save one's honor'	
		capability	<i>ท่ามหน้า</i> tham ñam nũa (do-pretty-face) 'to be dishonorable' <i>ประมาทหน้า</i> pramàat nũa (affront-face) 'to underestimate' <i>เกินหน้า</i> kỏn nũa (surpass-face) 'to do excessively'
			interaction
	character	<i>คบคนให้ดูหน้า</i> <i>ซื้อผ้าให้ดูเนื้อ</i> khỏp khon hây duu nũa sũu phũa hây duu nũa (associate-people-give-look-face-buy-fabric-give-look-texture) 'to be careful when choosing friends'	
	hair	important things	<i>รักเหยียดกว่าผม</i> rák hẩu yừng kwàa phỏm (love-lice-more-than-hair) 'sweat the small stuff over the important one'
		small issues	<i>เส้นผมบังภูเขา</i> sên phỏm bạng phuukhẩu (a strand of hair-hide-mountain) 'to be unable to see the solution of a problem because of a small issue'
	nose	interference	<i>ยื่นจมูก</i> yừn camũuk (pop-nose) 'to be nosy'
		honor	<i>เหยียบจมูก</i> yừap camũuk (step on-nose) 'to insult'
		dependence	<i>ยืมจมูกคนอื่นหายใจ</i> yừm camũuk khon ?ừn hẩuycaj (borrow-nose-others-breathe) 'to depend on others'
	thought	<i>จูงจมูก</i> cuung camũuk (tow-nose) 'to be convinced by others'	
neck	important things	<i>คอขาดบาดตาย</i> khỏw khàat bàat taaj (neck-torn-cut-die) 'a very important or serious matter'	
	ignorance	<i>โง่แล้วอยากนอนเตียง คอเอียงแล้วอยากหนุนหมอน</i> ỏỏo lẻew yỏak nỏon tượng khỏw ?iượng lẻew yỏak nũn mỏỏn (dumb-but-want-sleep-bed-neck-crooked-but-want-sleep on-pillow) 'to be ignorant'	
ear	intensity	<i>หูฉี่</i> hũu chừi (ear-hot) 'excessively'	
mouth	easiness	<i>ปอกกล้วยเข้าปาก</i> pỏỏk klủay khâw pỏỏk (peel-banana-into-mouth) 'an easy matter'	
	capability	<i>ปากไม่สิ้นกลิ่นน้ํานม</i> pỏỏk mẫy sừn kừn nỏỏm (mouth-without-breath-milk) 'not capable to do things'	
eye	behavior	<i>เข้าเมืองตาหลิ่วต้องหลิ่วตาตาม</i> khâw mượng taa liw tỏỏwng liw taa taam (enter-city-eye-squint-must-squint-eye-follow) 'to behave suitably to time and place; When in Rome, do as the Romans do.'	
	obstacle	<i>เรือล่มเมื่อจอดตาบอดเมื่อแก่</i>	

		<p>ຮຸ່ນ ລົ່ມ ມື່ນ ດຳ ຕາ ບ້ວດ ມື່ນ ກື່ຍ (boat-sink-when moor-eye-blind-when-old) ‘to find the obstacle at the end’</p> <p>ອຳດາວັກລູກຕາອອກແລ້ວເອາລູກມະກອກຍັດ</p> <p>yàa khwák lúuk taa ?òòk lééw ?aw lúuk makòòk yát (don’t-scoop out-eyeball-and-shove in-olive) ‘to take care of one’s important things’</p> <p>ดวงตา duang taa (eyes) ‘the most beloved thing’</p> <p>ไว้ใจคนตาบอดข้างเดียว ไว้ใจว่าตาบอดสองข้าง</p> <p>wáy cay khon taa bòot khâang diaw wáy cay bàaw taa bòot sǒng khâang (trust-people-blind-one-side-trust-maids-blind-two-sides) ‘cannot fully trust anyone’</p> <p>เสน่ห์ตาบอด sanèhǎa taa bòot (affection-blind) ‘love can make one blind; love is blind’</p> <p>ชั่วพริบตา chûa phríp taa (moment-wink) ‘in a short time’</p> <p>หันตาเห็น than taa hǎn (in time-eye-see) ‘in that time; instantly’</p>
middle part		
back	originality	ถอยหลังเข้าคลอง thǒy lǎng khâw khlǒong (step-back-into-canal) ‘to retrograde’
	relationship	คืนหลังให้ phǐn lǎng hây หันหลังให้ hǎn lǎng hây (turn-back-give) ‘to end the relationship’
	cooperation	หันหลังชนกัน hǎn lǎng chon kan (turn-back-against-each other) ‘to cooperate’
	cowardice	ถอยหลังเหมือนกุ้ง thǒy lǎng mǎan kung (step-back-like-shrimp) ‘to be coward’
	laziness	หลังยาว lǎng yaaw (back-long), ชี้เกียจหลังยาว khǐikiat lǎng yaaw (lazy-back-long) ‘to be lazy’
	betrayal	หักหลัง hǎk lǎng (break-back) ‘to betray’
	seriousness	เป็นบ้าเป็นหลัง pen bǎa pen lǎng (be-crazy-be-back) ‘too much obsessed or serious in something’
hand	character	ขุมมือเปิบ chúp mǎm pǒep (soak-hand-eat) ‘get advantages from others without any help; to reap what others have sown’
		มือสะอาด mǎm sa?àat (hand-clean) ‘to be honest’
		มือเติบ mǎm tǒep (hand-lavishly) ‘to lavish’
	intention	มือกาว mǎm kaaw (hand-glue) ‘to be thievish’
		หมายมั่นปั้นมือ mǎaymǎn pǎn mǎm (intend-mould-hand) ‘to be determined’
	quantity	หยิบมือเดียว yǐp mǎm diaw (pick-hand-only) ‘a little amount’
	possession	เปลี่ยนมือ plian mǎm (change-hand) ‘to change the possessor’
	power	ลูกไก่ในกำมือ lúukkày nay kammǎm (chick-in-hand) ‘to be under control’
		ถือไพ่เหนือมือ thǎm phây nǎa mǎm (hold-card-upper-hand) ‘to be superior’
	capability	มือตก mǎm tòk (hand-fall) ‘to be on the decline’
มือไม่ถึง mǎm mây thǎm (hand-not-reach) ‘to be incapable’		
มืออาชีพ mǎm ?aachǐip (hand-profession) ‘to be professional’		
fight	มือหนึ่ง mǎm nǎm (hand-first) ‘to be excellent’	
	สู้รบปรบมือ súrǒp prǒpmǎm (fight-clasp) รับมือ ráp mǎm (receive-hand) ‘to fight’	
cooperation	ร่วมมือ rúam mǎm (cooperate-hand) , จับมือ cap mǎm (hold-hand) ‘to help; to collaborate’	
	สะบัดมือ sabàt mǎm (shake off-hand) ‘to leave’	
time	ต้นมือ tôn mǎm (first-hand) ‘at the beginning’	
	ปลายมือ plaay mǎm (last-hand) ‘at the end’	
hand (kǒon)	fight	ต่อกร tǒw kǒon (join-hand) ‘to fight’
elbow	speaking	ศอกกลับ sǒòk klàp (elbow-back) ‘to retort’
chest	protection	อ้อมอก ?òòm ?òk (chest) ‘protection’
		ซบอ ก sóp ?òk (lean-chest) ‘be under supervision; to turn to someone for protection’
	space for feeling /thought	ยกภูเขาออกจากอก yók phuukhǎw ?òòk càak ?òk (lift-mountain-out of-chest) ‘to be relieved from worries’
		รู้ยู่เต็มอก rúu yùu tem ?òk (know-full-chest) ‘to know thoroughly’
		เปิดอก pǒet ?òk (open-chest) ‘to reveal’
breast	burden	หนักอก nǎk ?òk (heavy-chest) ‘to worry about something’
		อกแตก ?òk tèek (chest-burst) ‘to blow up’
arm	welcome	นมนานกลิ้งอก nom yaan klǐng ?òk (breast-sag-roll-breast) ‘a burden’
		อ้าแขนรับ ?ǎa khǎen ráp (open-arm-receive) ‘to welcome someone to the group’

fist	power	<i>กำปั้นโต</i> kampân too (fist-big) ‘the big power’ <i>กำปั้นเล็ก</i> kampân lék (fist-small) ‘the little power’
	speaking	<i>กำปั้นทุบดิน</i> kampân thúp din (fist-pound-ground) ‘to answer perfunctorily’
belly	knowledge	<i>หมดพุง</i> mòt phuj (finish-belly) ‘no more knowledge to share or teach’
	happiness	<i>นอนตีพุง</i> nwon tii phuj (sleep-hit-belly) ‘to be happy’
	memory	<i>เข้าพุง</i> khâw phuj (enter-belly) ‘to learn by heart’ <i>รู้ไว้ใจว่าใส่บาแนบกหาม</i>
	capability	<i>rúu wáy chây wâa sây bân bèek hãa</i> (know-not-put-shoulder-carry) ‘gaining knowledge never hurt anybody.’ <i>ไม่เหลือบ่ากว่าแรง</i> mây lãa baa kwàa rɛɛŋ (not-over-shoulder-over-power) ‘It is not too hard to do’
finger	time	<i>ลัดนิ้วมือ</i> lát níw mɔɔ (cut across-finger) ‘a short time’
lower part		
leg	freedom	<i>ตรวนใส่ขา</i> truan sày khãa (chain-put-leg) ‘to lack freedom’
	relationship	<i>ถูกขา</i> thùuk khãa (right-leg) , <i>เข้าขา</i> khâw khãa (get along-leg) ‘to get along well’
	rules	<i>สะดุดขาตัวเอง</i> sadùt khãa tua?ɛŋ (stumble on-leg-own) ‘break one’s own rules’
buttock (tùut)	money	<i>หมดตุต</i> mòt tùut (finish-buttock) ‘to lose all the money’
knee	energy	<i>เข่าอ่อน</i> khàw ?wɔn (knee-weak) ‘to lack energy because of fear or walk for long distance’
	power	<i>หักด้ามพร้าด้วยเข่า</i> hàk dâam phráa dūay khàw (break-handle-machete-with-knee) ‘to exercise power over someone’
	sadness	<i>น้ำตาเช็ดหัวเข่า</i> námtaa chét hũakhàw (tear-wipe-knee) ‘to be sad and disappointed’
	intimacy	<i>จับหัวเข่าพูด</i> càp hũakhàw phũut (touch-knee-talk) ‘to talk intimately’

5.2 The Metonymic Mappings in Body Part Meaning Extension

The findings show that there are 26 words of which the extended meaning motivated by metonymy. The literal meanings of the body part terms and the extended meanings are related in a variety of relationships, such as PART FOR WHOLE, PART FOR PART, EFFECT FOR CAUSE, INSTRUMENT FOR ACTION, BODY PART FOR LOCATION. There are 12 terms in upper part, 7 terms in middle part, and 7 terms in lower part that the meanings are extended metonymically. Table 3 shows the meaning extensions of body part terms motivated by metonymy.

Table 3. The meaning extensions of body part terms motivated by metonymy

body part terms	meaning extensions	linguistic expressions
upper part		
person		<i>ค่าหัว</i> khãa hũa (price-head) ‘a payment for killing people’
		<i>จิกหัวใช้</i> cìk hũa cháy (pick-head-use) ‘to oppress someone’
		<i>หัวหงอกหัวดำ</i> hũa ñòk hũa ðam (head-grey-head-black) ‘young people and old people’
		<i>หัวป่า</i> hũa pàa (head-forest) ‘a chef’ <i>คบเด็กสร้างบ้าน คบหัวล้านสร้างเมือง</i> khóp ðèk sâaŋ bân khóp hũaláan sâaŋ mɔaŋ (associate-child-build-house-associate-bald head-build-city) ‘to hang out with good-for-nothing people’
head (hũa)	wisdom	<i>สองหัวดีกว่าหัวเดียว</i> sɔwŋ hũa dii kwàa hũa diaw (two-head-better-than-one-head) ‘it’s better to have other’s opinion’
		<i>หัวหมอ</i> hũa mɔw (head-doctor) ‘to be tricky’
		<i>หัวขี้เสียด</i> hũa khiiilây (head-saw dust) ‘to be dumb’
		<i>หัวอ้ายเรื่อง</i> (Note 2) hũa ?ây rɛaŋ (head-Rueng (name)) ‘to be able to solve the problems’
taste		<i>หัวเก่า</i> hũa kàw (head-old) , <i>หัวโบราณ</i> hũa boraan (head-ancient) ‘to be old-fashioned’
		<i>หัวใหม่</i> hũa mày (head-new) ‘to be modern’
		<i>หัวนอก</i> hũa ñòk (head-foreign) ‘to be a whitewash’
emotion		<i>หัวเสีย</i> hũa sĩa (head-break down) ‘to be frustrated’
extremity		<i>เสียทองเท่าหัว ไม่ยอมเสียหัวให้ใคร</i>

		sĩa thooŋ thãw hũa mây yoom sĩa phũa hũy khray (lose-gold-equal-head-not-let-lose-husband-to-anyone) ‘not exchange husband for treasure’
head (sĩan, klãaw)	wisdom	ปวดเศียรเวียนเกล้า pùat sĩan wian klãaw (ache-head-dizzy-head) ‘to be overwhelmed with problems’
	person	โดยถ้วนหน้า dooy thũan nãa (with-all-face) ‘everybody’ หน้าม้า nãa mãa (face-horse) ‘a shill’ เปลี่ยนหน้า plian nãa (change face) ‘not the same one’ หน้าอินทร์หน้าพรหม nãa in nãa phrom (face-Indra-face-Brahma) ‘powerful people’ เห็นแก่หน้า hẽn k`ẽe nãa (see-for-face) ‘to discriminate’
face	appearance	หน้าขี้ไก่ nãa khii kãy (face-poop-chicken) ‘to be very ugly’ หน้ากลม nãa kl`oo (face-round) ‘a round face’ หน้าขาวเหมือนไข่ปอก nãa khãaw m`ẽan khày p`o:k (face-white-like-egg-peel) ‘smooth and white face’ หน้าข้าวตัง nãa khãaw taŋ (face-rice crust) ‘a scarred face’
	action	หน้าตูมเป็นดอกบัว nãa tuum pen d`o:k bua (face-bud-become-lotus) , หน้าเป็นต๊วก nãa pen taw`ak (face-become-ladle) , หน้างอเป็นม้าหมากรุก nãa ŋoo pen mãa mãakruk (face-bend-become-horse chess) ‘to frown’ หน้าบานเป็นกระด้ง nãa baan pen kradd`oŋ (face-bloom-become-threshing basket) ‘to be delighted’ หน้าบูด nãa bùut (face-rotten) ‘to be pettish’ หน้าตึง nãa t`ẽŋ (face-stiff) ‘to show displeasure’
hair	aging	คนจะดีต้องดีแต่ผ้าอ้อมป้อง คนจะวอกผมหงอกก็ดีไม่ได้ khon ca dii t`oŋ dii t`ẽe phãa ?v`o:m p`o:wŋ khon ca w`o:k ph`o:m ŋ`o:k k`oo dii m`ây d`ây (person-good-must-good-from-diaper-person-bad-grey hair-still-bad) ‘a good person must be born good.’ ถอนหงอก th`ooŋ ŋ`o:k (pull out-grey hair) ‘to disrespect an older person’ ผมหงอกรายหน้า ตัณหากลับ ph`o:m ŋ`o:k raay nãa tanhãa kl`ap (grey hair-around-face-lust-back) ‘become lustful when getting old’
chin	speaking manner	ยานคาง yaan khaaŋ (flabby-chin) ‘to speak slowly’
	illness	คางเหลือง (Note 3) khaaŋ l`ẽaŋ (chin-yellow) ‘to be seriously ill’
brow	action	ผูกคิ้วหน้า ph`u:k khiw nãa (tie-brow-frown-face) ‘to show dissatisfaction on face’
nose	smelling	จมูกขึ้นจุก chũn khũn cam`uuk (tang-up-nose) ‘to have a tangy smell’ เตะจมูก t`e cam`uuk (kick-nose) ‘to have a strong smell’
	speaking	คอเป็นเอ็น khoo pen ?en (neck-become-tendon) ‘to argue stubbornly’ ดักคอ d`ak khoo (trap-neck) ‘to speak before another; to impede’ ขัดคอ kh`at khoo (obstruct-neck) ‘to heckle’
	drinking (alcohol)	คอแข็ง khoo kh`ẽeŋ (neck-hard) ‘to be able to drink much alcohol’ คออ่อน khoo ?v`o:m (neck-soft) ‘not good at drinking alcohol’ คอทองแดง khoo thooŋ d`e:ŋ (neck-copper) ‘to be alcohol-tolerant’
neck	person	หาห่วงมาคล้องคอ hãa h`uaŋ maa kh`ooŋ khoo (find-loop-to-wear-neck) ‘the person who is about to get married’ ปลอกคอ pl`o:k khoo (collar) ‘the person who supports or protects’ ก้างขวางคอ k`aaŋ khw`aaŋ khoo (fishbone-obstruct-neck) ‘the person who interferes other or plays gooseberry’
	action	ค้ำคอ khám khoo (support-neck) ‘to be in a position of unwilling act’ ชูคอ chuu khoo (lift-neck) ‘to be arrogant’ หักคอ hak khoo (break-neck) ‘to force someone to do something’
	sound	ลูกคอ l`uuk khoo (child-neck) ‘coloratura’
ear	hearing	เข้าหู khãw hũu (enter-ear) ‘to hear’ เข้าหูซ้ายทะลุหูขวา khãw hũu s`ây thalú hũu khw`ãa (enter-ear-left-out-ear-right) ‘to listen but not retain any information’ ทำหูทวนลม tham hũu thuan lom (make-ear-upwind) ‘to pretend not to hear’ หนาหู nãa hũu (thick-ear) ‘heard immensely’
	person	คู่หู khũu hũu (pair-ear) ‘a buddy’
mouth	speaking	น้ำท่วมปาก nãam thũam p`a:k (flood-mouth) ‘cannot tell the truth; to be

		tongue-tied’ ปากเปียกปากแฉะ pàak piāk pàak chèe (mouth-wet-mouth-damp) ‘to grumble’ ปากสว่าง pàak sawàaŋ (mouth-bright) ‘to disclose other’s secret’ ปากกรรไกร pàak kankray (mouth-scissors) ‘to speak badly’ ปากแข็ง pàak khěeŋ (mouth-hard) ‘to refuse to tell the truth’
	eating	ตามใจปากมากหนึ่ taam cay pàak mâak nîi (spoil-mouth-full of- debt) ‘to spend a lot on food’ เปรี้ยวปาก pŕiaw pàak (sour-mouth) ‘to crave for food’ อดอยากปากแห้ง ?òt yàak pàak hêeŋ (starve-mouth-dry) ‘to be famished; nothing to eat’ ถูกปาก thùuk pàak (right-mouth) ‘to be delicious’
	person	ตาบอดคล้าข้าง taa bòot khlam cháaŋ (blind-grope-elephant) ‘the person who knows only one side of the story but he thinks he knows the whole story.’ ตาบอดได้แว่น taa bòot dâay wêen (blind-get-eyeglasses) ‘a person who gets something useless’ ขวัญตา khwăn taa (spirit-eye) ‘a beloved woman’ ตาล้อง taa klóoŋ (eye-camera) ‘a photographer’
eye	action	ตาเป็นมัน taa pen man (eye-become-shiny) ‘to stare with desire’ ตาเล็กตาน้อย taa lék taa nóoy (eye-small-eye-little) ‘to show affection’ ตาแข็ง taa khěeŋ (eye-hard) ‘to be sleepless’ เล่นตา lèn taa (play-eye) ‘to ogle’ จับตา càp taa (catch-eye) ‘to look at something attentively’ ชายตา chaay taa (edge-eye) ‘to glance’
middle part		
	person	จับมือใครดมไม่ได้ cáp m̄m̄ khray dom mây dâay (hold-hand-anyone-smell-unable) ‘unable to find the guilty’ มัดมือชก มัด m̄m̄ chók (bind-hand-punch) ‘to force someone to do something’ ดอกใกล้ไม้ใก ล้อ มี มือ dòok máay klây m̄m̄ (flower-near-hand) ‘a worthless woman’ มือมืด m̄m̄ m̄m̄ (hand-dark) ‘an unknown guilty’ มือที่สาม m̄m̄ thîi sáam (hand-third) ‘a person who intervenes other’s business’
	hand	ตบมือข้างเดียวไม่ดัง tòp m̄m̄ khâaŋ diaw mây daŋ (clap-one-hand-not-loud) ‘doing something alone may not succeed; it takes two to tango.’ มือเป็นระวิง m̄m̄ pen rawiŋ (hand-become-reel) ‘to work without rest’ จับปลาสองมือ càp plaa sòoŋ m̄m̄ (catch-fish-two-hand) ‘to work or do many things at the same time may cause mistakes’ มือไม่พายเอาเท้าราน้ำ m̄m̄ mây phaay ?aw tháaw raa náam (hand-not-row-put-feet-drag-river) ‘not help and interfere others’ ขึ้นไม้ขึ้นมือ khîn máay khîn m̄m̄ (up-wood-up hand) ‘to point at someone’s face when getting angry’
elbow	person	กินน้ำใต้ศอก kin náam tâay sòok (drink-water-under-elbow) ‘to become a mistress’
waist	shape	เอวเท่ามดตะนอย ?ew thâw mót tanóoy (waist-same size as-wasp ant) เอวบาง ร้างน้อย ?ew baan râaŋ nóoy (waist-thin-body-small) ‘to be slim’
arm	person	แขนซ้ายแขนขวา khěen sáay khěen khwâa (hand-left-hand-right) ‘an important person’ แขนหัก khěen hâk (hand-break) ‘to lose an important person’
	eating	ฝากท้อง fàak thóoŋ (deposit-stomach) ‘to rely on someone else’s food’ รองท้อง roŋŋ thóoŋ (support-stomach) ‘to grab a bite’ เอาน้ำลูบท้อง ?aw náam lûup thóoŋ (bring-water-grope-stomach) ‘to relieve hunger with water’
	excretion	ท้องเดิน thóoŋ dèaŋ (stomach-walk) ‘to have diarrhea’
	pregnancy	แพ้ท้อง phêe thóoŋ (defeat-stomach) ‘to have morning sickness’ สุดท้อง sùt thóoŋ (last-stomach) ‘to be born as a youngest one’
stomach	action	ท้องคัดท้องแข็ง thóoŋ khát thóoŋ khěeŋ (stomach-hard) ‘to laugh until the stomach hurts’ หายใจไม่ทั่วท้อง hăay cay mây thûa thóoŋ (breathe-not-thorough-stomach) ‘to be nervous’ กินปูนร้อนท้อง kin puun rón thóoŋ (eat-lime-hot-stomach) ‘to behave suspiciously’

belly	obesity	ลงพุง loŋ phuŋ (down-belly) ‘too much obese’
finger	person	นิ้วด้วนได้แหวน níw dũan dâay wǎen (finger-cut-get-ring) ‘a person who gets something useless’
		นิ้วไหนร้ายตัดนิ้วนั้น níw nǎy ráay tàt níw nán (finger-bad-cut-finger-that) ‘to get rid of a bad person in the group’
	action	นิ้วก้อยนิ้วหัวแม่มือ níw kôy níw hũamêem (pinky-thumb) ‘children and grown-ups’
		lower part
leg	person	ขา khǎa (leg) ‘a person who is needed to complete a group activity’
	walking	ขาจร khǎa cawŋ (leg-casual) ‘a irregular customer’
		ขาประจำ khǎa pracam (leg-regular) ‘a frequenter’
buttock (kôn)	action	ง่อยเปลี้ยเสียขา ñũwỳ plĩa sǎa khǎa (lame-lose-leg) ‘to be handicapped; unable to walk’
	person	พอก้าวช้าก็ลาโรง phow kǎaw khǎa kǎw laa roŋ (step-leg-in-end-of-show) ‘to arrive or do things very late’
	action	ขัดขา khàt khǎa (obstruct-leg) ‘to interrupt’
Buttock (tùut)	person	ไฟลนกัน fay lon kôn (fire-under-buttock) ‘a person who does things at last minute’
	sitting	ก้นร้อน kôn rǎwŋ (buttock hot) ‘unable to sit long’
	action	ก้นหนัก kôn nǎk (buttock heavy) ‘to be able to sit for a long time’
shin	person	สะบัดก้น sabàt kôn (shake off-buttock) ‘to leave immediately because of frustration’
		ก้นกระดก kôn kradòk (buttock-raise) ‘to be haughty and snooty’
	action	ตุตไว tùut way (buttock-quick) ‘a credulous woman’
foot (tháaw)	person	ไฟจกตุต fay cùk tùut ‘fire-under-buttock’ ‘a person who does things at last minute’
	sitting	ตุตร้อน tùut rǎwŋ (buttock-hot) ‘unable to sit long’
	action	ตุตกระดก ครกกระเดื่อง tùut kradòk khrók kradhǎaŋ (buttock-raise-mortar-shake) ‘to be haughty and snooty’
foot (tiin)	person	พึ่งลำแข้ง phũŋ lam khêeŋ (depend on-shin) ‘to depend on oneself’
		หากินด้วยลำแข้ง hǎa kin dũay lam khêeŋ (live on-shin) ‘to make a living by oneself’
	action	วัดรอยเท้า wát rooy tháaw (measure-footprint) ‘to compete with someone higher. แก้วเท้าหาเสี้ยน kwèeŋ tháaw hǎa sǎan (swing-foot-find-thorn) ‘get oneself in trouble’
calf	person	ทุ่มหินใส่เท้า thũm hǎn sày tháaw (throw-stone-to-foot) ‘someone who causes trouble to others but ends up getting in trouble themselves’
		ผู้ดีตีนแดง phũu dii tiin deeŋ (snob-foot-red) ‘a snob wannabe’
	action	ตีนเท่าฝาหอย tiin thǎw fǎa hǎw (foot-same size as-shell) ‘a baby’
calf	walking	ตีนผี tiin phǎi (foot-ghost) a speed driver’
		คันตีน khan tiin (itch-foot) ‘to want to kick someone’
leg	leg	เหยียบเต่าเต็มตีน yǎp tàw tem tiin (step on-turtle-full-feet) ‘to do something attentively’
		ทอดน่อง thǎwòt nõwŋ (let go-calf) ‘to walk slowly; to stroll’
		น่องทอง nõwŋ thǎwŋ (calf-gold) ‘a smooth and beautiful leg’

5.3 The Interaction between Metaphor and Metonymy in Body Part Meaning Extension

The findings show that there are 6 words, 4 terms in upper part, 1 term in middle part, and 1 term in lower part that their extended meaning motivated by the interaction between metaphor and metonymy, which Goossens (1995) coined the term ‘metaphonymy’, an interplay of metonymies and metaphors in the construction of meaning. With respect to such series of mappings, the findings show that the metonymies based on metaphors are rare according to Taylor (2002), Goossens (2002), Hilpert (2007). The findings show that there are two words which are face and foot)tiin(that the metonymies based on metaphors. Table 4 – 9 show the meaning extensions of body part terms motivated by the interaction between metaphor and metonymy.

Table 4. The meaning extensions of face

body part terms	meaning extensions	linguistic expressions
face	front	<i>คว่ำหน้า</i> khwâm nâa (overturn-face) ‘to floor the top part’

The conceptual metaphor is OBJECTS ARE HUMAN BEINGS. The conceptual metonymy is PART FOR REGION. The OBJECTS ARE HUMAN BEINGS metaphor is extended to a specific region of object via metonymy.

Table 5. The meaning extensions of nose

body part term	meaning extensions	linguistic expressions
nose	quickly knowing	<i>จมูกไวเหมือนมด</i> camuuk way măn mót (nose-quick-like-ant) ‘to be fast in knowing something’

The conceptual metaphor is THE ORGAN FOR PERCEPTION FOR PERCEPTION. The conceptual metonymy is KNOWING IS SMELLING. The ORGAN FOR PERCEPTION FOR PERCEPTION metonymy is extended to abstract meaning ‘quickly knowing’ via metaphor.

Table 6. The meaning extensions of ear

body part term	meaning extensions	linguistic expressions
		Upper part
ear	obedience	<i>เป่าหู</i> pàw hũu (blow-ear) ‘to abet’ <i>ฟังหูไว้หู</i> faj hũu wáy hũu (listen-ear-keep-ear) ‘to listen and consider before believe’ <i>หูเบา</i> hũu baw (ear-soft) ‘to be credulous’ <i>หูหนัก</i> hũu nàk (ear-heavy) ‘to be hard to believe’
	understanding	<i>ก ข ไม่กระดิกหู</i> koo khǎw mây krađik hũu (a b-not-wiggle-ear) ‘to be illiterate’ <i>กระดิกหู</i> (wiggle-ear) krađik hũu ‘to understand clearly’

The conceptual metonymy is THE ORGAN FOR PERCEPTION FOR PERCEPTION. The conceptual metaphors are THE OBEDIENCE IS HEARING and THE UNDERSTANDING IS HEARING. The ORGAN FOR PERCEPTION FOR PERCEPTION metonymy is extended to abstract meaning ‘understanding’ via metaphor.

Table 7. The meaning extensions of eye

body part term	meaning extensions	linguistic expressions
eye	thought	<i>มีตาหามีแววไม่</i> mii taa hãa mii wæw mây (have-eye-but-have-twinkle-not) ‘unable to distinguish good things from bad things’ <i>ตาต่ำ</i> taa tàam (eye-low) ‘unable to see the value of things’

The conceptual metonymy is THE ORGAN FOR PERCEPTION FOR PERCEPTION. The conceptual metaphor is THINKING IS SEEING. The ORGAN FOR PERCEPTION FOR PERCEPTION metonymy is extended to abstract meaning ‘thinking’ via metaphor.

Table 8. The meaning extensions of back

body part term	meaning extensions	linguistic expressions
back	unseen action	<i>ปิดทองหลังพระ</i> pít thooŋ lăŋ phrá (attach-gold-behind-Buddha statue) ‘to do a thankless job’

The conceptual metonymy is BACK PART FOR LOCATION. The conceptual metaphor is UNSEEN ACTION IS BACK LOCATION. The BACK PART FOR LOCATION metonymy is extended to abstract meaning ‘unseen action’ via metaphor.

Table 9. The meaning extensions of foot

body part term	meaning extensions	linguistic expressions
foot)tiin(lowest part	<i>ปลายตีน</i> plaay tiin (end-foot) 'the lowest part of the bed'

The conceptual metaphor is OBJECTS ARE HUMAN BEINGS. The conceptual metonymy is PART FOR REGION. The OBJECTS ARE HUMAN BEINGS metaphor is extended to a specific region of object via metonymy.

The findings in this section support the MIND-as-BODY metaphor by Sweetser (1990), where the physical domain (perceptual domain) is mapped onto the mental domain.

5.4 The Chained Metonymies in Body Part Meaning Extension

The extended meanings of body part terms are also constructed through chained metonymies, which are metonymies that involve multiple conceptual shifts (Hilpert, 2007). The example of chained metonymies is as follows.

You'll find better ideas than that in the library. (Reddy 1979: 309 in Hilpert, 2007)

Ideas → words → pages → books

The example above explains that ideas are expressed in words, printed on pages within books, which are found in libraries.

Table 10. The meaning extensions of neck

body part terms	meaning extensions	linguistic expressions
neck	taste	<i>ถูกคอ</i> thùuk khoo (right-neck) 'to get along well with someone because of having the same taste' <i>คอสูง</i> khoo sŭŋ (neck-high) 'to love to eat and use expensive things' <i>แตกคอ</i> tɛk khoo (break-neck) 'to be estranged because having different opinion or taste'

NECK FOR EATING; EATING FOR TASTE; Neck → eating → taste

We can see that the chained metonymies are different from metonymy because they involve more than one conceptual shift. In the above example, only single metonymic mapping from books (in the libraries) onto ideas are insufficient. However, Hilpert (2007) said that nothing in principle disallows a single metonymic mapping but the chained metonymies have advantage to break up complex conceptual mappings into simple, well-motivated mapping with a strong experiential basis.

The findings show that there are 2 words, which are neck and back, that their extended meaning motivated by the chained metonymy. Table 10 shows the meaning extensions of body part terms motivated by the chained metonymy.

Table 11. The meaning extensions of back

body part terms	meaning extensions	linguistic expressions
back	support	<i>เดินตามหลังผู้ใหญ่หมาไม่กัด</i> dɔɔn taam lăŋ phŭuyàŋ mǎa mǎy kàt (walk-follow-adult-dog-not-bite) 'It's safe to follow adults' behaviors.' <i>หนุนหลัง</i> nŭn lăŋ (support back) 'to abet; to back up'

BACK PART FOR LOCATION; PLACE FOR ACTION (Hilpert, 2007: 10); Back → location → action

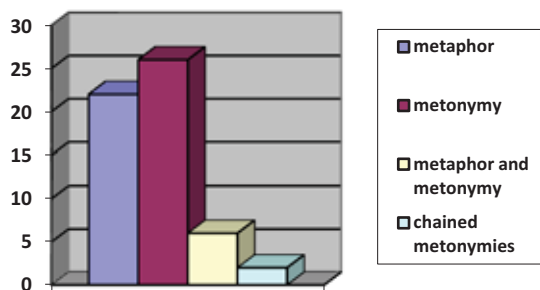


Figure 1. The processes of meaning extensions of human body part terms in Thai idioms

Figure 1 shows that the process of meaning extension found the most in human body part terms is metonymy. This fact supports the claim that metonymy is a more fundamental cognitive phenomena than metaphor (Panther & Radden, 1999).

6. Discussion

In this study, I explore the importance of body to the emergence of meaning. The data taken from Thai idioms that contain the body part terms reveal that meanings emerge from bodily experiences. The findings suggest that metaphor and metonymy are the important cognitive tools in the meaning extension process. Some examples in the study involve metaphor only, while others involve only metonymy. However, most of the meaning extension of body part terms is found via metonymy. This fact supports the claim that metonymy is a more fundamental cognitive phenomena than metaphor (Panther & Radden, 1999). There are 6 words that their extended meaning motivated by the interaction between metaphor and metonymy, which Goossens (1995) coined the term 'metaphtonymy', an interplay of metonymies and metaphors in the construction of meaning. With respect to such series of mappings, the findings show that the metonymies based on metaphors are rare according to Taylor (2002), Goossens (2002), Hilpert (2007). The findings show that there are two words which are face and foot that the metonymies based on metaphors.

The most extended meaning found in the data is person. This meaning is found in 14 body part terms which are head, face, neck, eye, hand, elbow, arm, finger, leg, buttock (kôn), buttock (tùut), shin, foot (táaw), foot (tiin). Those terms are in every part of human body. The body part term that its meaning is extended most is hand. The meanings of hand are extended to 11 semantic domains. It may be because people use their hands to do many kinds of activities in everyday life.

The finding reflects Thai culture in at least 4 aspects which are religious belief, play, martial art, and way of living. In religious belief, it reflects in the idiom *หน้าอินทร์หน้าพรหม* *nâa in nâa phrom* (face-Indra-face-Brahma) 'powerful people'. Indra, the great diety of Hinduism; Brahma (four-faced god) which discloses that Thai religion is partial Brahmanism. Thai people partially believe in animism, which pre-dated the arrival of Buddhism, considered as the major religion in Thailand. The fact relates to the research results in the conceptual metaphors of death in Thai (Wongthai, 2012) which showed that Thai people believe that death is only the end of the body state but the spirit still exists for the cycle of rebirth. This kind of belief originates from Brahmanism.

In play, some idioms reflect the popular play in Thai culture, chess in *หน้างอเป็นม้าหมากรุก* *nâa ngoo pen máa màakrúk* (face-bend- become-horse chess) 'to frown' and cards in *ถือไพ่เหนือมือ* *thôo phây nâa mûu* (hold-card-upper-hand) 'to be superior'. In martial art, it reveals that Thai boxing or Muay Thai which becomes widespread internationally and use the body part terms as the name of fighting techniques such as *หมัด* 'fist' *ศอก* 'elbow', *เข่า* 'knee', and the idiom that bring the body part term to reflect Thai boxing is *มัดมือชก* *mát mûu chók* (bind-hand-punch) 'to force someone to do something'.

The idioms in Thai containing body part terms also reflect Thai way of living, for example, in the old time Thai people use the ladle made from coconut shell to scoop water in *หน้างอเป็นตัก* *nâa pen tawàk* (face-become-ladle) or use threshing basket and *หน้าบานเป็นกระด้ง* *nâa baan pen kraddōng* (face-bloom-become-threshing basket) 'to be delighted'. These things are rare in present especially in the city. Thai culture is rice culture. The idioms which reflect this fact are *หน้าข้าวตาง* *nâa khâaw taŋ* (face-rice crust) 'a scarred face' and *ขุมมือเบียด* *chúp mûu pèep* (soak-hand-eat) 'get advantages from others without any help; to reap what others have sown', which reveal the way of eating in the past time. People used their hands instead of using spoons.

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Notes

Note 1. Notice that หัวแข็ง hũa khǎeng has two meanings: to be healthy and to be stubborn.

Note 2. หัวร้ายเรื่อง hũa ?ây r๕๗ comes from a famous novel titled 'Daw Rueng' (Marigold) by Rosalalane (a famous writer in Thailand)

Note 3. คางเหลือง comes from fighting domain. In the past, when someone was punched at the end of the chin, they would be applied with wax mixed curmin as medicine. Therefore their chin would turn to yellow.

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Students' Perceptions toward Using Classroom Debate to Develop Critical Thinking and Oral Communication Ability

Pezhman Zare¹ & Moomala Othman¹

¹ Department of Language and Humanities Education, Faculty of Educational Studies, Universiti Putra Malaysia, Selangor, Malaysia

Correspondence: Moomala Othman, Department of Language and Humanities Education, Faculty of Educational Studies, Universiti Putra Malaysia, 43400 Serdang, Selangor, Malaysia. Tel: 60-12-704-9923. E-mail: moomalaothman@yahoo.com

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Abstract

The purpose of this study was to make inquiries about students' perceptions on employing classroom debate to improve critical thinking and oral communication ability. Sixteen undergraduate students were randomly assigned to a group, and took part in debates for nine sessions throughout one whole semester. Part of the data was collected through a survey questionnaire including twenty one statements using 5-point Likert scale. Students were also provided with a number of open-ended questions to write down their perceptions about the classroom debate. In addition, semi-structured interviews were conducted with a number of volunteered participants. Overall, the students believed that the classroom debate was a constructive learning activity. The respondents believed that the debates helped improve their critical thinking skills and oral communication ability. In addition, as the students claimed, other benefits of the debates included mastering the course content, boosting confidence, overcoming the stage fright, and improving team work skills.

Keywords: classroom debate, critical thinking, oral communication, confidence

1. Introduction

Critical thinking skills and/or higher order thinking have received much attention from educationalists, researchers, employers, and mass media during these past several years. As a matter of fact, critical thinking skills have been recognized as essential skills for the growing workforce of the 21st century. There are more needs for staff and personnel that are equipped with advanced critical thinking skills, negotiation and problem solving skills as well as superior communicative competence (Gervey, Drout, & Wang, 2009; Halpern, 2004). Individuals with advanced critical thinking skills and strong communicative ability show behavioral dispositions that is welcomed and appreciated in both academic and vocational contexts (Mason, 2007; Rudd, 2007; Kosciulek & Wheaton, 2003). Training the future employees in the area of critical thinking and communication skills though is a controversial issue which is still very much open to question (Lord, 2008). Considering the increased attention to these skills and the greater need for them in the developing workforce, experts and scholars have started to look into various techniques and methods that might promote and develop critical thinking and oral communication skills in the classroom context (Halpern, 2003). Browne & Freeman (2000) believe that a lot of evaluative learning activities need to be incorporated in subjects which aim to practice critical thinking skills. It is suggested that bringing controversial issues into the classroom creates an environment of developmental tension that maintains reflection, rational judgment, and also necessitates considering various viewpoints. Studies show that debate is a helpful approach for developing and sustaining critical thinking skills as well as oral communication ability (Camp & Schnader, 2010; Paul & Elder, 2007; Ryan & College, 2006; Roy & Macchiette, 2005; Ng, Lan, & They, 2004). Getting ready to take part in debate also improve superior mastery of the material in promoting active learning. Debate preparation fosters the talent of articulating an argument in its important terms, acquire and utilize data and evidence to sustain a principle, categorize and communicate information in a comprehensible approach, and think about, assess and rebut contrasting arguments; these skills are in line with critical thinking skills (Rudd, 2007; Kosciulek & wheaton, 2003). Budesheim & Lundquist (1999) summarized and discussed the learning objectives of higher education system in three assumptions. First, they state that higher education must expose its students to different

perspectives and information; the kind of information and viewpoints that learners would have no access to in their usual experiences. Second, students need to be equipped with the capability of taking into consideration both sides of an issue through critical analysis of their thoughts and viewpoints. Finally, they argue that critical thinking skills are not usually available for students in the majority of higher education system, and therefore activities incorporating higher order thinking are required to infuse these skills. As a matter of fact, higher education success depends on the extent to which its students are guided and assisted to think independently and critically, and build up their opinions according to valid research studies, evidences, theories, and professional values and principles. It is essential for the graduates of higher education system to have the capability of forming independent perspectives based on evidences and professional values, and also the ability to appreciate a variety of viewpoints, so that they can work successfully with people who come from diverse backgrounds with different points of view. The present study argues that classroom debate has great potentials to meet the above-mentioned assumptions and goals of higher education. Therefore, the present study made use of classroom debate as a teaching/learning approach to help enhance students' critical thinking and oral communication skills. In-class debate was a new experience for the participants. Therefore, the study attempted to make inquiries about students' perceptions toward this approach. Specifically, it seeks answer to the following research questions:

1. How did the students find the classroom debate experience?
2. Did the students believe that classroom debate help them improve critical thinking skills and oral communication ability?

2. Literature Review

2.1 Critical Thinking

Critical thinking is a broad concept, and it has generated various definitions and terminologies by experts. As a matter of fact, finding a particular accepted definition is almost impossible, and this diversity of interpretations could sometimes create challenges for instructors when trying to introduce it to their classes (Rear, 2010). However, one of the most frequently referred to definitions is the one used by Ennis (1987) who defines critical thinking as "reasonable reflective thinking that is focused on deciding what to believe or do" (p. 10). Norris (1985) in much the same vein defines critical thinking as deciding rationally what to or what not to believe. For Ennis and Norris, critical thinking is about being careful and reflective when making decisions to believe or do something. Gieve (1998), meanwhile, states that for students to think critically they must be able to "examine the reasons for their actions, their beliefs, and their knowledge claims, requiring them to defend themselves and question themselves, their peers, their teachers, experts, and authoritative texts" (p. 126). Other experts consider critical thinking to be about skepticism. McPeck (1981), for example, suggests that the essence of critical thinking is "the propensity and skill to engage in an activity with reflective skepticism" (p. 8). Similarly, Sofo (2004) believes that thinking critically is about doubting and starting to reconsider what we normally take for granted. Sofo (2004) sees critical thinkers as people who evaluate their habits to improve the way they do things. They are people who are open-minded and take different perspectives into consideration. Ennis (1985) presents a prominent framework which includes thirteen characteristics of individuals who benefits from critical thinking skills. Such people are more likely to be:

1. "Open minded,
2. Take or change position based on evidence,
3. Take the entire situation into account,
4. Seek information,
5. Seek precise information,
6. Deal in an orderly manner with parts of a complex whole,
7. Look for options,
8. Search for reasons,
9. Seeks a clear statement of the issue,
10. Keep the original problem in mind,
11. Use credible sources,
12. Stick to the point, and
13. Exhibit sensitivity to others' feelings and knowledge level" (p. 46).

2.2 Oral Communication Ability

Speaking can be defined as a communicative procedure focusing on meaning construction that engages in creating, obtaining and processing information (Burns & Joyce, 1997). Speaking ability though refers to verbal communication ability in a practical, functional and precise way using the target language. Speaking is an important skill and the main key to communication for both ESL/EFL learners and teachers. Even though oral skills or communicative competence have been granted a special place in the educational curriculum for English teaching in colleges and universities in the past years, the amount of time and effort dedicated to tasks and activities in which learners make use of speaking skills to interact with each other using the second/foreign language remains small in the whole class. As Liao (2009) states, it is commonly agreed that oral skills especially speaking is the one that the students would be evaluated most in real-life situations. Speaking plays a pivotal role in everyday interaction and most often the first impression and evaluation of an individual is based on the ability to speak fluently and understandably (Liao, 2009).

Furthermore, it is stated that speaking is the first means through which children starts to acquire a language. Speaking is also the major means for changes in a language and it includes a great portion of everyday involvement of almost all people with language activities (Rebecca, 2006). Liao (2009) believes that the main purpose of the ESL learners is mastering the speaking skill, as people carry the idea that learning English has something to do with oral skill. When an individual states some language learners are good in English, people will automatically suppose he or she must be able to speak English well. In addition, oral skill can be very helpful and useful in developing and improving the other skills. However, despite the importance and significance of speaking skill among students, especially ESL/EFL learners, findings of relevant studies express concerns regarding the speaking ability of students in general and ESL learners in particular (Kim, 2006; Cheng, Myles, & Curtis 2004; Morita, 2000; Ferris, 1998). Ferris (1998) studied ESL students' viewpoints at three different American tertiary institutes about the challenges the face in listening and speaking skills, and discovered that the learners were most anxious about oral presentations and whole classroom discussions, but the students reported that they experience little trouble with small-group discussions. Kim (2006) conducted a study in which she made an attempt to explore the perceptions of Asian international graduate students regarding academic speaking and listening skill levels in their university courses and the challenges they face in meeting these expectations. The results of Kim's (2006) survey also, in line with Ferris (1998), disclosed that learners were so much worried about classroom discussions and taking part in classroom debates. Lim (1994) made an attempt in a survey study to look into the oral skills of accuracy and fluency among Malaysian English teachers. The results of the study demonstrated that 84.1% of the participants who teaches school students at different levels, had the same opinion that their students were unable to use the target language for communicative purposes and they also indicated the weakest skill among the four main skills is speaking. In addition, the findings revealed that 73.3% of the participants identified speaking as the skill students get the least practice in and 50% also named speaking skill as the one in which students needed more practice. She also recognized some sort of classroom activities, which is believed to be the possible reason for low spoken English proficiency. Those practices include the extensive use of Bahasa Malaysia in teacher-talk, in peer interaction and the motor-perceptive nature of speaking activities such as reading aloud and drilling.

2.3 Classroom Debate

Protagoras of Abdera, the father of debate, is credited for implementing debates in an educational environment over 2400 years ago in Athens, Greece (Darby, 2007). Debate was first incorporated in American higher education in the 19th through 20th century, but did lose its popularity till 1980s as a teaching/learning instrument (Freeley, 2009; Redding, 2001). However, it became popular again in the United States and has been practiced over the last three decades. It has been providing a good educational experience for students in high schools and universities (Williams et al., 2001). Debates have been extended to students in all subject areas, regardless of the students' academic level. Mercadante (1988), an advocate of debate, claims that debate can and should be used in college classrooms to courses in nearly all disciplines to help students develop their critical thinking skills. "Perhaps one of the best ways we as instructors can help the minds of others to learn is to allow those minds to exercise their own powers through debate" (p. 1). Debate functions to develop skills in critical thinking, analyzing, synthesizing, and impromptu speaking.

Krieger (2005) states that, many students had obvious progress in their ability to express and defend ideas through practice in debate. Moreover, the students often quickly recognized the flaws in each other's arguments, and this ability is considered to be a component of critical thinking skills in which students are expected to evaluate and critically assess the information they receive. Nisbett (2003) states, "Debate is an important educational tool for learning analytic thinking skills and for forcing self-conscious reflection on the validity of

one's ideas (p. 210).” According to Facione & Facione (2008), analytic thinking skills and conscious reflection or monitoring one’s own opinions are components of critical thinking skills. In the traditional way of teaching, for instance using chalk and talk, the students stay passive and receive lectures from their instructors. This way, the learners are provided with little (if any) opportunities to play an active role in the learning process, express their opinions, and practice and/or develop their thinking skills. Through these types of educational systems, according to Paul (1990), learners only receive lower order learning which is associative, in which they are required to memorize the course content that eventually result in prejudices, misunderstanding, and confusion. Consequently, students would be discouraged and lose their motivation in learning and start to build up strategies for short term memorization and performance. Finally, learners’ thinking will be blocked seriously and they stop thinking about what they learn as a result of using these techniques. On the other hand, many experts and researchers (Moomala, Faizah, & Amiri, 2013; Doody & Condon, 2012; Yang & Rusli, 2012; Hall, 2011; Rear, 2010; Kennedy, 2009, 2007; Darby, 2007; Tumposky, 2004) agree that classroom debate is an approach which involves learners in the learning process, give them the chance to express themselves, develop the higher order thinking, prevent rote memorization and misunderstanding, motivate the learners, and assist them to stay away from prejudice, and make informed decisions and judgments based on valid sources of data.

Critical thinking skills are honed in all levels of the debate process (Scott, 2008). In preparing for rebuttals, the students are required to gather relevant evidence of support while thinking critically to put forth a strong argument. Students also needed to learn to use evidence to support their argument and viewpoints (Yang & Rusli, 2012; Munakata, 2010; Omelicheva, 2005). Doody & Condon (2012) states that debate helps learners employ critical thinking skills in which they try to define the problem, evaluate the reliability of resources, identify and challenge assumptions, recognize contradictions, and prioritize the relevance and importance of different points in the overall discussion. Besides, debates stimulate and promote higher order learning, such as analysis, synthesis and evaluation (Park et al., 2011; Galloway, 2007). In addition, more advantages of debates consist of the possibility that “debaters come to realize that positions other than their own have value, and that reasonable minds can disagree on controversial issues” (Galloway, 2007, p. 12).

Goodwin (2003) made an attempt to explore learners’ perceptions about classroom debate participation. The findings demonstrated that, while a few students reported distress and anxiety with the competitiveness feature of the debates, most of them reported that they felt quite happy with participating in debate exercises. Participants expressed that engaging in debate encouraged them to explore the content of the course deeply, exposed them to many different perspectives, and hence assisted them to connect broadly to the content of the course. In her study, Omelicheva (2007) found that classroom debate helped the learners get involved in the intellectual practices which illustrate critical thinking skills. The participants of the study also stated that classroom debate provided an opportunity for them to practice and promote their presentation and teamwork skills. Kennedy (2007) argues that classroom debate can get the students actively engaged in the process of learning and also place more responsibility of comprehension on them. In addition, the learners’ role will noticeably shifts to a more active approach rather than a passive one, and it helps the students to realize the value of learning as they participate and play a role in learning rather being lectured at and getting information passively. Freeley & Steinberg (2005) also states academic debates have been distinguished as one of the most helpful learning approaches and promoting critical thinking for over 2,000 years. Likewise, Combs & Bourne (1994) surveyed marketing students who experienced classroom debates before. The students reported that their oral communication skills have been significantly improved as a result of debate participation. Fisher et al. (2001) argues that participating in classroom debate strengthens learners’ capability to handle disagreements outside of classroom as well. Simonneaux (2001) reported that the only time he witnessed his students managed to change their positions and accept alternative viewpoint was only when they were involved in a debate or a role play.

All in all, research findings clearly indicate that classroom debate helps students develop critical thinking and oral communication skills among many other skills. Students learn to synthesize, analyze, and evaluate statements and arguments. Debate also promotes active leaning which allows students to participate in the learning process actively. It also helps students to build up their oral communication skills. Last but not least, findings also confirm that students reported to like the debating experience and identified it as a new and interesting approach.

3. Methodology

3.1 The Participants and the Debate Procedure

The participants of the study included 16 undergraduate students majoring in Teaching English as a Second Language (TESL) at the Faculty of Educational Studies, University Putra Malaysia (UPM). The procedures of

classroom debate were adopted from the British Parliamentary Debate. The debate consisted of two teams (Government and/or Opposition) on either side of the case. First, the students were randomly divided into the two teams. Then, one team was randomly assigned to represent the government and another to the opposition side. The government usually is in favor of the resolution, and the opposition is against the resolution. Afterwards, the first speaker of the government starts the debate by introducing and defining the debate topic (The motion), declaring their stance, and presenting their speech/statement/argument. Next, the first speaker from the opposition side starts his/her speech by rebutting the argument of the government's first speaker. Then he/she continues by declaring the motion again and presenting their stance and their argument. After that, the second speaker from the government takes turn and rebut the statements of the opposition's first speaker, reaffirms the teams' stance, and present his/her argument and speech. The debate continues in the same fashion until all the speakers from both sides present their cases. However, the final speakers from both sides make concluding statements and make the closures, in case they want to end the debate. But, if the time allows and the participants are still willing to continue, the procedure goes on. Furthermore, during the debate, all speakers and participants are expected to offer Points of Information (POIs) to their opponents, but never to a member of the same team. POIs are features of debate in which a member of the opposing team stands up and offers a brief point during the current speech to argue the speaker. The speaker can choose to accept or deny POIs, but they are usually encouraged to accept them. If the speaker chooses to accept the POI, he/she will be asked a question, or possibly be given a statement, that he/she must then respond to. Then the speaker continues with his/her speech. Students are always reminded to support their POIs and/or rebuttals by providing evidence.

In conducting the present study, first, the format and the rules of debate (as discussed above) were thoroughly explained to the participants. Then, they were provided with a debate topic (motion) and given enough time to get ready to take part in the first classroom debate. At the end of each session, the topic of the next debate was given to the students. Therefore, they had enough time to do research on the topic, find enough information, and get ready for the next round. The debate topics (motions) were selected based on the course contents (Teaching of Aural-Oral skills). The students were instructed to conduct research on both sides of the debate topic and find evidences, resources, and relevant data that can be used to support their statements. In fact, they had to do research on both sides, because they were assigned to the two teams (government and/or opposition) only before the debate started. However, it is worth mentioning that after students were randomly assigned into the two teams, they were granted 20 to 30 minutes before each debate started, so they could get organized and check their statements with their team members. The debate sessions were conducted once a week for a whole semester and, each debate took about one hour. In total, nine sessions of classroom debate were conducted throughout the study.

3.2 Data Collection

The data collection was done through both quantitative and qualitative approaches. A survey questionnaire, reflective papers, and interviews were employed to collect the required data. They will be discussed in the following sections.

3.3 Survey Questionnaire

A survey questionnaire, developed by the researcher, was administered at the end of the study to explore learners' feedback about their experience attending classroom debate. The instrument consisted of twenty one items with a 5-point Likert scale (Strongly Disagree=1 to Strongly Agree=5). The items of the questionnaire were developed according to the objectives of the study. They focused on learners' perceptions about the classroom debate experience; whether they liked it, how they found the experience, whether they believe it can develop critical thinking skills, and improve speaking ability, as well. In similar previous studies usually the participants are asked if they think, for example, debate improved their critical thinking skills. These types of questions are very general and the students might get confused, since critical thinking skills is a very broad term with many different definitions and attributes. Therefore, in this study, the items were developed according to the literature review of classroom debate and critical thinking elements. For instance, as discussed earlier in the literature review section, it is generally believed that critical thinkers are not biased, and they take different perspectives into consideration. Therefore, this feature was used in devising one of the items (No. 9). The item states that 'Debate reduces biases and promotes considering and understanding different perspectives'. The complete questionnaire will be presented in the results' section.

3.4 Reflective Papers

Students were asked to write reflective papers for a couple of times, at the beginning and at the end of the study. The purpose of these papers was to investigate and monitor students' perceptions and feedbacks to the classroom

debate experience. In this regard, an open ended questionnaire was developed by the researcher (including 8 questions) and distributed among the students to help them focus on relevant issues in their reflections. The questions focused on students' perceptions, feelings; whether they liked or disliked it, as well as weaknesses, benefits, advantages, and disadvantages of the classroom debate experience. One question also asked the respondents to discuss their suggestions or recommendations to improve the approach.

3.5 Interview

Semi-structured interviews were also conducted with a number of volunteered students at the end of the study. The purpose was to get more detailed description on their perceptions and reflections about the classroom debate. Interviews were, indeed, carried out as a way to triangulate the data and make the results more reliable and get a clearer picture of the issues under investigation. The interviews were conducted and audio-recorded by the researcher. Prior to every interview, the interviewee was briefly explained the objectives of the interview, the expected time it may last, and also the reason of using of the tape-recorder. They were also asked to grant the researcher the permission to use the recorder. Besides, the interviewees were told that their responses will be kept confidential.

4. Data Analysis and Results

The results of the survey questionnaire come first, and the students' responses to the reflective papers and interviews will be presented afterwards.

4.1 Quantitative Results

As mentioned before, the survey questionnaire consisted of twenty one statements using a five-point Likert scale (Strongly Disagree=1 to Strongly Agree=5). Table 1 below provides the statements and the mean scores to each of them.

Table 1. The survey questionnaire and the mean scores

	Questions	M
1	I found classroom debate a new and innovative way to teaching and learning.	4.13
2	I liked and enjoyed classroom debate and I found it interesting.	4.38
3	I will choose to participate in debate again, if it was available.	4.03
4	I like to teach and use classroom debate among my students.	4.00
5	In-class debate increases learning motivation and interest level on the subject matter.	4.06
6	Classroom debate enhances learning on the course content.	4.13
7	Classroom debate stimulates thinking on the subject matter.	4.08
8	Classroom debate promotes teamwork skills and group decision making.	4.31
9	Debate reduces biases and promotes considering and understanding different perspectives.	4.06
10	Debate helps students learn to use evidence and data to support their arguments and viewpoints.	4.13
11	Classroom debate helps learners realize that issues are not merely black and/or white.	4.13
12	Students learn to be open-minded and accept reasonable criticisms through classroom debate.	4.19
13	Students learn to question everything via classroom debate.	4.13
14	Students learn to take or change position based on evidence.	4.00
15	Classroom debate helps students learn to seek precise and credible information.	4.25
16	Debate helps students learn to take the entire situation into account.	4.20
17	Students learn to look for options and search for reasons via classroom debate.	4.19
18	Students learn to keep the original problem in mind, stick to the point, and provide clear statements.	4.18
19	Debate helps students learn to care and show sensitivity to others' feelings and knowledge level.	4.19
20	Debate improves oral communication and argumentation skills.	4.38
21	In-class debate helped me improve my speaking skill.	4.38
Total		4.16

According to the total mean score ($m=4.16$) of the whole survey questionnaire, students demonstrated a positive perception and outlook toward the classroom debate. Specifically, the results show that participants found the classroom debate as a new experience and innovative way to teaching and learning ($m=4.13$), enjoyed the debates and found the experience interesting ($m=4.38$), and choose to participate in debate again, if it was available ($m=4.03$). They also believed that in-class debate increases learning motivation and interest level on the subject matter ($m=4.06$), enhances learning on the course content ($m=4.13$), and stimulates thinking on the subject matter ($m=4.08$). Regarding critical thinking, students believed that classroom debate enhance and promote critical thinking skills. Specifically, statements nine till nineteen investigate respondents' points of view toward classroom debate in promoting and developing critical thinking skills. As table 1 shows, the respondents believed that debate reduces biases and promotes considering and understanding different perspectives ($m=4.06$), helps students learn to use evidence and data to support their arguments and viewpoints ($m=4.13$). Moreover, the results show that debate helps learners realize that issues are not merely black and/or white ($m=4.13$), and students learn to be open-minded and accept reasonable criticisms ($m=4.19$). In addition, regarding oral communication, participants believed that debate improves oral communication and argumentation skills, and actually helped them improve their speaking skill ($m=4.38$).

4.2 Qualitative Findings

Students' responses to open-ended questions in reflective papers are generally consistent with their responses to the survey questionnaire that was presented in the previous section. In other words, the students' reflective papers show that students found the classroom debate a helpful and interesting method, liked it, and enjoyed the activity. However, they stated that classroom debate was a new experience for them, and they had never participated in debate before. Therefore, the students all declared that they felt nervous at the beginning. A number of the students' comments are presented below.

"I felt scared in the beginning, as I don't have any exposure to debate before and I thought that it is going to be tough."

"At first, I was a little bit nervous hearing the word debate. I have never had any experience in debating. However, after going through the first debate, I had gained my confidence in speaking in front of others and expressing my views clearly."

The respondents also emphasized on the importance of classroom debate in reducing their stage fright. They stated that they were anxious and afraid of talking in front of other students. They mentioned that they did not have enough confidence to speak in public. The comments and statements show that after going through the classroom debates, the students gained confidence to talk freely without anxiety in front of others, and it helped them to improve their speaking skills. They also mentioned that the classroom debates helped them learn how to think quickly and critically, and provide spontaneous responses. Some of the respondents' statements are presented below.

"It reduces the level of my anxiety in speaking in front of the crowd. I guess, in order for one to have the confidence in speaking, they need to experience it."

"Debate really helps me to boost my confidence as it improves my speaking skills in front of others. It is important for me as a teacher in the future to be confident."

"I feel it is necessary to arrange this activity regularly so that the students can practice their communication and thinking skills. This activity helps me polish my skills in communication and critical thinking. It is a very good exposure for me in developing my speaking skills as well as to be a quick thinker."

"It somehow gives me more confidence to speak in public and also train myself to think out of the box. I think that this activity really sharpens my mind and I will have the ability to think critically and creatively within short amount of time."

In addition, students were asked to write about any issues, problems, weaknesses, and/or shortcomings that they noticed in the classroom debate approach, and also provide their recommendations to address those problems and shortcomings. They commented on the debate topics (Motions), and described some of the topics as *challenging*, *tough*, *biased*, *unfair*, *confusing*, and *uninteresting*. A number of students' statements regarding the debate topics were:

"What I really didn't like about this debate was the tough and challenging debate topics that were given to us. Some were easy but some were really hard to debate on."

“Some of the topics given are quite confusing and the points are quite hard to be found. I suggest that the topic of discussion should be more controversial, and more on current issues.”

“The thing that I did not like about it is sometimes the motion for debate is not fair. The motion for debate is clearly give only the main points to only one side and this make the other side having difficulties to search for the strong and good main points.”

“In my opinion, to improve the debate in classroom, we can choose an interesting topic that actually very familiar to the students. This can actually make more involvement from the students because the topic is familiar with them and they can generate more idea about the topic to debate.”

As mentioned, semi-structured interviews were also conducted face-to-face with a number of volunteered participants. First, the respondents were asked to describe their feelings and perceptions toward classroom debate. They described it as *interesting, helpful, interactive, useful, challenging*, etc.

“It was very interesting, useful and interactive and then something new to me, because I never participated in debate before, so I found it very helpful, and very interesting.”

“At first I was intimidated, but then as time go on, I sensed I like it and find it interesting. I really enjoyed debating, and that’s why every week I made sure to be prepared and participate in it.”

“I think debate is one of the best ways to give chances for students to express their ideas.”

Participants were also inquired about the part or aspect that they liked more in the classroom debate approach. According to the responses, rebuttals and POIs have been the favorite parts of the debate for the participants, since they get the chance to express their points of view or disagreements. They also stated that the group works, co-operations, and the interactions they had with their peers during the debate have been also very desirable to them.

“I really liked rebuttals...., because it’s the time you are given the chance to actually defend yourself, to defend yourself on whatever they just tell you, defend your point, challenge the opponent, show disagreement.”

“Well, I liked POIs. It was one of my favorite parts. Because, you know sometimes during the debate when the opponent said something contradictory, or unclear, the POIs give me the chance to make a statement on the spot or ask the opponent a question and challenge him on the spot and express myself.”

“The teamwork spirit, I feel like our team work, our cooperation is there, it’s so good, when you need to enhance the cooperation and interaction, debate is definitely the best choice.”

Besides, the interviewees were also asked to describe the part of the debate they did not like (if any) and found disturbing or uninteresting. They described a temporary feeling of tension they have experienced for the first few sessions. They stated that that they did not feel good to debate with their classmates, and they thought things could get personal. They felt a little uncomfortable when peers disagreed with them and criticized their viewpoints. They felt that their classmates in the opponent team felt the same way when they showed disagreement. However, they mentioned that the feelings slowly diminished after a few weeks.

“Well, at the beginning the thing that I disliked about debating is that we are debating with our own classmate, and when we are debating our own classmate, showing disagreement, rebating their points, things tend to become personal. I mean they might take it personal and get upset.”

“Actually, the thing that I did not like was that, I felt tense, a little uncomfortable when they rejected my points of view. However, after we debated for a few times I did not feel the same way, and I did not get uncomfortable anymore.”

“Talking about the benefits of debate, students believed that critical thinking, improved speaking skill, enhanced learning on the course content, and confidence to talk in front of others have been the important benefits among others. Some of interviewees’ responses can be reviewed below.”

“The students get improved in speaking skills and aural skills, and also they learn to think quickly, and critically. This debate actually cultivated my interest to speak more, actually I’m a person who does not speak much, but then due to this debate program I tend to speak more and tend to be more active and participate more.”

“I think debate enhances critical thinking and also learning on the course content, because all of our topics were related to our course, aural skills, so we tend to do more research about the topic before we talk, and be critical. It helps us to work together and bring people closer, because we work together in a group.”

“First of all the confidence level will be more, because it takes a lot of guts to stand in front and talk, and the other thing is that communication will be improved. It really improved my communication skills, because before

this I had the fear of people not understanding what I am saying, but through debate it helped me reduce my anxiety and this fear, it really helped me to improve my communication.”

Since critical thinking development through classroom debate was one of the objectives, the respondents' opinion on that issue was also investigated. They were specifically asked whether they believe that classroom debate can improve critical thinking skills, and whether they have noticed any differences in their own critical thinking skills due to this classroom debate experience. The respondents believed that critical thinking skills can be developed through classroom debate. They also stated that when they look back to the beginning of the study and make comparisons between now and then, they see differences, and they think their critical thinking is improved.

“Yes, it can promote critical thinking. Because, during the rebuttals and also POI stage, you need to think critically. Yes, there is improvement in my critical thinking, because at the very first session, I couldn't answer POIs, I couldn't mmm... I mean my thinking was kind of jammed and then after few sessions I tend to do thinking very fast, now I can rebut, I can give answer to POI, even I can accept POIs, criticism? Yes to some extent I can accept, disagreement yes, and I will try to change, in which way I can change myself and my way of thinking.”

“Yes, because being in this, there is so much input, because in debating we need to come up with critical rebuttals, we need to be knowledgeable, so yes it helps improve critical thinking skills. There is a difference, because when you look at the beginning, we were like lost cat, we did not know what to do.”

“I really think that it improved my critical thinking, because you know when you look at thing in a certain way and somebody stand up and say it in a very different way, so it makes you think. Oooo, it's a way to look at things in a different way or something simpler to what I've thought of myself. So, yes, it really helps you to think, it really helps you to accept ideas from others. Through debating I think I look at thing in a very mmm, in so many ways, from different perspectives.”

Finally, the respondents were inquired regarding any shortcomings or weaknesses that they might have noticed in the classroom debate method. The responses and comments were almost consistent with those of open-ended questions in the reflective papers. The students commented on the debate topics and believed that some of them were not interesting and difficult to debate. Moreover, they also stated that more time is needed before the debates started, so that the team members could get their points organized, and make sure they are consistent with each other.

“Maybe one of the things that should be improved is the selection of the topic, we can make it more interesting, and maybe we can ask the students to choose their own topic. It can motivate or demotivate the students.

“mmm...time, I mean before we prepare, the time to prepare our point is less, and not everyone will give commitments during the discussion, that is one of the shortcomings, they wouldn't be prepared.”

5. Discussion and Conclusion

The results of the present study indicate that students found classroom debate an innovative, interesting, constructive, and helpful approach to teaching and learning. The respondents also believed that participating in classroom debate helped them overcome the fear of talking before a crowd, boost their confidence to talk and express their opinions, improve their speaking ability, and enhance their critical thinking skills.

One of the outcomes of the study which has been highlighted by almost all the participants was that the debates helped the students lose the fear of talking in front of their classmates and boost their confidence to talk. As a result, they have been able to express their opinions freely, talk without anxiety, and practice their speaking and oral communication skills. The students believed that their speaking ability has been improved due to the classroom debate experience. As a matter of fact, the researcher believes that nervousness and/or the fear of talking in front of other people (stage fright) is debilitating, get in the way of learning, and also influences students' performances. Similarly, MacIntyre & Gardner (1991) also believe that “anxiety poses several problems for second/foreign language learners because it can interfere with the acquisition, retention, and production of the new language” (p. 86). These negative feelings put a barrier in front of students, block their way, and do not allow them to start talking. As these feelings are weakened or vanished, the students find it easier to talk, express their points of view, and participate actively in classroom discussions. In fact, a learner might have a good command in spoken English, but these barriers and affective factors stop them and will not allow them to function properly. The results of a study by MacIntyre & Gardner (1994) revealed that language anxiety makes it hard for learners to express their viewpoints, and they are more likely to underestimate their capabilities. Classroom debate, though, has the potential to help students overcome these obstacles and barriers;

reduce stage fright and boost confidence so the students can proceed with language learning in a more efficient manner. Actually, as shown in the present study, the classroom debate helped students overcome these barriers, feel more confident to talk using the target language, lose the anxiety and nervousness, and as a result improve speaking ability.

Participants in the present study also believed that classroom debate have been helpful in developing their critical thinking skills. They stated that they learned to think quickly and critically through classroom debates. The students believed that they learned to search for evidences and proofs to support their arguments, look for reasons, and see the issues from different angles and take multiple perspectives into consideration. As a matter of fact, these abilities are features and elements of critical thinking skills (Rudd, 2007; Kosciulek & wheaton, 2003). Previous studies also confirm that in-class debate can cultivate, promote, and develop critical thinking skills (Zare & Othman, 2013; Alasmari & Ahmed, 2013; Doody & Condon, 2012; Omelicheva, 2007; Kennedy, 2007). In addition, preparing for debates helped improve superior mastery of the course contents. The students added that the rebuttals and group work have been two favourite features of the classroom debate for them. They stated that rebuttals give them the chance to put across their opinions and disagree with a viewpoint. The fact is that most of the courses that the students attend are still lecture based in which the learners approach any tasks individually, and are not allowed to interact freely with peers. The students also do not have any chances to freely express their opinions, talk, speak up, and show disagreement. As a result, they appreciated it when they were granted the opportunity in the classroom debate to talk and express their viewpoints and work in a team with their peers.

A few shortcomings and weaknesses were also perceived by the students. These shortcomings that the students discussed can be taken into consideration by researchers and practitioners in future research or when utilizing classroom debate as a teaching tool. As reflected in open-ended questions (reflective papers) and interviews, students commented on the debate topics and believed that some of the topics were tough and uninteresting, and sometimes the topic was in favour of only one side of the issue, and they have not been able to find enough information on one other side. Therefore, the present study also argues that the topic can play a very important role on students' motivation to have a full participation in debate. Students would not fully participate in debate if the topic is not interesting and controversial enough. It is also helpful and a good idea to involve students in selecting a debate topic. As they take part in selecting the topic, they realize their opinions and suggestions have been valued and respected, so it is more likely that their participation and performance would be elevated significantly. Taking these steps into account for selecting the topic can make classroom debate more productive. Therefore, it is suggested that great attention and care must be paid to selection of the debate topics. Another issue that might influence the productivity of classroom debate and enhance the students' participation, as the students perceived, is the time for preparation. In other words, considering the time limitation of each session, it is suggested that enough time would be given to students prior to the commencement of debate. So, each team can get organized, make necessary arrangements, review their statements, and get ready for the classroom debate.

6. Implications

Classroom debate is an active method to teaching and learning which increases learning in various domains. For instance, it helps learners in mastering the course content, improving critical thinking, and oral communication skills. Specifically, debate helps learners to develop critical thinking by looking into arguments, getting involved in research, collecting information, conducting analysis, challenging assumptions, evaluating arguments, and illustrating interpersonal skills. It creates an atmosphere in which learners abandon their passive roles and start to be active participants in the learning process. Learners can use these abilities and skills in various situations. Likewise, classroom debate helps develop oral communication abilities, which are essential for accomplishment in nearly all professions. "Debating is the ultimate multi-task activity since it involves research, writing, speaking, listening, and teamwork" (Allison, 2002, p. 13). Therefore, participation in debate should not be limited to a particular group but an experience available to learners in nearly all classrooms at universities and colleges. Students participating in the present study stated that they were greatly fulfilled with the debate experience and felt that it enhanced their critical thinking skills, confidence level, speaking ability, and also decrease their stage fright. However, debate topic plays a significant role in drawing students' attention toward participation. Therefore, much attention must be paid to the topics, as all students also confirmed that the topic can influence students' participation and motivation. In addition, enough time need to be granted to students to get prepared. In conclusion, it can be stated that classroom debate is a constructive tool which can make great contributions to teaching and learning, if accurately practiced, appropriate and interesting topics are selected, and students are coached and instructed properly on the debate process.

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The Reflection of Social Media Technologies and Popular Culture Features in Russian Academic Studies

Dmitry Gennadievich Baluev¹ & Dmitry Igorevich Kaminchenko¹

¹Lobachevsky 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: dbalu@yandex.ru

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Abstract

The article is devoted to such phenomenon as mass culture and modern social media technologies. The authors consider existing approaches to investigation of modern social media in Russian science. They make the review of Russian scientific literature about mass culture problem. With the reference to this paper there are many Russian works that's connected with such mass culture issues as the problem of mass culture definition, the role in it of media and mass culture impact on the consciousness. They infer that in Russian scientific literature there is an emphasis on entertaining and sentimental character of mass culture products, easy and quick access to it. Russian authors draw attention to consumption character of mass culture impact on the consciousness. Furthermore the essential Russian specific of the researches in this sphere is the fact that most of the works are made using qualitative methods. The few works that used quantitative methods tended to rely on methods imported from Western works.

Keywords: mass culture, social media technologies, values, consumption, content, consciousness

1. Introduction

Issues related to study of mass culture phenomenon and its impact on ongoing processes in modern society are still relevant. At present, Internet and mass media are of great importance in mass culture advancement. Considering the fact that a great many of modern media are based on information and communication technologies and Internet features, the role of such media in mass culture products distribution has become even more significant. Such state of affairs results in necessity to study such media, develop general terminology and "language" that will be common to all researchers in this multidisciplinary field.

The objective of our work is to examine approaches existing in Russian political and communication science to the so-called "new" media role, not only in mass culture products advancement, but also in the impact on modern society.

Such a study may contribute to better understanding of how the "new" media and information and communication technologies in modern society are studied and interpreted in Russia. This will help to emphasize the specifics of Russian approach to these phenomena, identify the features of the Russian approach, which can potentially enrich the world political science, come to a better understanding of the Russian point of view, necessary, for example, for carrying out joint research projects with Russian scientists, better understanding of empirical data collected in Russia and more balanced and critical attitude to Russian analytical works.

2. Materials and Methods

It should be noted that the theme of mass culture is much sought after modern Russian literature (Ableev & Kuz'minskaya, 2002; Akif'eva, 2010; Il'in, 2010; Kostina, 2011; Litvinova, 2010; Nazimko, 2009; Savitskaya, 2013; Saenkova, 2008; Sergeev, 2009; Shestakov, 1988; Baluev, 2013). A number of works put the emphasis on the mass media in study of mass culture (Litvinova, 2010). Some studies are devoted to the so-called "new" media (Kaminchenko, 2014; Kaminchenko, 2013). However, there is a lack of sufficient attention to consideration of the "new" media role for mass culture. That is why the major focus of our study is an analysis of Russian academic discourse on these concepts. Qualitative analysis of data from Russian scientific citation index is one of the methods of our research.

3. Results

Russian literature contains a great deal of works focusing on issues related to mass culture. The issue of the definition of mass culture is most popular. Ableev and Kuz'minskaya in their work consider the "mass culture" as a scientific and philosophical category, while noting that this category includes three concepts, namely: "culture" as a special nature of the product", "mass" as rate of the product expansion" and "culture" as a spiritual value" (Ableev & Kuz'minskaya, 2002). Ilyin in his work "Mass culture and subculture: general and special" offers to consider the mass culture as a set of subcultural phenomena (Il'in, 2010, p. 69). Saenkova writes: "We understand the mass culture as a set of cultural consumer values available to general public by means of mass communication" (Saenkova, 2008, p. 72). According to Akifeva the concept of "mass culture" in philosophy and sociology expresses the state of bourgeois culture from the middle of the XX century (Akifeva, 2010, p. 4). "The mass culture is a particular way of understanding of reality and adaptation to it, which is manifested in environment of developed industrial "mass society", a phenomenon characterizing the specificity of production and distribution of cultural values in the modern society" (Kostina, 2011, p. 134), - an opinion of Kostina. Syrov remarks: "...the "mass" or "popular" culture is an extension of everyday life and spread of its operation principles on understanding and development of the world as a whole" (Syrov, 2010, p. 147). He also says that the "mass" culture may be attributed to those cultures where "orientation to adaptation, conforming, reproduction dominates" (Syrov, 2010, p. 217).

One more issue of considerable interest with regard to the mass culture study is linked to the phenomenon features and characteristics. Considering the mass culture as a particular socio-cultural phenomenon, Ableev and Kuz'minskaya, among others, specify the following characteristics: "reliance on emotional, irrational, collective unconscious"; "quick availability"; "quick forgetfulness"; "traditionalism and conservatism"; "entertaining", "focus on homogeneous audience," etc. (Ableev & Kuz'minskaya, 2002). Litvinova writes: "The main features of mass culture are primitivization of human relations reflection, social maximalism, the cult of success, entertainment and sentimentality" (Litvinova, 2010, p. 198). According to Saenkova, presence of texts in without authorship is one of mass culture features (Saenkova, 2008, p. 74).

Researchers of this phenomenon often appeal to the mass culture influence on consciousness. V. P. Shestakov, in his study of relationships between advertising and mass culture, says that both phenomena promote formation of a non-critical, consumer consciousness, i.e. consumerism (Shestakov, 1988). He says that both the "mass culture" and advertising are capable of averaging and simplifying collective consciousness (Shestakov, 1988). We should note the issues of mass and individual nature of this phenomenon effect to the society. Litvinova remarks that the subject of "mass culture" may be considered as a dual subject, i.e. both individual and the mass one ("not just a mass, but also individuals, united by various links") (Litvinova, 2010, p. 197). The mass culture products, in turn, create an impression of referring to each individual" (Ableev & Kuz'minskaya, 2002). Kostina draws attention to an individual ability to correctly identify himself through the mass culture (Kostina, 2011, p. 93).

As a rule, studies of the mass culture phenomenon pay special attention to the role of mass media and communications media, especially considering the factor of rapid development of modern information and communication technologies. A. E. Nazimko remarks: "Changes in the network communications over recent years have forced to reconsider web 2.0 relation to mass and elite cultural patterns and raise the question of new criteria, not fitting into the classical opposition "mass - elite" (Nazimko, 2009, p. 80). T. E. Savitskaya in her study of Internet memes as a mass culture phenomenon draws attention to the fact that "cultural practices of web 2.0 society in fact represent a mutation of global mass culture in its digital otherness" (Savitskaya, 2013). Sergeev believes that the global media has helped to define the nature of modern culture and reality as such, replacing it by virtuality (Sergeev, 2009, p. 118). According to Akifyeva, mass communication media transform culture in economic sector, turning it into a mass culture (Akifeva, 2010, p. 4). She also says that "anyway almost all modern mass culture passes through the mass media" (Akifeva, 2010, p. 11).

With regard to modern mass and communication media influence on the mass culture phenomenon, the Russian scientific thought formed quite strong conviction in immensity and importance of this effect. This influence may result both in significant change and metamorphosis of global mass culture and the need to review the Web 2.0 technologies relationship to the classical opposition "mass - elite" based on new criteria.

Based on the objectives of this study, we should also pay attention to the concept of "new" media. The "new" media may involve electronic media that allow the audience to interact with information producers (Baluev, 2013, p. 611). The most important features of "new" media are based on Web 2.0 technologies, which were discussed by in one of our works (Kaminchenko, 2013). Impact of these media is growing in various fields,

including the socio-political sphere. "New" media technologies are able to influence on mass political consciousness (Kaminchenko, 2014).

The concept of "mass culture" is in many respects associated with the concept of "mass". However, Kostina specifies in contemporary culture such traits as demassification and personalization (Kostina, 2011, p. 95). In other words, we are talking about individualization taking place in modern mass culture. Such individualization is largely a consequence of "new" media impact. What is the impact of Internet and "new" media on demassification and personalization? Impact on these trends may be explained by the fact that Internet and "new" media provide opportunities for informed free choice of alternative sources of information. Such a choice is made consciously and personally by user, so, in this case, we can consider personalization. To a large extent, this is why Internet and "new" media are so popular and in confidence of many users. It should be noted that Internet is considered to be one of the most important information sources in Russia. According to the poll, conducted by the Russian Public Opinion Research Center (WCIOM) in 2013, Internet is the second largest source of information in Russia, both by popularity and level of confidence (Russian Public Opinion Research Center [WCIOM], 2013a). The total number of Internet users in Russia is also growing. According to WCIOM poll, more and more people in Russia use Internet, for example, in March 2013 - 67% respondents, in September 2012 - 60%, and the number of daily users for the year increased from 36 to 41% respondents (Russian Public Opinion Research Center [WCIOM], 2013b). Russian users spend a lot of time in popular social networks support systems, such as Vkontakte, Odnoklassniki, Facebook, etc. WCIOM asked respondents the following question: "Do you think you spend too much time for the following occupations?" Response options, among other things, included: "Internet" and "Social networks (eg, Vkontakte, Facebook, etc.)". As a result, 22% of respondents chose the option "Internet" and noted "yes, too much time", 53% of respondents aged 18-24 and 33% of respondents aged 25-34 answered in this way ("yes, too much time"). 16% of respondents as a whole, with 44% of respondents aged 18-24 and 25% of respondents aged 25-34 - answered "yes, too much" for the option "Social networks (e.g., Vkontakte, Facebook, etc.)" (Russian Public Opinion Research Center [WCIOM], 2013c).

Akifyeva writes: "The mass culture is a concept that serves to specify the features of cultural values production in the "mass society", focused on mass-consumption" (Akifyeva, 2010, p. 5). As could be seen, this definition focuses on the "mass consumption" process. However, considering that, according Akifyeva, "almost all modern mass culture somehow passes through the mass media" (Akifyeva, 2010, p. 11), it should be noted that in the process of mass culture distribution through the "new" media and social media, active participants of such distribution are involved in creation of content. In other words, the question is the process, in which users do not just consume information and content, but also generate and create it. Therefore, the "new" media may have an impact on mass culture not only in consumer behavior, but also in production practices. We again draw attention to the results of the survey poll, related to the time spent for internet and social networks support systems, because users often generate different content within the framework of such systems. In this case, probably some proportional relationship quite acceptable - the more time is spent in dealing with "new" and social media, the more content is generated and created. An example of participation in content generation may be, for example, commenting any news or distribution any news packs (in particular order) with help of social networks support systems, blogs and microblogging in Internet.

One more factor to focus is a position of a number of studies that the mass culture promotes formation of non-critical perception and consciousness (Litvinova, 2010). However, as already mentioned, the "new" media and Internet provide for users an opportunity for conscious choice of alternative sources of information. Possession of information from a variety of (alternative) sources often allows making a more accurate picture of events and positions. Users have access to information, to the pros and cons of various positions, which may, in turn, contribute to a more critical (and perhaps neutral) point of view on a particular issue. Thus, access to various sources of information can contribute to a more critical consciousness. We can provide the data that, according to the polls, 54% of respondents in Russia believe that the global network development is beneficial for society, and above all because Internet allows searching information. 71% of respondents explained their answers as follows: "More available information, you can quickly get it (access to any information), a lot of interesting information", while 21% of respondents answered this way: "You can communicate without any restrictions, get acquainted" (Russian Public Opinion Research Center [WCIOM], 2013b). We may conclude that speed, accessibility and wide variety of sources of information attract Russians in Internet.

In relation to this work it is advisable to pay attention to one more aspect. It is related to functions performing by mass culture. Kostina remarks: "The main functions of mass culture are adaptive, communicative, socializing, recreational, ideological, value-oriented" (Kostina, 2011, p. 135). Undoubtedly, modern information and communication technologies and "new" media help mass culture in carrying out the mentioned functions.

Moreover, their role in these functions will grow due to increasing number of audience of such media and their influence in modern society. For example, regarding the socializing function of mass culture, it should be noted that in modern society "new" media may well be considered one of the agents of socialization. The role of these media in mass culture communicative function implementation is also great.

4. Discussion

We can state that despite the widespread importation by Russian authors of Western colleagues' works, there is specificity in the mass culture definition, which in Russian academic tradition is associated with middle-class culture arisen in mass society in mid XX century, and which is regarded as a culture, oriented to adaptation, conforming, reproduction. This specificity was reflected in consideration of the category of "mass culture" as a combination, on the one hand, of spiritual value (which includes culture as such), and on the other hand - of the concept of "product", often implying greater replicability.

In Russian literature at specifying characteristics and features of mass culture often only reference is made to such characteristics as entertaining, sentimentality, easy and quick access to results and products of this culture, more primitive human relations formalized in its products. Such characteristics of mass culture derive from studies of mass culture in Russia, and are confirmed by analysis of cultural artifacts contained in Russian segment of Internet and Russian social media. Generally speaking, as for this parameter of estimate of mass culture and social media impact, Russian authors do not significantly differ from their Western colleagues.

Considering the impact of mass culture directly on people's minds, Russian literature draws attention to consumer nature of this impact, which is largely due to associating mass culture with mass society and its features and phenomena (e.g. abundance of advertising). In this regard it is typical that a significant amount of researches in this area is performed not by Russian culture or political scientists but by experts in the field of communication and advertising. At the same time Russian authors note the important role of "new" media and mass culture in performance of their core functions, such as communication, socialization, etc.

5. Conclusions

An essential Russian specificity of studies in the designated area is the traditional dislike by Russian authors of quantitative studies. Most of works are written using the qualitative analysis methods. The methodology of highlighting of significant variables in this field, their operationalization and quantification is virtually absent in Russian political science. The few works that used quantitative methods tended to rely on methods imported from Western works. And such importation has become more often for the last 3 years, as evidenced by analysis of relevant articles indexed in the Russian Science Citation Index. Such enrichment of Russian science by Western methods of research is, of course, a positive development. However, the expected export of sufficiently rich Russian tradition of research using the qualitative analysis methods has not happened yet.

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Research on Professional Life Quality of Preschool Teachers in Chinese Poverty Counties: Job Satisfaction' Perspective

He Kongchao¹, Li Min¹, Zhang Yongbo¹ & Yang Xiaoping¹

¹ Faculty of Education, Southwest University, Chongqing, P. R. China

Correspondence: He Kongchao, Faculty of Education, Southwest University, No. 2 Tiansheng Road, Beibei, Chongqing 400715, P. R. China. E-mail: hebert1996@126.com

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Abstract

Preschool teachers' job satisfactions are the core representation of teachers' professional life quality. Through evaluating the preschool teachers' job satisfactions in Chinese poverty counties, we can predict the level of preschool teachers' professional living quality in poverty-stricken areas. Taken 110 teachers in Poverty County F as sample, using questionnaire and interview, it is concluded that: the overall situation of job satisfaction of preschool teachers in poverty-stricken areas is still insufficient ideal, the dissatisfaction of economic income and working conditions are still most prominent phenomenon. In order to improve preschool teachers' job satisfaction working in remote poverty counties, thus enhancing the preschool education quality in impoverished areas, it is urgent to promote the level of teachers' salaries and make kindergarten physical environment better. Meanwhile, improving leadership style, building good working atmosphere in preschools and then increasing teachers' in-service training opportunities are also important.

Keywords: preschool teacher, life quality, job satisfaction

1. Background

Teacher is the core factor to the development and reform of education. Teachers' attitudes, beliefs, capabilities and expectations are vital to realize educational fairness and efficiency. But teacher is not just important education resources. As human beings, teacher's professional life quality must be concerned. There are diverse assessment methods about the level of professional living quality, and the evaluation of job satisfaction is a important one of them. The internal factors such as teacher perceived organization support (Bogler et al., 2012), self-efficacy (Klassen et al., 2010), motivation (Nadim et al., 2012), vocational values (Xu & Zhang, 2012), emotion regulation mode (Zhang & Liu, 2008), professional commitment (Xu & Zhu, 2005), professional identity (Tang, 2009) and external factors such as leadership style (Bogler, 2001; Recepoglu, E. 2008; Shen et al., 2003; Zhang & Wu, 2001), school atmosphere (Collie et al., 2012; Lam & Yan, 2011) that affect teachers' job satisfaction, as well as the relationship between teachers' job satisfaction and students' academic achievements (Iwu et al., 2013) have been discussed, and the structure model of teacher' job satisfaction affecting factors (Jiang et al., 2006) has been preliminary confirmed. However, the studies of teachers' job satisfaction were not fully focused on preschool teachers; high-quality research results are limited. A series of central policies and *Action Plans* issued by Zhōngguó zhèngfǔ (源语言: 中文)

Chinese government push forward the leap-frog development of nationwide preschool education since 2010. During that period, once poor and weak areas' preschool education acquired a completely new outlook. Children' opportunities to attend preschool are promoting substantially and the scale of preschool teacher tool a quantum leap. But these preschool teachers' professional life quality hasn't got enough attention. By the evaluation of job satisfaction, we can get a reflection of judge preschool teachers' professional living quality in poverty-stricken areas and current preschool education' development situation. Besides, the future preschool education and teachers' policy arrangement may gain enlightenment from such research.

2. Method

2.1 Definition

Based on Rodgers-Jenkinson & Chapman (1990), Landy, F. J. (1989) and others' definition of teachers' job satisfaction, preschool teachers' job satisfaction in this study will be defined as preschool teachers' general and subjective attitudes and opinions towards their job as preschool teachers, working conditions, as well as status.

2.2 Sampling

In order to inspect pertinently the preschool teachers' professional living quality in Chinese poverty-stricken areas, the whole sampling process consists of two steps: firstly, by means of purposeful sampling, choose *Poverty County F* located in remote rural areas of *Chongqing City* as the sample, which is one of most poverty-stricken county according to *Chinese National Standard of Poverty County*. Secondly, by the method of stratified random sampling within County F, 110 preschool teachers in 7 preschools were invited to be participants.

Table1. Sample information

	Public (Independent)	Public (Affiliated)	Private
County town	1(42)		1(20)
Countryside		3(30)	2(18)

Note: The numbers outside the brackets represent preschools; the numbers inside represent teachers. There is no male teacher.

2.3 Tools

Anonymous questionnaire and individual interview were used as main methods to collect data. Referring to Chen & Sun (1994) and others' scale of teachers' job satisfaction, the researchers designed "preschool teachers' job satisfaction questionnaire". This questionnaire is composed of personal background information and job satisfaction. The former part includes gender, working years, professional titles, educational background, as well as the nature of organization; the later part includes satisfaction of economic income, labor intensity, physical conditions, relationship with colleagues, relationship with parents, relationship with children, leadership and management, work stress, social reputation, and in-service development, as well as the overall satisfaction. Questionnaire is designed as Likert's 5 point form (from "strong dissatisfied", "not satisfied", "general", "satisfied", to "very satisfied" were represented with numbers from 1 to 5). The internal consistency coefficient (Cronbach's Alpha) is 0.808. At the same time, in each sample preschool, some teachers were individually interviewed. The study ought to answer the following questions:

1. What is the most satisfied aspect about your current job?
2. What is the most dissatisfied one?
3. What is the most important reason for you to continually hold this job?

Quantitative data was processed and analyzed by SPSS 18.0.

3. Results

3.1 General Condition

3.1.1 Overall Satisfaction and Satisfaction of Ten Dimensions

Two ways are used to understand each teacher's overall job satisfaction: firstly, in the questionnaire, there is an "overall situation" asking for teacher's self-evaluation; secondly, average score of ten dimensions is used to represent the overall job satisfaction. The two ways has extremely significant correlation ($r = 0.624$, $P < 0.001$). In the case of teachers' self-evaluation, the minimum is 2, the maximum is 5, the average is 3.77, the standard deviation is 0.659, with 4.5% chose "not satisfied", 21.8% chose "general", 65.5% chose "satisfied", and 8.2% chose "very satisfied". In terms of average score, the minimum is 2.6, the maximum is 4.9, the average is 3.6827, and the standard deviation is 0.44327.

Table 2. Satisfaction of each dimension

	Strongly dissatisfied	Dissatisfied	General	Satisfied	Very satisfied	Min	Max	Mean	SD
Relationship with colleagues	0	0	6.4%	58.2%	35.5%	3	5	4.29	.580
Relationship with children	0	0	8.2%	64.5%	27.3%	3	5	4.19	.567
Leadership and management	0.9%	0	10.9%	63.6%	24.5%	1	5	4.11	.654
Relationship with Parent	0	0	18.2%	67.3%	14.5%	3	5	3.96	.574
Social reputation	0.9%	6.4%	20.0%	64.5%	8.2%	1	5	3.73	.741
Work stress	1.8%	6.4%	37.3%	48.2%	6.4%	1	5	3.51	.787
In-service development	0.9%	10.0%	33.6%	49.1%	6.4%	1	5	3.50	.799
Labor intensity	2.7%	8.2%	30.9%	54.5%	3.6%	1	5	3.48	.810
Physical conditions	0	10.0%	40.9%	44.5%	4.5%	2	5	3.44	.736
Economic income	14.5%	30.9%	33.6%	20.0%	0.9%	1	5	2.62	.995

After further analyzing the situation of each dimension, it is suggested that: dimensions with higher satisfaction is around relationships, especially relationship with colleagues (the average is 4.29, the minimum is 3, satisfied percentage is 93.7%) and with children (the average is 4.19, the minimum is 3, satisfied percentage is 91.8%); the lowest satisfied dimension is economic income (the average is 2.62, the minimum is 1, satisfied percentage is just 20.9%).

3.1.2 Correlation between Each Dimension

After the mutual correlation analysis between ten dimensions and overall satisfaction, it can be found that: firstly, whether self-evaluated or calculated, there are significant positive correlations between overall satisfaction and the ten dimensions, and in-service development, leadership and management, as well as social reputation have the most strong correlations; secondly, there are significant positive correlation between in-service development and all other dimensions; thirdly, social reputation has significant positive correlation with all other dimensions except relationship with colleagues; fourthly, the correlation between income and all interpersonal dimensions is not significant, but satisfaction of income has significant positive correlation with labor intensity, physical conditions, work stress, social reputation, and in-service development.

Table 3. Correlation between dimensions

	Economic income	Labor intensity	Physical conditions	Relationship with colleagues	Relationship with Parents	Relationship with children	Leadership and management	Work stress	Social reputation	In-service development
Economic income	1.000	.428**	.386**	-.013	.115	.028	.050	.311**	.204*	.254**
Labor intensity	.428**	1.000	.510**	.185	.258**	.146	.018	.724**	.352**	.236*
Physical conditions	.386**	.510**	1.000	.120	.191*	.109	.188*	.426**	.322**	.393**
Relationship with colleagues	-.013	.185	.120	1.000	.542**	.588**	.469**	.284**	.148	.307**
Relationship with Parents	.115	.258**	.191*	.542**	1.000	.517**	.440**	.309**	.472**	.298**
Relationship with children	.028	.146	.109	.588**	.517**	1.000	.420**	.200*	.228*	.244*
Leadership and management	.050	.018	.188*	.469**	.440**	.420**	1.000	.103	.343**	.434**
Work stress	.311**	.724**	.426**	.284**	.309**	.200*	.103	1.000	.262**	.381**
Social reputation	.204*	.352**	.322**	.148	.472**	.228*	.343**	.262**	1.000	.344**
In-service development	.254**	.236*	.393**	.307**	.298**	.244*	.434**	.381**	.344**	1.000
Overall satisfaction(self-evaluated)	.215*	.332**	.415**	.189*	.414**	.252**	.540**	.330**	.531**	.585**
Overall satisfaction(calculated)	.582**	.652**	.603**	.549**	.591**	.496**	.469**	.681**	.512**	.653**

** P<0.01; * P< 0.05

3.2 Comparative Analysis

3.2.1 Satisfaction of Teachers with Different Years of Working

By analyzing the correlation between teachers' working experience and their satisfaction, it is suggested that there is a significant negative correlation between years of working and overall satisfaction, labor intensity, work stress and in-service development. The longer they work, the lower the satisfaction level is.

Table 4. The correlation between work experience and satisfaction levels

		Economic income	Labor intensity	Physical conditions	Relationship with colleagues	Relationship with Parents	Relationship with children	Leadership and management	Work stress	Social reputation	In-service development	Overall satisfaction (self-evaluated)	Overall satisfaction (calculated)
Years of working	Pearson	-.169	-.333**	-.163	-.058	-.054	-.061	-.059	-.247**	-.244*	-.276**	-.302**	-.291**
	Spearman	-.212*	-.295**	-.209*	-.177	-.117	-.110	-.179	-.317**	-.131	-.311**	-.312**	-.391**

** P<0.01; * P< 0.05

3.2.2 Satisfaction of Teachers with Different Professional Titles

By analyzing the correlation between teachers' professional titles and their satisfaction, it is suggested that titles and working stress is significantly negatively correlated. That is to say, teachers with higher titles have stronger working stress while have lower satisfaction. Chi-square test confirms this conclusion (P <0.05). However, the

results of variance analysis suggest that, whether overall satisfaction or satisfactions of 10 dimensions, the differences between different titles are not significant.

Table 5. The correlation between professional titles and work satisfaction

professional titles (Spearman)	Economic income	Labor intensity	Physical conditions	Relationship with colleagues	Relationship with Parents	Relationship with children	Leadership and management	Work stress	Social reputation	In-service development	Overall satisfaction (self-evaluated)	Overall satisfaction (calculated)
	-.152	-.173	-.042	-.096	-.034	.038	.087	-.261**	.034	-.169	-.117	-.200*

** P<0.01; * P< 0.05

3.2.3 Satisfaction of Teachers with Different Educational Backgrounds

By analyzing the correlation between education background and satisfaction, it is suggested that there is a significant negative correlation between education background and satisfaction in relationships with colleagues, teachers and children. This conclusion ($P < 0.05$) is confirmed by Chi-square test. The results of variance analysis show that the difference between satisfied degree in relationship with children ($F = 3.546$, $P = 0.009$) and in-service development ($F = 6.180$, $P = 0.000$) are significant. By comparing the mean, it is found that, teachers with normal school certificate have the highest satisfaction in relationship with children (mean 4.47) while teachers graduated from secondary schools has the lowest satisfaction (mean 3.80); teachers with college background have the highest satisfaction of in-service development (mean 4.0) while teachers just graduated from secondary schools have the lowest satisfaction (mean 2.40). The differences of in-service development are confirmed by Chi-square test ($P < 0.01$).

Table 6. The correlation between educational background and satisfaction

Educational background (Spearman)	Economic income	Labor intensity	Physical conditions	Relationship with colleagues	Relationship with Parents	Relationship with children	Leadership and management	Work stress	Social reputation	In-service development	Overall satisfaction (self-evaluated)	Overall satisfaction (calculated)
	.056	.103	.158	-.266**	-.169	-.220*	-.100	.063	.010	-.026	-.131	-.088

** P<0.01; * P< 0.05

3.2.4 Satisfaction of Teachers in Different Preschools

Variance analysis suggests that teachers in different preschools have significantly different satisfaction in dimension of economic income ($F = 7.267$, $P = 0.001$), labor intensity ($F = 16.848$, $P = 0.000$), relationship with colleagues ($F = 11.217$, $P = 0.000$), relationship with parents ($F = 4.451$, $P = 0.014$), relationship with children ($F = 3.533$, $P = 0.033$), working stress ($F = 15.750$, $P = 0.000$), social reputation ($F = 3.869$, $P = 0.024$), in-service development ($F = 8.576$, $P = 0.000$) and overall satisfaction ($F = 3.327$, $P = 0.040$). Chi-square test also showed that there is a very significant difference ($P < 0.01$) in satisfaction of income, labor intensity, relationships with colleagues, work stress, in-service development. Satisfaction of relationship with children is also significantly different ($P < 0.05$).

Table 7. Satisfaction of teachers in different preschools

	Economic income	Labor intensity	Relationship with colleagues	Relationship with parents	Relationship with children	Work stress	Social reputation	In-service development	Overall satisfaction
private preschools	3.00	3.69	3.61	4.11	4.25	3.75	3.89	3.81	3.94
public affiliated preschools	2.74	3.90	4.61	4.06	4.35	3.87	3.87	3.65	3.84
public independent preschools	2.21	3.00	3.23	3.77	4.02	3.05	3.49	3.14	3.58

4. Discussion

4.1 Preschool Teachers' Satisfaction of Economic Income in Impoverished County Is the Lowest but not the Determinant of Overall Job Satisfaction

Data in this study suggests that preschool teacher's job satisfaction in impoverished county is above "general" and close to "satisfied". This situation can be mainly explained by Chinese national government's policies aiming at promoting preschool education's development in recent years. Meanwhile, local county governments carry out a series of reform measures. To some extent, those policies and measures have improved preschool teachers' working and living conditions in impoverished county. But preschool teachers' economic income problem is still severe, its satisfaction dimension is the only one below 3 (i.e., tend to be not satisfied). During the interview, many teachers said that, "if there is any unsatisfactory aspect about my job, income is the most unsatisfactory one. It is too low to be proportional to our contribution." This conclusion is consistent with a number of other studies (Jiang, 2009; Yu et al., 2013).

However, it is important to note that although the satisfaction degree of economic income is very low, but it is not the determinant. Correlation analysis of dimensions showed that the main factors which are closely related to economic income satisfaction are labor intensity, physical condition, working stress and in-service development, but their correlations with various interpersonal dimensions is not significant. So, it can be concluded that, the improvement of teachers' economic income can enhance their overall job satisfaction and satisfaction in dimensions talked above to a certain extent, but cannot directly improve satisfaction in interpersonal dimensions. Preschool teachers choose those jobs not just for the sake of economic interests, but as many teachers said during the interview, "Children is the reason that make me still stick to this job. I like children. I like their innocent and naive faces. It is very happy to stay with children." Therefore, to improve the rural preschool teachers' job satisfaction, we should not only improve economic income level, but also need to focus on the nature of preschool education, paying more attention to teachers' social interactions and affections.

4.2 Further Enhancing and Improving Leadership and Management System Has Important Value to Improve Teachers' Job Satisfaction

Correlation analysis showed that the highest correlations related to overall satisfaction are dimension of in-service development, leadership and management, as well as social reputation. From the stand of preschools, what can be controlled and changed are in-service development, leadership and management. Social reputation condition requires the entire society working together. At the same time, analysis between different teachers shows that although factors, such as title, education, working years, has a certain influence on job satisfaction, but teachers in different preschools different most in job satisfaction. This also could be attributed to different resources in different preschool, and different leadership and management.

Studies have pointed out that organization atmosphere is the direct factor to influence teachers' job satisfaction (Jiang et al., 2006), and the improvement of organizational atmosphere directly depends on leadership and management level in preschool. A number of studies which focused on leadership style and organizational climate have affirmed the influence of leadership and management on teachers' job satisfaction. High level leadership and management not only pay attention to preschool teachers' living conditions and teachers' affection needs, but also improve accountabilities and self efficacies to slow down pressure by improving teachers' abilities while cutting off unnecessary work burdens. Besides, by positive interaction with families and expanding external resources, teachers' satisfaction could be influenced positively.

Satisfaction of in-service development has significantly positive correlation with all other aspects. It can not only help to improve teachers' professional abilities, but also can improve the teachers' job satisfaction. From a practical point of view, there might be a fact that teachers who are able to obtain the opportunity of in-service development are usually important to their organization, so their interrelationship, economic income might be at top. As a result, in-service development is regarded as a special "well-being" for normal teachers. It is not only a confirmation of one's abilities and role status, but also an improvement of could teachers' job satisfaction by expanding external resources especially the supportive social network.

5. Conclusions

Preschool teachers' job satisfaction in impoverished county is not only related to teachers' living conditions and quality of life as professionals, but also related to the enhancement of pre-school education quality and sustainable development. Since 2010, Chinese preschool education makes a leap-forward development. Although the percentage of extremely dissatisfaction is low, the overall situation of job satisfaction of preschool teachers in impoverished county is still imperfect. Meanwhile economic income satisfaction and work condition

are still very low. Therefore, in order to make preschool teachers' professional life and quality better to the betterment of preschool education's overall quality, it is urgent to improve teachers' salaries and their work conditions. What is more, it's also critical to improve organizational atmosphere, management in preschools and teacher in-service training opportunities.

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Perceived Fairness of Performance Appraisal, Promotion Opportunity and Nurses Turnover Intention: The Role of Organizational Commitment

Mohammad Rabiul Basher Rubel^{1,2} & Daisy Mui Hung Kee¹

¹ School of Management, Universiti Sains Malaysia, Penang, Malaysia

² Department of Business Administration, Stamford University Bangladesh, Dhaka, Bangladesh

Correspondence: Mohammad Rabiul Basher Rubel, School of Management, Universiti Sains Malaysia, Penang, 11800, Malaysia. E-mail: asstprof_sub@yahoo.com

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Abstract

The purpose of this study is to examine the effect of the performance appraisal fairness and promotion opportunity on employee quitting intention with the mediating effect of organizational commitment. A cross-sectional design was employed to investigate the relationship in a sample of 150 full-time nurses employed in different private hospitals. Partial Least Square path modeling, a variance based techniques of SEM was employed to test the proposed hypotheses. The results indicate the significant negative effects of perceived fairness of performance appraisal and promotion opportunity on nurses' quitting intention and organizational commitment. Further, organizational commitment is found having a significant effect on nurses' turnover intention and as a partial mediator in the relationship between both performance appraisal fairness and nurses' turnover intention and promotion opportunity and nurses' turnover intention.

Keywords: performance appraisal fairness, promotion opportunity, organizational commitment, turnover intention, nurses

1. Introduction

Since human capital is the key element that drives the growth of an organization, the ability of an organization in sustaining its human resources will bring greater rewards and success to the organization itself. High performers are very much sought after by all organizations to meet their goals, deliver the specialized products and services and eventually to gain competitive edge to be the leading organization in the industry. It is worth mentioning here that most organizations are fully aware of the high cost of turnover and expect even higher costs to skilled-performers turnover. For example, the inescapable nursing shortage and nurses' high turnover rate have become a critical issue (Kingma, 2001). Globally, nurse turnover rate ranges from 10–21% per year across the countries (El-Jardali, Dimassi, Dumit, Jamal, & Mouro, 2009). These nursing shortages and high turnover are symptoms of the health care problems of many hospitals across the globe (Rahman et al., 2010; Hayes et al., 2006). Therefore, research that focuses on the nurses turnover intention has the potential to produce a more comprehensive and realistic understanding of nurses turnover. The dearth of qualified health workers, specifically in low-income countries like Bangladesh has drawn consideration in recent times as it seriously pressurizes the achievement of the millennium development goals (Global Health Watch, 2005). Only 0.18 million nurses are available to serve 140 million people, which is a high potential threat to quality services for the patients in Bangladesh (Bangladesh Bureau of Statistics, 2012). Hospitals in Bangladesh have been suffering from high nurse turnover (Alam & Shasi, 2012). Nurses' absenteeism rate reported is 27% (Chaudhury, Hammer, Kremer, Muralidharan, & Rogers, 2006) but Ministry of health and family welfare of government republic of Bangladesh only reveals that nurse turnover rate is approximately 15% (Bangladesh Bureau of Statistics, 2012). High turnover rates are reflective of low organizational commitment and possible indicator of an unhappy workforce in the hospitals. High turnover rates eventually lead to a broader issue. It also means that the hospitals do not have their best staff available. An overall shortage of health care employees, especially nurses and their turnover rates are alarming for the hospitals to provide better services to the patients (Ahmed, Hossain, Raja Chowdhury, & Bhuiya, 2011). Hence we propose that adoption of proper human resource management (HRM)

practices is a key determinant for organization success in the industry (Rubel & Kee, 2013). Keeping a pool of valuable human resources via positive human resource practices is a critical issue today.

In Bangladesh, Hossain (2008) finds 63% nurses are dissatisfied with their jobs which results low attachment to the organization and frequent job search behavior. Huge nurse shortage with elevated dissatisfaction is marked for their quitting intention and actual turnover in Bangladesh by the local researchers (Hossain, 2008; Alam & Shasi, 2012). These researchers recommend hospitals should identify the strategies to reduce nurse turnover behavior as well as to minimize the shortage by attracting new nurses as they are valuable human resources for hospitals. Local hospitals should give due attention on attracting and retaining their valuable nurses to make up nurses' talent shortages and the increasing demand for nurses. Keeping this urge in mind, we focus the present study on nurses' quitting intention in Bangladesh. Previous research found the most common predictor of nurses' quitting intention are job dissatisfaction (Liu et al., 2012; Morrell, 2005); low organizational commitment (Chang, 2007), demographic characteristics (Nogueras, 2005), unethical climate (Hwang & Chang, 2009) and lack of empowerment (Cai & Zhou, 2009). In this study, we attempt to link the HRM practices with nurses' turnover intention and provide hospitals some new insights to retain these valuable talents.

Bartram et al. (2012) in their research, suggest that future research should examine the impact of HRM practices on organizational outcome such as organizational commitment and quitting intention. In this paper, we build upon this line of research and focus on two main HRM practices namely, performance appraisal fairness and promotion opportunity. Relatively few studies were conducted to investigate the relationship between specific HRM practice and employee outcomes (Haines et al., 2010) rather than investigating bundles of practices (Yalabik, Chen, Lawler, & Kim, 2008). Prior researches have not devoted much attention to specific HRM practice in the context of nurses' turnover study particularly in large private hospitals. We assume that specific HRM practices would have a different predicting mechanism on nurses quitting intention. In addition, little was done specifically to integrate both organizational justice and HRM practices and their outcomes in the organization. This paper attempts to examine performance appraisal fairness in the light of organizational justice and its impact on turnover intention. Specifically we assume that perceived fairness of performance appraisal and promotion opportunity will have a negative impact on nurse quitting intention through the mediating effect of organizational commitment. This relationship is presented in Figure 1.

Further, extensive research on nurse quitting intention and intent to stay comes from studies of nurses working mainly in Western countries (Liu et al., 2012). A gap in existing literature considering nurse quitting intention in developing country context is identified (Ahmed et al., 2011). Moreover, in the context of Bangladesh, the focus on HRM practices and nurse turnover and turnover intention is the gap in the previous literature (Alam & Shahi, 2012; Hossain, 2008). Therefore, this study intends to fulfill this gap.

2. Theoretical Basis

Social Exchange Theory (SET) provides a theoretical ground towards the understanding and prediction of the relationship between perceived fairness of performance appraisal, promotion opportunity and organizational commitment on nurses quitting intention. The fundamental premise of SET is that, human behavior is an exchange of rewards between actors (Zafirovski, 2005) and exchange characterizes all human interactions (Homans, 1958). In other words, individuals cooperate to each other based on a self-interested analysis of the costs and benefits. Blau (1964) defines social exchange as the voluntary actions of individuals driven by the expected returns they will receive as a result of their voluntarily-initiated behaviors. As the objective of the present study is to examine the relationship between perceived fairness of performance appraisal, promotion opportunity and organizational commitment on nurses quitting intention, SET is applicable in this context. Employing psychological contract context, Kee, Ansari and Aafaqi (2004) suggest fairness in HRM practices indicate the nature of the relationship that employees can expect to get from their organization. They further argue reciprocity norms between management and employees is indicative of an investment in the organization on behalf of employees is a fair trade for an investment in employees on behalf of the organization.

Building on SET, we suggest employees' perception of fairness of HRM practices leads individuals to be more inclined to attach with the organization. We therefore expect that organizational commitment is a channel through which employees may reciprocate or return the favor rendered through HRM practices by employers who well-treat their employees. These favors on the part of employer cause an obligation on the part of employees to reciprocate through organizational commitment towards the organization and thus reduce their thought of quitting.

3. Literature Review and Hypothesis

3.1 Performance Appraisal Fairness

HRM practices are practices used by the organization to attract, motivate and retain its employees to achieve its goals and operational objectives (Lepak & Gowan, 2010). HRM practice is the primary mean by which organizations can control the attitudes and behavior of their employees to perform their own responsibility and thus, achieve organizational goals (Collins & Clark, 2003). In this paper, we focus on performance appraisal fairness and promotion opportunity. One key reason performance appraisal is chosen because it is one of the main HRM practices to measure the effectiveness and efficiency of employee performance (Redman, Snape, Thompson, & Yan, 2000). Performance appraisal as a component of HRM practices acknowledges the contribution of individual employee and makes each employee more committed to the organization (Armstrong-Stassen & Schlosser, 2010). Performance appraisal enables both the organization and the employees to recognize, evaluate and develop an individual's standard of performance (Ikramullah, Shah, Khan, Hassan, & Zaman, 2012) and to encourage poor performer to improve (Scott & Einstein, 2001). Thus, it is vital for the organization to make performance appraisal to be more accurate, accepted and fair for the employee improvement.

Still, researchers argue individual performance appraisal presume a questionable issue based on the measurement accuracy and fairness (Boxall & Purcell, 2003; Swiercz, Bryan, Eagle, Bizzotto, & Renn, 2012). Very little evidences have been found on performance appraisal fairness (Swiercz et al., 2012). Most of these deliberate the influences of either procedural or distributive fairness perceptions of employees or rarely both (Korsgaard & Roberson, 1995). Moreover, in nursing area performance appraisal fairness was ignored in the previous literature. Therefore, performance appraisal fairness, considering procedural and interactional fairness and influencing nursing quitting intention is the research gap in the previous studies.

We conceptualize performance appraisal fairness as the extent to which employees perceive their organization conducts appraisal in a fair manner that emphasizes the delivery of their skills and work behaviors. Employee perceived performance appraisal fairness has also considerable impact on employee attitude and behavior (Boxall & Purcell, 2003). Fairness of performance appraisal is highly emphasized by different authors who asserted that fairness in performance appraisal strengthens the feeling of employee about the organization and pursue them to be more productive (Korsgaard & Roberson, 1995). The psychological experience of fairness leads individuals to be more committed to the organization and limit their thinking of quitting and alternative job search behavior (Ikramullah et al., 2012). Therefore, successful performance appraisal depends on the appraiser's perception of fairness regarding the appraisal system (Jawahar, 2007).

Researchers in performance appraisal have revealed well designed and fair performance appraisal system can attract, motivate as well as improve the performance of the employees (DeNisi & Pritchard, 2006; Roberson & Stewart, 2006). Moreover, a study carried out by Lau and Moser (2008) has found that an employee who believes the procedures are fair in measuring performance also experiences a higher level of commitment and consequently performs better. Previous studies also support the notion that fairness of performance appraisal is prominently related to employees' satisfaction, commitment, and motivation (Salleh, Amin, Muda, & Halim, 2008). Kee et al. (2004) claim that perceived fairness in performance management and promotion negatively relate with continuance commitment. They argue those individuals who perceive performance management and promotion as fair may recognize greater cost associated with quitting the organization. Thus, from the literature the following hypothesis can be developed:

Hypothesis 1: Fairness in performance appraisal is positively related to nurse organizational commitment.

Whiting and Kline (2007) reveal dissatisfaction with performance appraisal induces employee's intention to quit. This relationship was also justified by Guchait and Cho (2010) who assert performance appraisal is one of the prime components of HRM which explains a significant negative relationship with quitting intention. In nursing study, performance evaluation is considered as a component of job satisfaction affecting nurse quitting intention (Tsai & Wu, 2010). They find that well accepted performance evaluation increases nurse job satisfaction and reduces their quitting intention. Based on the same ground, other research also suggests appropriate implementation of performance appraisal as a HRM practice to attract, motivate and retain talented nurses in the organization (Armstrong-Stassen & Schlosser, 2010). Ansari, Kee and Aafaqi (2000) in their findings indicate that fairness perception of HRM practices has strong negative impact on the intention to quit. They also claim that performance management and promotion seem to have the similar trend. Corollary to this idea, we believe it is possible that nurses' perception of fairness towards organizational practice such as performance appraisal influence nurses' intent to quit negatively. We, therefore, can present the following hypothesis:

Hypothesis 2: Fairness in performance appraisal is negatively related with nurse turnover intention.

3.2 Promotion Opportunity

For most workers, provisions of employment such as rewards, benefits, and work atmosphere are enormously important features of a job. Also of importance is an individual's advancement opportunity within an organization. Rosen (1986) exhibits promotion opportunity within the firm as a tournament. A promotion is the "prize," and the likelihood of gaining commitment to the organization. Better promotion opportunity enhances the chances of receiving more salary, benefits, and prestige allied with the advanced position. In an earlier study, Holtom et al. (2008) reveal that promotion opportunity acts as a mechanism for increasing the sense of belongingness and commitment to the organization and consequences is the long term attachment with the organization.

In this paper, we conceptualize promotions (or advancements) opportunity as an incentive provided to employees when they display satisfied work behavior in the organization. Dessler (2009) clarifies that promotion occurs when an employee makes a shift in the upward position in organizational hierarchy and moves to a place of greater responsibility. Promotion is outlined as a career associated organizational improvement (Carson, et al., 1994). The authors denoted promotion as individual deliberately experiencing progression in the organizational hierarchy. Naveed, Usman, and Bushra (2011) explain that promotion indicates the expansion of the position of an employee in the external environment and realizes his worth in the internal environment. Promotion is a mechanism assuring the employee to escalate his/her position within the organization based on his or her performance and effort (Kosteas, 2011). A recent study on HRM practices and employee attitudes and behavior by Kehoe and Wright (2013) finds the significant influence of promotion opportunity on employee commitment in the organization. The authors reveal that on time and smooth career advancement scope in the organization pursue the employee to be more committed and loyal to the organization.

A recent study finds promotion opportunity in the organization along with other predictors of job satisfaction shows a substantial effect on employee's commitment to the organization (DeConinck & Bachmann, 2011). This is also contemplated as a significant contributor to enhance nurse commitment to the organization. For instance, researchers reveal on time opportunities for promotion and its implementation enhance both the level of satisfaction and commitment of nurses in the organization (McNeese-Smith, 2001). In a recent study, Wang, Ellenbecker, and Liu (2012) find a positive relationship between promotion opportunity and nurse organizational commitment and reveal that suitable criteria for development within the organization increases nurses' commitment and responsibility. Further in another study, Rubel and Kee (2013) consider promotion opportunity is one of the indispensable constructs of HRM practices to induce the employee commitment to the organization. Supporting to this background, we propose the following hypothesis:

Hypothesis 3: Promotion opportunity is positively related to nurse organizational commitment.

The negative relation between promotion opportunity and quitting intention is found among employees of different organizational settings, for instance, jail officer (Kiekbusch, Price, & Theis, 2003), banking employees (Ali & Baloch, 2010), and teachers (Joarder, 2012). In an earlier study, Milkovich and Newman (1993) have acknowledged that promotion is positively related with salary growth of employees and negatively influence quitting intention. In nursing study, dissatisfaction with promotion and training opportunities is found having stronger effect than workload and pay on nurse turnover (Shields & Ward, 2001). Further in a multivariate analysis, Beecroft, Dorey and Wenten (2008) include opportunities for advancement and promotion as satisfactory work environment variables influencing nurses' quitting intention.

Tsai and Wu (2010) measure promotion opportunity as a determinant of job satisfaction and find it significantly and negatively related with quitting intention. The authors reveal that specific guideline regarding career development opportunity in the organization increases their satisfaction and belongingness to the organization the consequence of which is less job search behavior. Rosen, Stiehl, Mittal and Leana (2011) find a significant negative relationship between promotion opportunity and nurse's quitting intention and actual turnover. They reveal that the switcher is more likely to report little promotion opportunity as one of the main reasons for turnover. In another study, Kim (2012) exposed that promotion opportunity is one of the important components of HRM practices having significant negative influence on state government IT employee's turnover intention. Kehoe and Wright (2013) also find the influence of promotion opportunity on employee turnover intention and clarify that lack of promotion opportunity reduces the commitment of employees and their intention to stay in the organization. Thus, we can hypothesize that

Hypothesis 4: Promotion opportunity is negatively related with nurse turnover intention.

3.3 Organizational Commitment as Mediator

Chang (1999) advocated that to recognize how organizations stimulate employees one should believe the role of individual attitudes concerning careers or a certain line of work. Her interpretation clarifies that people with high level of commitment to their occupation will anticipate more from their organization and the extent to which those anticipations are met will ascertain their relationship with the employers. Organizational commitment has been the subject of several critical reviews of management and organizational behavior in earlier research (Meyer et al., 2002). Meyer and Allen (1991) outline commitment consisting of three dimensions, namely, affective, normative and continuance commitment. Affective commitment is defined as the relative strength of an individual's identification with and commitment to an organization. Again continuance commitment is the extent to which a person needs to stay with the organization, due to the costs of foregoing benefits associated with an individual's investment in the organization (Allen & Meyer, 1990). And finally, normative commitment is the extent of which a person is obligated to stay with the current organizational settings (Meyer & Allen, 1991). Overall, organizational commitment is the outcome of the employee organization relationship (Loi, Hang-Yue, & Foley, 2006). It indicates the potentiality of an individual involvement in and identity with the distinct organization (Mowday, Steers, & Porter, 1979).

It also measures employee loyalty to the organization (Yang, Liu, Huang, & Zhu, 2013). It has been positively linked with different employee outcomes such as, job performance, and retention (Loi et al., 2006; Falkenburg & Schyns, 2007; Tremblay et al., 2010). Organizational Commitment has even been exposed to be a more significant predictor of both turnover intention and actual turnover among different occupational employees, for instance, librarians (Millard, 2003) and call center employees in mobile organization (Zhou, Long, & Wang, 2009). It is also studied having a significant negative relationship with quitting intention (Mulki, Jaramillo, & Locander, 2008). Falkenburg and Schyns (2007) find both satisfaction and commitment to the organization are negatively allied with employee quitting intention.

Organizational commitment is also found having prominent consequence on nurse quitting intention (Lynn & Redman, 2005). Wang et al. (2012) have asserted that nurse quitting intention is largely influenced by both job satisfaction and organizational commitment to the organization. An earlier study indicates organizational commitment explains 44.4% of the variance of nurse intention to quit (Ha & Choi, 2002). Krash et al. (2005) and Kim et al. (2005) have asserted that organizational commitment helps the employees to be more attached with the organization and the consequential effect is their higher retention intention. The authors clarified that commitment enhances the self-responsibility among the employees to focus on the development of the organization as reciprocity. Therefore, from the previous literature support, it can be elucidated that organizational commitment is considered as an indispensable HR outcome that promotes other HR outcomes such as greater retention intention and lower quitting intention as well. Thus, following hypothesis can be proposed.

Hypotheses 5: Organizational commitment is negatively related with nurses' turnover intention.

Moreover, previous researchers support the use of organizational commitment as mediator between different variables (DeConinck & Bachmann, 2011). In a study on HRM practices and employee exit voice, Si and Li (2012) find organizational commitment as mediator. The authors have revealed that employee perceived HRM practices together with higher organizational commitment declines employees exit voice and increases loyalty to the organization. In nursing study, organizational commitment is also found having mediation effect on quitting intention (Galletta, Portoghese, & Battistelli, 2011). Armstrong-Stassen and Schlosser (2010) find organizational commitment fully mediates the relationship between perceived organizational support and quitting intention of older nurses in the hospital organization.

In summary, previous literature recommends there is a good reason to believe that organizational commitment is a potential mediator of perceived fairness of HRM practices on quitting intention. In other words, we are suggesting that perceived fairness of performance appraisal and promotion opportunity can have an indirect influence on nurses' quitting intention through organizational commitment. Therefore, we can propose the hypothesis for organizational commitment as mediator:

Hypothesis 6: Organizational commitment as mediator between performance appraisal fairness and nurse turnover intention.

Hypothesis 7: Organizational commitment as mediator between promotion opportunity and nurse turnover intention.

Figure 1 shows the relationship among performance appraisal fairness, promotion opportunity, organizational commitment and nurses' turnover intention.

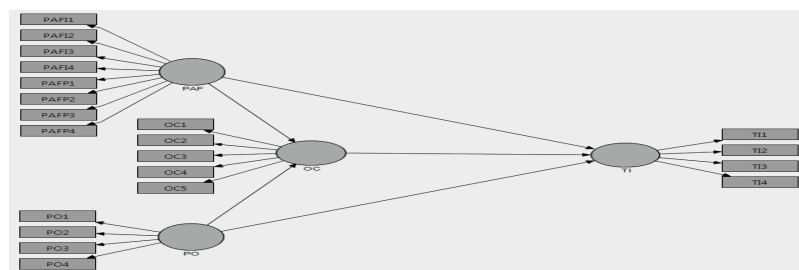


Figure 1. Conceptual framework

4. Methodology

4.1 Sample

This study targeted nurses who were working in large private hospitals in Bangladesh in the time of data collection, January to February, 2014. Bangladesh has approximately 60% private hospitals locating in Dhaka (Bangladesh Bureau of Statistics, 2012). For this reason, Dhaka was chosen as a suitable sampling frame. We selected two large private hospitals based on two criteria: (1) the number of bed capacity to be 200 beds and above and (2) years of operations for more than 5 years. A total of 450 questionnaires were distributed purposefully to the nurses and 175 were returned. Among these 175 questionnaires, 25 cases were deducted due to lack of information. In total, 150 questionnaires were found usable for data analysis with a response rate of 33%. Smith, Scammon and Beck (1995) reveal that a response rate as low as 30% is 'reasonable' for the analysis. In the context of RMG industry in Bangladesh, Rubel and Kee (2014) have found only 29% response rate in their study. Moreover, in Partial Least Square (PLS) 100 sample size is sufficient for analysis (Hair, Black, Babin, Anderson, & Tatham, 2010). Hence, the response rate of the present study was considered justified for analysis. The respondents were mainly in the age range of 22 to 35 years ($M=30.54$; $SD= 2.57$) and over half of them were female (88%) and junior nurses (63%). Approximately 88% had been employed for more than five years ($M=7.5$; $SD=1.79$) and nearly 73% had a related degree or diploma degree. Only 4% were single.

4.2 Measure

Performance appraisal fairness was measured based on procedural and interactional fairness. Items of performance appraisal fairness of this study were adapted from the recognized scale of appraisal fairness. Nine items were considered to measure performance appraisal fairness. The items were adapted from Swiercz et al. (2012) originally developed by Folger and Konovsky (1989). The reliability for performance appraisal fairness ranges from 0.76 to 0.90 which is higher than the minimum accepted value 0.70 (Nunnally, 1978). We used a four-item scale (Liu, 2004) to assess promotion opportunity. The alpha value of this measurement is 0.83.

We employed Gould-Williams and Davies (2005)'s 6 items scale to measure organizational commitment with high reliability (0.74). Finally, quitting intention was assessed using four items adapted from previous study by Wayne, Shore and Liden (1997). The authors demonstrated a high reliability (0.89) of the measurement. A five-point Likert's scale ranging from (1) strongly agree to (5) strongly disagree was employed to measure all the items representing each variable.

5. Analysis and Results

This study used partial least square path modeling technique to analyze the collected data. PLS is also known as the variance-based structural equation model consisting of factor analysis, correlation and regression. SPSS (Version 20) for Windows (SPSS, Chicago, IL) was employed to analyze the survey data to get the descriptive statistical output. Later, common method variance (CMV) was assessed to check the multicollinearity. When data are collected using a cross sectional survey method, CMV may be a problem (Podsakoff et al., 2003). To report this potential problem, Harman Single factor test was used. According to Podsakoff and Organ (1986) common method variance arises in the dataset if: 1) a single factor emerges from a factor analysis of all survey items, and 2) a single factor accounts for most of the common variance existing in the data. Therefore, in this concern an un-rotated factor analysis conducted on all measurement items extracted six factors with eigenvalues larger than or equal one. In this study total six factors accounted for 72.68 percent of the total variance and the

first factor explains 29.88 percent. While, a single factor did not account for most of the variance, thus this study pretends that the CMV was not a main problem in this study.

5.1 Measurement Model

In this stage of data analysis, both convergent and discriminant validity were assessed to examine the measurement model. Convergent validity was calculated by measuring reliability, composite reliability (CR) and the average variance extracted (AVE). Reliability of items was measured by each item's loading on its corresponding construct. A rule of thumb suggests that the item loading should exceed 0.50 or higher (Hair et al., 2010). In this study, one item from performance appraisal fairness (PAF 9) and one item from organizational commitment (OC6) were deducted due to loading lower than the acceptable limit. On the other hand, all CRs and AVEs are recommended to be 0.70 and 0.5 or higher, respectively (Nunnally, 1978; Gefen, Straub, & Boudreau, 2000). Table 1 shows that the both CR and AVEs exceeded 0.70 and 0.50 respectively with the lowest value being 0.90 (CR) for organizational commitment and 0.53 (AVE) for the performance appraisal fairness. Hence, all the conditions of convergent validity were fulfilled.

Further, Fornell and Larcker's formula was used to assess the discriminant validity between constructs that the square root of the AVE for each construct should be higher than the correlations between these constructs and all other constructs (Chin, 2010). This study finds the square root of AVE of all the diagonal values of the constructs were higher than the off-diagonal ones. As shown in Table 1 the calculated value of AVE exceeds the intercorrelations of the diagonal constructs with the other off-diagonal constructs ensuring adequate discriminant validity. Therefore, the results of the analysis can reveal that the measurement model of this study fulfills adequate convergent and discriminant validity.

Table 1. Item loading, scale reliability, AVE and CR

Constructs	Items	Loading	CR	AVE
Performance Appraisal Fairness	PAF1	0.672	0.897	0.525
	PAF2	0.731		
	PAF3	0.548		
	PAF4	0.619		
	PAF5	0.742		
	PAF6	0.808		
	PAF7	0.787		
	PAF8	0.844		
Promotion Opportunity	PO1	0.702	0.911	0.721
	PO2	0.847		
	PO3	0.907		
	PO4	0.896		
Organizational Commitment	OC1	0.849	0.896	0.635
	OC2	0.873		
	OC3	0.623		
	OC4	0.822		
	OC5	0.793		
turnover Intention	TI1	0.920	0.937	0.789
	TI2	0.914		
	TI3	0.931		
	TI4	0.778		

This study also measured Goodness of Fit (GoF) using the formula suggested by Tenenhaus, Vinzi, Chatelin and Lauro (2005) and found the model had a large goodness of fit (GoF = 0.620). According to Wetzels, Odekerken-Schroder and Van Oppen (2009) the value higher than 0.36 indicates global validation of the PLS model. In addition to evaluating the magnitude of the R^2 values as a criterion of predictive accuracy, researchers need to examine the Stone-Geisser's Q^2 value. This measure is an indicator of the model's predictive relevance. The Q^2 represents "a measure of how well observed values are reconstructed by the model and its parameter estimates" (Chin, 1998). For calculating predictive relevance, the stone-Geisser Q^2 was considered. In this regard, the value redundancy (Red) in Q^2 must be greater than zero (Chin, 2010). This study also fulfills the criteria for both organizational commitment (Red: 0.328) and quitting intention (Red: 0.487).

Table 2. Discriminant validity table

	Mean	SD	OC	PAF	PO	TI
OC	4.02	0.542	0.797			
PAF	3.91	0.718	0.596	0.725		
PO	3.84	0.671	0.722	0.720	0.849	
TI	3.30	0.692	-0.722	-0.615	-0.728	0.888

Note: OC (Organizational Commitment), PAF (Performance Appraisal Fairness), PO (Promotion Opportunity), TI (Turnover Intention).

5.2 Structural Model

In analyzing the structural model, a bootstrapping method with 500 re-samples was deliberated to test for path significance (Chin, 1998). Table (3) and figure (2) explain all the path relationships of the framework. In the direct relationship between the variables, both the direct path of performance appraisal fairness to organizational commitment and promotion opportunity to organizational commitment were found statistically significant and the values were ($\beta = 0.16$, $t = 1.79$, $p < 0.05$) and ($\beta = 0.607$, $t = 6.78$, $p < 0.01$) respectively. Further, the direct effect from performance appraisal fairness to quitting intention and promotion opportunity to quitting intention also showed significant negative relationship and the values were ($\beta = -0.127$, $t = 1.83$, $p < 0.01$), ($\beta = -0.355$, $t = 4.19$, $p < 0.01$) respectively. Moreover the path from organizational commitment to quitting intention showed a negative and statistically significant relation ($\beta = -0.389$, $t = 5.16$, $p < 0.01$).

Table 3. Result of partial squares path analysis

Paths	Std. Beta	t-Value	Decisions
Direct Path			
Performance Appraisal Fairness > Quitting intention	-0.127	1.83*	S
Promotion opportunity > turnover intention	-0.355	4.19**	S
Performance Appraisal Fairness > Organizational commitment	0.160	1.79*	S
Promotion opportunity > Organizational commitment	0.607	6.78**	S
Organizational commitment > turnover intention	-0.389	5.16**	S
Indirect Path (Mediating Effect)			
Performance Appraisal fairness > Organizational commitment > turnover Intention	-0.062	1.79*	S
Promotion Opportunity > Organizational commitment > turnover Intention	-0.24	3.55**	S

Note: ** $p < 0.01$, * $p < 0.05$, (based on Two-tailed test with 500 bootstrapping)

Additionally, analysis was conducted to test the mediating effect of organizational commitment. Based on the three-step procedures recommended by Baron and Kenny (1986), it was obtained from the analysis that, performance appraisal fairness and promotion opportunity all had significant negative effects on quitting intention and organizational commitment. Furthermore, organizational commitment was also found significantly negatively related with nurse quitting intention. As a mediator, organizational commitment showed a significant relationship with both performance appraisal fairness-quitting intention ($\beta = -0.062$, $t = 1.79$, $p < 0.05$) and promotion opportunity- quitting intention ($\beta = -0.24$, $t = 3.55$, $p < 0.01$). In both cases of performance appraisal fairness and promotion opportunity, organizational commitment was considered as a partial mediator because the Variance Accounted For (VAF) found for performance appraisal fairness was 0.33 and for promotion opportunity was 0.40. Researchers have justified, if the value of VAF is larger than 0.20 and less than 0.80, the mediator can be characterized as a partial mediator (Hair, Hult, Ringle, & Sarstedt, 2013).

6. Discussion

In this paper, we aim to advance our understanding of the effect of perceived fairness of performance appraisal and promotion opportunity on nurses quitting intention. Taken together, our results make few theoretical contributions. First, the relationship of performance appraisal fairness, promotion opportunity and turnover intention provide support for a negative relationship among them. Second, our study investigates the relationship among performance appraisal fairness, promotional opportunity and nurse quitting intention as mediated by organizational commitment. The results support the projected relationship. The results demonstrate both performance appraisal fairness and promotion opportunity are negatively related to nurse commitment to the

organization and quitting intention. Further, the results of the study also prove the mediating effect of organizational commitment between the aforesaid relationships. These results highlight the importance of fairness in performance appraisal system and adequate promotion opportunity as a career development opportunity to get positive employee outcomes.

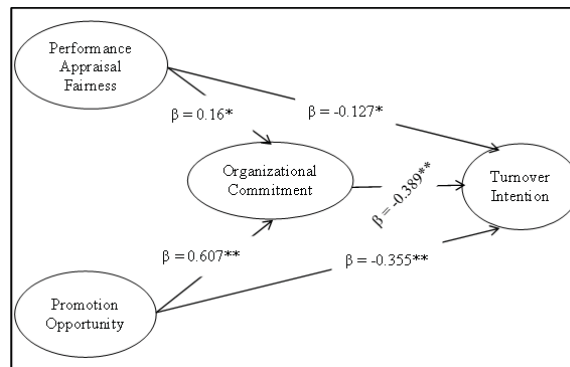


Figure 2. Structural Model

Armstrong-Stassen and Schlosser (2010) indicated the criteria for performance appraisal and its accuracy were necessary for nurses to enhance their attachment with work and loyalty to the organization. Dissatisfaction with performance appraisal lowers the employee feeling to the organization and thus, increases the chances of job search behavior (Whiting & Kline, 2007). Consistent with these findings, the present study demonstrates when nurses perceive performance appraisal as fair, they are less likely to quit the organization.

On the contrary, the present study shows promotion opportunity is one of the strongest and imperative determinants of both employee behavioral and behavioral intention. The findings here thus support the view that promotion opportunity acts a decisive role in the employee's decision to leave the organization (Ali & Baloch, 2010). Early researchers also find the consistent negative relationship between promotion opportunity and quitting intention of nurses (Tsai & Wu, 2010). These study findings exhibit positive perception regarding promotion and career development opportunity induces employees to be more devoted to the organization and thus enhances their sense of belongingness to the organization through minimizing turnover intention.

Therefore, this study highlighted specific HRM practices as stronger predictors of quitting intention. Beyond referring earlier research supports on the relationship between performance appraisal and quitting intention and promotion opportunity and quitting intention, this study contributes to provide empirical evidences of the influence of performance appraisal fairness and promotion opportunity on the nurse quitting intention. Additionally, as there is a gap in examining the relationship among performance appraisal fairness and promotion opportunity and turnover intention, this idea provides new insights to the existing knowledge of the HRM effect on employee outcomes as well.

Minimizing quitting intention is an important consequence of organizational commitment. Moreover, HRM practices positively affect employee commitment (Gould-Williams & Davies, 2005). The present study provides evidences that both performance appraisal fairness and promotion opportunity contribute to better commitment that reduces the nurse quitting intention. The present study finds a significant relationship between performance appraisal fairness and organizational commitment, promotion opportunity and organizational commitment. The study outcomes simplify commitment of nurses will enhance if they find fairness in performance appraisal practices and satisfactory promotional opportunity. Previous researchers also reveal well-structured performance appraisal practices help the organization amplify the level of employee commitment and make them to be more organization oriented (Lynn & Redman, 2005). Earlier literature also provides evidences of positive relationship between promotion opportunity and employee commitment and loyalty (Ha & Choi, 2002). Yang et al. (2013) notice in prior study substantial attention has been given to examine commitment to identify the important attributes to make employee relationship with the organization. The same study also confirms the influence of commitment on employee performance and quitting intention (Yang et al., 2013). The present study also finds significant negative effect of commitment on nurse quitting intention. The finding can be interpreted as such nurse quitting intention will be lower when they show a higher level of commitment to the organization.

Moreover, this study considers the mediating effect of commitment between performance appraisal fairness-quitting intention and promotion opportunity-quitting intention relationship. The results of the structural

model prove the significant mediating effect of organizational commitment between the aforesaid relationships. In both cases, commitment was found as a partial mediator. It is to say in another way that the direct as well as the indirect effect of performance appraisal fairness and promotion opportunity with the mediating effect of commitment facilitate nurse retention through reducing their quitting intention in the private medical hospitals of Bangladesh. Prior study on nurse quitting intention also confirmed the influence of organizational commitment as mediator and found both partial and full mediating effect of organizational commitment on quitting intention (Galletta et al., 2011). Therefore, the findings of this study corroborate early research findings as well.

However, this study suffers from the limitation of covering only the private hospitals. Public sector hospital nurses' intentions to quit may be influenced by different other factors, as the public and private sector are somewhat different from the perspective of HRM practices in Bangladesh. Further research is needed to consider both private and public sector hospital nurses' quitting intention to make comparative analysis. Such study may assert the relationship among performance appraisal fairness, promotion opportunity, organizational commitment and quitting intention in general. More studies are recommended to identify the effect of other HRM practices as individual and bundle on nurse quitting intention. These studies may help to prove the position of HRM practices in the hospital organizations in the developing country context.

7. Conclusion

The empirical findings obtained in this paper can be helpful to improve the employers' and practitioners' understanding of the effects of specific HRM practices on turnover intention in resolving the pressing phenomenon of high labor turnover rate in the workplaces. Hospital administrators are facing the biggest challenge to retain experienced and skilled workers specially nurse to provide high-quality health care service (Barnett, Namasivayam, & Narudin, 2010). Our studies indicate how performance appraisal fairness and promotion opportunity influence nurses commitment and in turn it affects their thought of quitting. Managers in the hospitals must be aware, that stimulating a positive HRM practice leads to better scenario. Under such conditions, fairness perception of HRM practices has an even more positive influence on nurses' attitude (such as organizational commitment) and behavior (intention to quit). Fairness perception in HRM practices should be increased, as doing so positively impact their level of commitment and reduce their intent to quit the organization. For example, when nurses feel they are appraised fairly and they have career advancement scope through internal promotion policies, they are less likely to leave the organization. Thus, this study provides an evidence of the particular effect of specific component of HRM practices and its application on analyzing employee attitudinal and behavioral intention. Understanding so should give hospital management an insight about retaining nurses, and relieve them from turnover costs through taking steps before nurses with quitting intention become actual leaving nurses.

The results from our studies should be interpreted in light of potential limitations. First, in this paper we decided to include two major HRM practices-performance appraisal and promotion opportunity. Future research in exploring other HRM practices is required. Future, research should also focus on other factors such as, participation, suitable compensation, job security, support both from supervisor and organization and up-dated training and development that influence nurse level of commitment and intent to leave. Because HRM practices may be relevant for all employees in the hospitals, this population includes doctors constitute a reasonable sample for further testing hypotheses. Further, it is recommended to the future researchers to focus on other HRM practices and their implications on employee attitudes and behavior. Further, this study will give an insight to the future researches in other developing countries to assess the influence of both performance appraisal fairness and promotion opportunity on nurse commitment and turnover intention. Moreover, future researchers are also suggested to give their concentration on specific dimension of HRM practices and to analyze its impact, because individual dimension will provide information on their specific influence rather than investigating bundle HRM practices.

Therefore, the findings of this study emphasize the importance of specific HRM practices as significant predictors of nurse quitting intention in the healthcare organizations of developing country like Bangladesh. Ensuring performance appraisal fairness and promotion opportunity are effective strategies for increasing nurse commitment and reducing their quitting intentions. Thus, the study argues in favor of the application of specific HRM practice and its application to enhance the level of commitment as well as minimize turnover intention of nurses from the hospital organization.

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Diseases and Economic Performance: Evidence from Panel Data

Norashidah Mohamed Nor¹, Abdalla Sirag¹, Wency Bui Kher Thing¹ & Salisu Ibrahim Waziri^{1,2}

¹ Department of Economics, Universiti Putra Malaysia, Serdang, Selangor, Malaysia

² Department of Economics, Bauchi State University, Gadau, Bauchi State, Nigeria

Correspondence: Abdalla Sirag, Department of Economics, Universiti Putra Malaysia, 43400 UPM, Serdang, Selangor, Malaysia. E-mail: abdallasirag87@yahoo.com

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Abstract

The current study aims to estimate to what extent economic performance is affected by different types of diseases. Particularly, we intend to examine the impact of diseases such as dengue, TB and HIV on GDP per capita in selected Southeast Asian countries. The panel data analysis and cointegration estimation technique are adopted to achieve the objectives of the study. The findings reveal that the variables move together in the long-run, and the results confirmed by three cointegration tests: Johansen-Fisher, Kao and Pedroni. Additionally, the coefficients estimated using FMOLS and confirmed by DOLS. Most importantly, it has been shown that shocks to human capital (diseases) have a large adverse impact on economic performance, especially; dengue, TB and HIV. The second major finding was that the role of human capital is found to be very crucial expressed by education and labor. The findings of this study suggest that reduction of diseases can lead to considerable improvement in economic performance.

Keywords: economic performance, human capital, communicable diseases, cointegration, Southeast Asia

1. Introduction

The prevalence of communicable and non-communicable diseases remain the global health challenges, this pandemic has adverse effect on life expectancy, workers' productivity and economic growth in general. Most importantly, communicable diseases such Dengue fever, tuberculosis TB and HIV/AIDS are from the major diseases that pose a real threat and contribute to mortality and morbidity in the world. The Southeast Asia region contributes by 27% of the global burden of infectious and parasitic diseases, particularly by 52% for dengue and 36% for TB (Gupta & Guin, 2010). These diseases are considered to have large impact on the economic performance all around the world especially in this region (Coker, Hunter, Rudge, Liverani, & Hanvoravongchai, 2011). Considerable amount of economic literatures have tested the impact of diseases on economic growth focusing more on HIV/AIDS, however; the effect of other diseases such dengue and TB are not considered much. Basically, diseases influence economic performance through the productivity of the labor force and human capital accumulation (Veenstra & Whiteside, 2005; Couderc & Ventelou, 2005). The main outcome of the reduction on productivity and capital accumulation is immediate decline in country's output (Goenka & Liu, 2010). The aforementioned diseases have main impact in reducing infected persons' ability to work effectively and thus, reduce their productivity, which may have major economic consequences.

This paper intends to examine the extent to which economic performance is affected by diseases in Southeast Asia. The endogenous growth theory and recent extensions to "learning by doing" model by Ouattara (2004) is adopted as an appropriate theoretical framework in order to address the objectives. The study uses panel cointegration approach for six countries chosen based on the availability of long data set covers the period 1990 to 2011. Three models will be estimated separately using fully modified ordinary least squares (FMOLS) and dynamic ordinary least squares (DOLS). The remainder of this study is organized as follows. Section 2 discusses the empirical literature on the impact of diseases prevalence on economic performance, followed by the theoretical framework. Section 3 presents the data and methodology used in the study. Section 4 discusses the empirical findings, and the conclusion and policy implications are included in Section 5.

2. Literature Review

Economic growth theoretical or empirical interpretations on literatures mostly expect that the diseases to be negatively related to economic growth. On the same concept, Lucian et al. (2007) examine whether economic

growth is related to the growth rates of different diseases in European countries. The results reveal a negative insignificant relationship between mental illness and economic growth for only 11 countries due unavailability of data. Interestingly, circulatory system diseases, which consider as a kind of heart diseases found to be positively related to GDP per capita. While there is no relationship found between ischemic heart disease and economic growth. They argue that countries with higher growth rate offer more hospital services than countries with lower economic growth. Further analysis of causality showed that economic growth rate causes the growth rate of diseases in European countries, they interpret that by; higher economic growth rate may lead to higher usage of hospital and medical care.

Many studies have emphasized that the impact of diseases such as HIV on economic growth take place in the short-run through the channel of labor only. In study done by Couderc and Ventelou (2005) using macroeconomic approach, particularly the endogenous growth theory they argue that the HIV/AIDS has a long-term negative impact on productivity of human capital, and physical capital through reducing saving rate. The estimated model for the selected four African countries has confirmed the theoretical prediction made by the authors. They suggested that governments should take into account the long-run impact of diseases on human capital by spending more on health and education. In addition, some countries may suffer from lack of resources and they cannot sustain their expenses, thus; the international intervention (aid) is required in such countries. The reduction of diseases is shown to be a crucial factor that contributes substantially to improve human capital. Bleakley and Lange (2009) Show that eradication of chronic diseases such as hookworm in the American South led to increase school enrollment and reduce illiteracy rate. Additionally, the study explains that the increase in human capital is also accompanied by a decrease in fertility rate, particularly 20% reduction in hookworm-infection rate associated with a 40 % decline in fertility rate.

There are some opinions believe that some diseases such as HIV has serious multiple economic consequences, but it may take long time to unfold. Veenstra and Whiteside (2005) investigate the economic impact of HIV in some African countries. They argue that HIV leads to impoverishment of households by two things; paying for the high cost of treatment, and income earned by individuals is reduced due to the illness. In firms level the impact of HIV disease rises the cost of doing business due to the potential increase in taxes in order to finance health expenses, that besides, the low productivity of workers infected by HIV. On a macro level economic growth is largely affected by disease infection due to the reduction on national saving, specifically; GDP growth will be reduced between 0.5 to 2.6% annually. Further evidence shows that diseases tend to increase demand for health and medical care, which require strong financial capability in order to maintain these needs.

A recent study by Afawubo and Mathey (2014) try to estimate the impact of employment and education level on the HIV prevalence and GDP growth rate in the short and long run by using panel cointegration for 15 West African countries. The results of the Pedroni cointegration test reveal that all the variables move together in the long-run. The DOLS estimator shows that economic growth tends to increase HIV prevalence, but secondary school enrollment reduces HIV infection. The most striking result emerged from their study; HIV is positively correlated to economic growth in the same line with Young (2005). In addition, the findings emphasize the role played by education in rising human capital level, which cause economic growth to improve, similarly; employment also found to be a very critical factor that may reduce HIV prevalence rate and increase the growth rate. However, the outcomes of this study mainly suggest that HIV prevalence improves economic growth, which may sound very strong result lacks to theoretical and empirical support. The empirical evidence of the impact of HIV infection rate on economic growth in the developing countries, in various regions, such as Honduras from South America and Mozambique from Sub-Saharan Africa reveals quite similar findings about the negative influences of HIV on economic growth (Cuesta, 2010; Arndt, 2006). On the other hand, most of studies on the economic burden of dengue and TB tried to estimate the direct or indirect costs initiated with treatment of patients and loss to labor productivity mostly in South-East Asian countries. The findings of these studies enhance our understanding of the considerable loss of economic resources due to the high cost of dengue and TB treatment in the region of South-East Asia (Rajeswari et al., 1999; Garg, Nagpal, Khairnar, & Seneviratne, 2008; Han et al., 2010; Shepard, Undurraga, & Halasa, 2013).

It can be seen most of pervious empirical works especially those from macroeconomics prospective, emphasized much on the impact of HIV rather than other diseases. The lack of appropriate theoretical foundations, besides, not using robust econometrics technique since most of studies rely on time series analysis or just calculate the direct or indirect costs of diseases. In addition, the South-East Asian region is one of the highest contributors to the total global burden of diseases then such studies are needed to make the right decision by policy makers.

2.1 Theoretical Framework

Based on endogenous growth theory “learning by doing model” and Ouattara (2004) the relationship between health shocks (diseases) and economic growth can be specified by the following production function:

$$y = AK^\alpha L^{1-\alpha} E^\beta$$

$$A = BK^\theta$$

where y is the output, K is physical capital, A is knowledge, which is function of capital, L is the active population, and E is the gained experience.

Since the active labor force:

$$L = (1 - S)^e P, e \geq 1$$

$$P = P_0 e^{\int_0^t n[s(x)] dx}, P_0 = 1$$

where, S represents the shock or disease infection of active labor force as a share of total.

The learning by doing process is described as:

$$E = K$$

$$\beta = 1 - \alpha$$

The theory assumes that more experience is gained by physical capital, and constant return to scale.

Other assumptions are made to ensure that the equilibrium in the goods market will take place:

$$Y = C + D + K$$

where C is consumption, D denotes medical expenditure to combat the infection of diseases, and K is stock of capital. It is expected that D is proportional to the country's income level, as shown in the following Equation:

$$D = N K$$

Where N indicate other controlling variables, since the capital depreciation rate is constant.

Ouattara (2004) argues that the policies to stabilize health shocks in order to maintain the growth rate of the economy are exist in the form of health expenditure and capital accumulation. However, the absence of these policies can unambiguously lead to decline economic growth rate. More importantly, economic growth is expected to decrease in response to the increase in disease infection rate.

3. Data and Methodology

3.1 Estimation Methods

To estimate the impact of communicable diseases such as dengue, TB and HIV and how it can influence economic performance in selected Southeast Asian countries, this paper adopts from human capital and economic growth literatures the following models:

$$LGDP_{it} = \alpha_{1i} + \gamma_{1i}t + \beta_1 LH_{it} + \beta_2 LX_{it} + \mu_{it} \quad (1)$$

where α_{1i} and γ_{1i} are country specific effect and time trend respectively, $LGDP$ is GDP per capita constant price, LH represents health expressed by three diseases, which are dengue cases as a percentage of population, tuberculosis out of total population, and the prevalence of HIV among productive age between 15-49 year as a percentage of total the population. LX refers to others controlling variables and μ is the error term. The controlling variables are education level represented by secondary school enrollment $LSER$, gross capital formation LCF as proxy of physical capital, total labor force LLF , and population growth LPG .

3.2 Data

The sample of the study contains five Southeast Asian countries, which have complete dataset: Indonesia, Malaysia, Singapore, Philippines and Thailand from 1990 to 2011. The main source of dengue reported cases data is World Health Organization, secondary school enrollment and prevalence HIV for Singapore are obtained from ministry of education and ministry health, respectively, and the other variables source's is World Development Indicator of World Bank Database.

3.3 Panel Unit Root Test

Most of time series data and especially macroeconomic variables contain stochastic time trend and thus; they tend to have unit root and regressing stationary and non-stationary might lead to a spurious outcome (Engle & Granger, 1987). Therefore, the current study uses panel unit root test in order to determine the order of integration among the variables in the models above. Previous studies have used traditional Dickey Fuller and Augmented Dickey Fuller, which have low power tests. Levin Lin and Chu (2002) proposed powerful panel unit

root test performs better than individual unit root test, the null hypothesis indicates non-stationary of all individuals, but the alternative shows that all cross-section are stationary, which is quite strong assumption. As a result, this study is also adopting more powerful and reliable test developed by Im, Pesaran and Shin (2003). The IPS test allows for heterogeneity across individual units which every cross section has a separate non-stationary process; the null hypothesis assumes the presence of unit root.

$$\Delta y_{it} = \alpha_i + \beta_i y_{it-1} + \sum_{j=1}^{p_i} \rho_{ij} \Delta y_{it-j} + \mu_{it} \tag{2}$$

According to Im et al. (2003), the ADF regression will be estimated for each cross section unit separately, and different orders of serial correlation allowed. The null hypothesis is $\alpha_i = 0$ for all cross sections, and alternative hypothesis $\alpha_i \neq 0$ for $i = 1, 2, \dots, N_1$ where $N_1 < N$, and $\alpha_i < 0$ for $i = N+1, N+2, \dots, N$. The rejection of the null hypothesis of unit root does not imply for all the cross section units due to the heterogeneity of the alternative hypothesis (Im et al., 2003).

3.4 Panel Cointegration Test

The following step after the order of integration being determined is to test for the existence of the long-run cointegration relationship among variables. In order to do so, the study uses Kao (1999) cointegration test, which is based on Engle Granger-two step, Johansen Fisher Panel Cointegration test developed by Maddala and Wu (1999), and Pedroni (2004) panel cointegration test to examine the long-run equilibrium relationship among variables. Kao (1999) test is calculated as follows:

$$y_{it} = \alpha_i + x_{it} \beta + \varepsilon_{it}; \quad i=1,2,\dots,N; t=1,2,\dots,T \tag{3}$$

where α_i individual intercept, y_{it} and x_{it} are integrated process of order 1 for all cross section units, β the slope parameter, and ε_{it} is stationary error term. Kao's (1999) Augmented Dickey-Fuller (ADF) test can be calculated as follow:

$$\hat{\varepsilon}_{it} = \rho \hat{\varepsilon}_{it-1} + \sum_{j=1}^p \theta_{it} \Delta \hat{\varepsilon}_{it-j} + v_{it} \tag{4}$$

where $\hat{\varepsilon}_{it}$ is the estimated residual from Equation (3). Thus, the null hypothesis of no cointegration against the alternative can be specified as:

$$H_0: \rho = 1, \quad H_1: \rho < 1$$

The second test Johansen-Fisher of Cointegration developed by Maddala and Wu (1999) is panel version of Johansen (1988) cointegration test. The test takes the sum of the p-value of cross section Johansen trace statistics and maximum eigenvalue. Let assume that Π_i is the p-value of individual cointegration test for cross section i , and the null hypothesis test of the panel is:

$$-2 \sum_{i=1}^n \log (\Pi_i) \sim X_{2n}^2 \tag{5}$$

Johansen-Fisher panel cointegration test depends on the number of lag order on the VAR system. The findings shown in Table (2a) use one lag to indicate the existence of one cointegrating vector.

Pedroni (2004) proposed many tests under the null of no cointegration and the test allows for heterogeneity among cross-sections which can consider an improvement in testing for panel cointegration.

$$y_{it} = \alpha_i + \sum_{m=1}^M \beta_{mi} x_{mit} + \varepsilon_{it}; \quad i=1,2,\dots,N; t=1,2,\dots,T \tag{6}$$

where N is the number of cross sections, T is the number of time observation, α_i allows for country specific effects, and β_{mi} represents the heterogenous slope of different individuals, allowing for heterogeneous cointegrating vectors across countries. Pedroni (2004) suggested seven test statistics for the null hypothesis of no cointegration. The tests are panel v-statistic, panel r-statistic, panel PP-statistic, panel ADF-statistic, group rho-statistic, group PP-statistic, and group ADF-statistic. The first four statistics based on within-group approach, while the three statistics are based on the between-group approach. The seven tests statistics are normally distributed. Under the null of no cointegration, the panel cointegration test is basically a test of unit roots in the estimated error terms of the panel: the stationarity of the residuals indicates the presence of a cointegrating relation. The seven tests tend to reject the null when they have high negative values excluding panel-v test, which rejects the null when it has high positive value. On the other hand, r-statistics and PP-statistics tend to under reject the null especially in case of small samples, and ADF-statistics within or between groups appear to be more reliable (Pedroni, 2004).

$$\hat{\varepsilon}_{it} = \hat{\rho}_i \hat{\varepsilon}_{i,t-1} + \hat{\mu}_{it}, \quad \hat{\varepsilon}_{it} = \hat{\rho}_i \hat{\varepsilon}_{i,t-1} + \sum_{j=1}^{ki} \hat{\rho}_{ik} \Delta \hat{\varepsilon}_{i,t-1} + \hat{\mu}_{it}^*, \quad \Delta y_{it} = \sum_{m=1}^M \hat{\gamma}_{mi} \Delta x_{mit} + \hat{\eta}_{it}$$

The error terms $\hat{\mu}_{it}$, $\hat{\mu}_{it}^*$ and $\hat{\eta}_{it}$ are respectively estimated from the above secondary regressions, since $\hat{\varepsilon}_{it}$ is driven from Equation (6).

3.5 Fully Modified OLS (FMOLS)

If the cointegration relationship exists between variables, the long-run coefficients are estimated using the fully modified ordinary least squares (FMOLS) of non-stationary panel proposed by Kao and Chiang (2001). This estimator corrects for the bias estimates of OLS, as well as it takes care of the serial correlation and potential endogeneity problems and it's allows for a high degree of heterogeneity among cross sections. Let consider the following model:

$$y_{it} = \alpha_i + \beta x_{it} + \varepsilon_{it} \tag{7}$$

$$x_{it} = x_{it-1} + \mu_{it} \tag{8}$$

where α_i is the country specific effect, ε_{it} is the stationary error term, y_{it} and x_{it} is non-stationary cointegrated variables for all countries with β cointegrating vector. The FMOLS modifies for autocorrelation and endogeneity of OLS parameters as:

$$\hat{\beta}_{FM} = \left[\sum_{i=1}^N \sum_{t=1}^T ((x)_{it} - (\bar{x})_i)' \right]^{-1} \times \left[\sum_{i=1}^N \left(\sum_{t=1}^T ((x)_{it} - (\bar{x})_i) (y)_{it}^+ + T \hat{\Delta}_{\mu\varepsilon}^+ \right) \right] \tag{9}$$

where $(y)_{it}^+$ is the converted variable of $(y)_{it}$ to capture the edogeneity problem, and $\hat{\Delta}_{\mu\varepsilon}^+$ is the term adjusts for serial correction between the error terms. The FMOLS is non-parametric approach produces asymptotically unbiased parameters with normal error distribution.

3.6 Dynamic OLS (DOLS)

Dynamic ordinary least squares (DOLS) also suggested by Kao and Chiang (2001), the method takes care of the two problems that appear in pooled OLS, serial correlation and the potential endogeneity of right hand side variables. To attain unbiased estimates for the long-run parameters, the DOLS estimator uses parametric correction to the errors by including the previous (lags) and future (leads) values of the differenced non-stationary regressors. The Dynamic OLS estimator can be obtained from the following Equation:

$$y_{it} = \alpha_i + \beta x_{it} + \sum_{j=-q_1}^{j=q_2} \partial_{ij} \Delta x_{i,t+j} + v_{it} \tag{10}$$

where ∂_{ij} is the coefficient of the lag or lead of the first differenced independent variable. The DOLS coefficients can be driven as:

$$\hat{\beta}_{DOLS} = \sum_{i=1}^N \left(\sum_{t=1}^T \pi_{it} \pi_{it}' \right)^{-1} \left(\sum_{t=1}^T \pi_{it} y_{it}^+ \right) \tag{11}$$

Where $\pi_{it} = [(x)_{it} - (\bar{x})_i, \Delta(x)_{it-q}, \dots, \Delta(x)_{it+q}]$ Which is $2(q+1) \times 1$ vector.

4. Results and Discussion

4.1 Panel Unit Root Test

All the variables are tested for the presence of a unit root in level as well as the first difference including intercept as well as intercept and trend. The lag length is selected based on Schwarz information criterion SIC. Table 1 presents the outcomes of LLC and IPS unit root tests. The results reveal that the variables LGDP, LHIV, LSER, LCF and LPG tend to have unit root in level for case with constant and time trend. However, the variables are stationary after taking first difference in case of constant and constant and trend for all variables except LSER, which stationary in first difference when time trend is included, but we still can conclude that LSER is stationary in first difference. The variables LTB and LLF are shown by LLC test to be integrated of order one, but when the deterministic trend is included the variables tend to be I(1). In addition, the IPS test shows that the LD does not have unit root at level when the time trend is included. Although, the two tests show some contradictory results about variables' order of integrating, but we still unable to consider them as I(0) due to the statistical consequences of treating I(1) variable to be I(0) (Irz, Niemi & Liu, 2013). Therefore, the general conclusion of the panel unit root test is that the variables are I(1), thus; LGDP, LD, LTB, LHIV, LSER, LLF, LCF and LPG are non-stationary variables.

4.2 Panel Cointegration Tests

The next step after identifying variables' order of integration is to test for the existence of the long-run cointegration relationship between the non-stationary variables. The study employs three tests; Kao (1999), Johansen-Fisher Maddala and Wu (1999), and Pedroni (2004) to confirm that the variables move together in the long-run. Table 2-illustrates the results of Johansen-Fisher trace and max-eigen tests values, and Kao's ADF values for panel cointegration test, respectively. Additionally, Table 3 presents Pedroni results for PP-statistics

and ADF-statistics for within and between groups, respectively. The findings of the three cointegration tests provide evidence of long-run equilibrium relationship among variables for our three models which allow us to estimate the long-run coefficients using one of the long-run estimation techniques.

Table 1. LLC and IPS panel unit root tests results

Test Variable	LLC		IPS	
	Intercept	Intercept & trend	Intercept	Intercept & trend
<i>Level</i>				
LGDP	-0.19	-1.51	2.11	-0.77
LD	-1.40	-0.72	-1.38	-2.08**
LTB	-3.19**	1.76	0.71	4.34
LHIV	-0.27	6.27	-0.91	-0.01
LSER	-1.72	-0.36	0.26	-0.56
LLF	-4.03**	-0.53	-0.58	0.37
LCF	-0.18	-0.65	0.87	-0.06
LPG	1.44	3.12	1.73	-1.34
<i>1st difference</i>				
Δ LGDP	-6.62**	-5.96**	-5.11**	-3.95**
Δ LD	-4.23**	-2.21**	-6.75**	-5.61**
Δ LTB	-1.91	-1.72**	-0.51	-3.54**
Δ LHIV	-4.02**	-1.29	-7.51**	-5.42**
Δ LSER	-6.05**	-5.36**	-5.25**	-4.26**
Δ LLF	-4.82**	-5.01**	-4.11**	-4.28**
Δ LCF	-5.26**	-4.88**	-4.92**	-3.57**
Δ LPG	-5.99**	-4.07**	-6.37**	-4.31**

Note: ** indicates significant at 5%. Maximum lag length selection based on SIC.

Table 2. Panel cointegration test (Johansen-Fisher & Kao)

a.) No. of CE(s)	Model 1		Model 2		Model 3	
	trace	max-eigen	trace	max-eigen	trace	max-eigen
None	120.8**	74.07**	156.0**	79.96**	135.3**	82.03**
At most 1	63.87**	34.92**	92.77**	63.32**	66.48**	35.07**
At most 2	36.08**	23.59**	41.37**	24.66**	36.66**	19.08**
At most 3	19.33**	11.27	23.67**	14.97	22.67**	13.88
At most 4	14.82	10.70	16.29	11.09	15.78**	14.12
At most 5	20.29	20.29	22.91	22.91	12.08	12.08
b.) Kao cointegration test						
	Model 1		Model 2		Model 3	
ADF	-4.07**		-4.89**		-4.39**	

Note: ** indicates significant at 5%. Probabilities of Jonhansen-Fisher test are computed using asymptotic Chi-square distribution. The lag length of the VAR system based on sequential modified LR test statistic.

Table 3. Pedroni panel cointegration test

	Within-dimension (panel)		Between-dimension (group)	
	PP-Stat	ADF-Stat	PP-Stat	ADF-Stat
First Model	-1.89**	-2.26**	-2.81**	-2.19**
Second Model	-5.19**	-3.71**	-8.76**	-3.90**
Third Model	-3.33**	-3.32**	-5.53**	-3.80**

Note: ** indicates significant at 5%. The results with deterministic trend and intercept. The lag length selected based on SIC.

4.3 The Estimation of FMOLS and DOLS

Equation 1 is estimated using FMOLS and DOLS for the case of dengue, TB and HIV, respectively to obtain unbiased and consistent parameters that outperform OLS (Kao & Chiang, 2001) (Kao, Chiang & Chen, 1999). The dependent variable is LGDP per capita in the three equations; the proxy for health are dengue reported cases LD, the incidence of tuberculosis LTB, and LHIV from 15-49 as a percentage of total population. The other explanatory variables are secondary school enrollment LSER, total labor force LLF, gross capital formation LCF and population growth LPG. Tables 4 and 5 show FMOLS and DOLS results of the estimated long-run equations. Quite similar outcomes were obtained from both methods, particularly our variables of interest, health indicators. First model's coefficients indicate negative relationship between dengue cases and GDP per capita and it is significant at 1% level for FMOLS findings, which cannot be confirmed by DOLS results since it shows insignificant relation. The FMOLS findings show substantial negative impact of disease, like dengue on economic performance in these particular countries. The trends of dengue infection and cost of treatment in these countries are increasing largely over time. The FMOLS long-run coefficient can be expressed as long-run elasticity, 1 % increase in dengue cases cause -0.44% reduction in GDP per capita. On the other hand, the economic gain from reduction of such diseases can be expressed by 10% decline in dengue infection would lead to 4.4% increase in GDP per capita.

Table 4. Long-run FMOLS: LGDP is dependent variable

Variable	First model	Second model	Third model
LSER	0.317*** (8.885)	0.603*** (19.64)	0.316*** (8.121)
LLF	1.040*** (93.84)	0.187*** (9.799)	0.978*** (60.15)
LCF	0.128* (1.901)	0.210*** (9.627)	0.224*** (2.848)
LPG	-0.047** (-2.376)	-0.041 (-0.719)	-0.068 (-1.460)
LD	-0.439*** (-3.558)		
LTB		-0.466*** (-106.3)	
LHIV			-0.089** (-2.027)
R-squared	0.930	0.997	0.997

Note: ***, ** and * indicate significant at 1%, 5% and 10% respectively. The t-statistics values are in parentheses, all variables are in log form.

Table 5. Long-run DOLS: LGDP is dependent variable

Variable	First model	Second model	Third model
LSER	0.325*** (5.349)	0.513*** (9.319)	0.346*** (5.277)
LLF	1.035*** (9.745)	0.262* (1.937)	0.999*** (12.18)
LCF	0.163*** (2.952)	0.148*** (3.472)	0.161*** (2.777)
LPG	-0.052** (-2.166)	-0.011 (-0.692)	-0.046* (-1.890)
LD	-0.007 (-0.453)		
LTB		-0.433*** (-6.369)	
LHIV			-0.022 (-0.818)
R-squared	0.997	0.998	0.997

Note: ***, ** and * indicate significant at 1%, 5% and 10% respectively. The t-statistics values are in parentheses, all variables are in log form.

Similarly, the findings of the second model reveal that the prevalence of tuberculosis in the selected Southeast Asian countries is significant and negatively related to economic growth for both results of FMOLS and DOLS. The results obtained by FMOLS and DOLS explain -0.47% and -0.43% decrease in GDP is attributable due to 1% increase in tuberculosis. However, the third model results show negative and significant relationship between HIV prevalence and GDP per capita in case FMOLS, but insignificant when DOLS is used. Although, the proportion of the population with HIV/AIDS is almost constant over time for all countries except Malaysia, the impact of HIV/AIDS still poses a real threat for individuals and governments. Another possible explanation is that the disease of HIV/AIDS has a long incubation period, which can explain that the impact can have long period, besides, the cost of medical treatment that patients should pay (Gardner, 2010).

The findings of the FMOLS and DOLS of other variables for the three estimated models tend to have a positive and significant impact on GDP per capita. The estimated results show that the role played by education, labor and capital in explaining economic performance in these countries is very decisive. The estimated models show

that the population growth negatively related to GDP per capita, which to some extent make sense especially when GDP growth is less than the population growth. The estimated elasticity tends to provide more value for labor, education, and capital in influencing GDP, respectively. From these findings, it could be argued that healthier and more educated labor force with adequate capital are important factors that can lead to improve GDP per capita and therefore, stimulate economic growth.

5. Conclusion

In this research, the long-run impact of communicable diseases on the economic performance was studied in selected Southeast Asian countries. The prevalence of diseases like dengue, tuberculosis and HIV/AIDS pose a real threat and contribute largely to total disability-adjusted life years, especially in the region of Southeast Asia (Gupta & Guin, 2010). The study attempted to measure the effects of disease prevalence, such as dengue, tuberculosis and HIV/AIDS on the economic performance from 1990-2011. The sample of the study contains five countries with complete data: Indonesia, Malaysia, Philippines, Singapore and Thailand. The econometric analysis starts with panel unit root test for variables stationarity and the study adopts Levin et al. (2002) and Im et al., (2003) tests. The findings show that all the variables have a unit root in level, but they are stationary after taking first difference indicating that the variables are I(1). The test for cointegration relationship using Johansen-Fisher, Kao and Pedroni tests confirms the existence of the cointegration relationship among the variables and they move together in the long-run. The long-run parameters are estimated using non-parametric approach FMOLS and parametric approach DOLS, which outperform OLS, to obtain unbiased estimates (Kao & Chiang, 2001). The results of FMOLS and DOLS revealed that economic performance to large extent is affected negatively by prevalence of diseases. First, the impact of dengue was found to be negative and significant in explaining GDP per capita reduction. Second, the incidence of tuberculosis is also affecting economic performance negatively. Third, the results from the third model of FMOLS came out with negative and significant impact for HIV prevalence on economic performance. In addition, the other explanatory variables, such as secondary school enrollment, labor force, and gross capital formation, were found to have a positive and significant impact on GDP per capita in the three estimated models, respectively, but population growth is found to be negatively related to the economic performance. From the results, it can be argued that healthier and well-educated labor with sufficient amount of capital can lead to stimulate GDP per capita and economic growth. The evidence from this study suggests that great benefits such as improving economic performance can be obtained by the reduction of communicable diseases. Therefore, governments of these countries are highly advised to play an equal role in terms of giving health and medical care the attention required, and increase health spending to reduce the prevalence of diseases.

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Effects of Knowledge Management and Strategic Improvisation on SME Performance in Malaysia

Hatinah Abu Bakar¹, Rosli Mahmood² & Nik Nor Hasimah Ismail³

¹ Othman Yeop Abdullah Graduate School of Business, Universiti Utara Malaysia, Sintok, Kedah, Malaysia

² School of Business Management, College of Business, Universiti Utara Malaysia, Sintok, Kedah, Malaysia

³ Faculty of Business, Universiti Teknologi MARA Kelantan, Machang, Kelantan, Malaysia

Correspondence: Rosli Mahmood, School of Business Management, College of Business, Universiti Utara Malaysia, 06010 Sintok, Kedah, Malaysia. Tel: 60-49-28-7495. E-mail: rosli@uum.edu.my

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Abstract

This research aims to determine the relationship between knowledge management (KM) and strategic improvisation with performance of small-medium enterprises (SMEs). The research employs a quantitative mail survey method and data were collected randomly from the owner/managers of registered SMEs. A total of 131 usable responses were received. Partial Least Square (PLS) modelling was used to estimate the hypothesized research model. Significant relationship was found to exist between KM and performance, and also between strategic improvisation and performance.

Keywords: small and medium enterprises, knowledge management, strategic improvisation, performance

1. Introduction

Small and medium enterprises (SMEs) are crucial to the economic development of most nations. A strong SME sector stimulates an upward mobility of an economy with the creation of job opportunities and innovation promotions (Herath & Mahmood, 2014). However, SMEs also face many constraints such as technological backwardness, shortage of entrepreneurial competencies, capabilities and skills among the key management, insufficient use of information technology and poor product quality (Emine, 2012). In Malaysia SMEs constitute 99 percent of the total business establishments, contribute 32.5 percent of gross domestic product (GDP), and 59 percent of employment (Singh & Mahmood, 2014). However, low level of performance is one of the key issues affecting the sector. Thus SMEs need to be more resilient in this globalized business environment where competitive rivalry has multiplied in its magnitude. These include the need for SMEs to refigure their strategic orientation in the form of knowledge management and strategic improvisation in order to benefit from the rapid change and to gain and maintain competitive advantage. Therefore the objective of this study is to investigate the effects of knowledge management and strategic improvisation on the performance of SMEs.

2. Literature Review

2.1 Knowledge Management and Firm Performance

Knowledge management (KM) has been increasingly recognized as an important tool for sustaining competitive advantage and improving performance. According to Rastogi (2000) and Lawson (2003), KM is a process in integrating and coordinating systematically the acquisition, creation, and deployment of knowledge, experience and expertise in an organization. The process involves systematic analyses, planning, acquisition, creation, development, storage and use of knowledge to achieve organisational goals (Omerzel, 2010; Suzana & Kasim, 2010). An effective KM strategy will lead to lesser time in the process of information and reuse of knowledge because it enhances the creation, transfer and utilisation of knowledge in the organisation (Alavi, 2000). The process of creating, sustaining and renewing in KM usually results in value creation and improvement in organisational performance (Allee, 2003).

Past studies have examined the relationship between knowledge management and firm performance. McKeen et al (2006) found significant positive links between high adoption of KM practices and high performance while Liao and Chuang (2006) concluded that KM resources have positive influence on KM process capabilities which,

in turn positively influences firm performance. Chuang (2004) who empirically examined the association between KM capabilities and competitive advantage found evidence that KM has a significant impact on competitive advantage. Hsu (2006) also established that KM process capability lead to superior firm performance. Kridan and Goulding (2006) found the significance of KM for enhancing the organizations' performance and that led them to better position, and the study by Lee, Kim and Kim (2012) demonstrated the relevance of KM infrastructure for organizational performance.

Gloet and Terziovsky (2004) who explored the relationship between KM practices and innovation performance found that the humanistic approach to KM was significantly and positively related to innovation performance whereas the technology based KM and innovation performance was negatively related. Mills and Smith (2011) did a study on KM and organizational performance: a decomposed view using the survey method to evaluate the impact of specific KM resources on organizational performance in Jamaica. It was found that some knowledge resources such as organizational structure and knowledge application are directly related to performance, while others, such as technology and knowledge conversion, are not. However, Kongpichayanond (2013) found support that KM enhanced innovation performance directly, and also indirectly associated with innovation performance through a mediator, Total Quality Management. Nonetheless, Zaim et al. (2007) indicated that even though a significant relationship was found between KM and performance, the result could not be generalized to a wider population. Similarly Zack et al (2009) argued that the results based on North American and Australian companies could not be generalized to other geographic, economic and culture. Thus it is hypothesized that:

H1: There is significant and positive relationship between knowledge management and SME performance.

2.2 Strategic Improvisation and Performance

Organisations which are struggling to continuously adapt and survive in today's rapidly changing environment are turning to an emerging technique known as improvisation. According to McKnight and Bontis (2002) improvisation is the "ability to spontaneously recombine knowledge, processes and structure in real time, resulting in creative problem solving that is grounded in the realities of the moment". The spontaneous action is resulted not through a deliberate process of thought and evaluation but on the spur of moment based on the intuition guiding the way (Crossan & Sorrenti, 2002; Ciborra, 1999; Moorman & Miner, 1998).

Strategic improvisation is the best strategy to cope with the rapid changes in environmental demands because it provides the organization with flexibility and capabilities. Organisations which do not have 'time' to plan may found improvisation useful as a strategy (Baker & Nelson, 2005; Kamoche et al., 2003). Improvisation is also seen as a new paradigm for organisation's strategic choice (Eisenhardt, 1997), strategic performance construct (Moorman & Miner, 1998), emergent learning (Mintzberg, 1994), and strategic renewal (Vera & Crossan, 2005).

Few studies have investigated the direct effect of improvisation on firm performance (Arshad & Hughes, 2009; Arshad, 2011). Most of other studies only examined indirect correlation between improvisation and performance through some moderating factors (Vera & Crossan, 2005), or focused on new product success teams and new product development as the main performance measures (Akgun, Lynn, & Byrne, 2006; Leybourne & Sadler-Smith, 2006; Vera & Crossan, 2005; Akgun & Lynn, 2002). Leybourne and Sadler-Smith (2006) found no significant relationship between improvisation and satisfactory project outcomes, while Akgun et al. (2006) indicated the impact of improvisation on new product success. Other studies included Hmieleski and Corbett (2008) who focused on the relationship between improvisation behaviour of firm founders with performance, and Hmieleski, Corbett and Baron (2013) on improvisational behavior of entrepreneurs and performance, and who investigated the direct impact of improvisation on firm performance. Nonetheless, there is still a paucity of studies that examine the direct relationship between strategic improvisation and firm performance as a whole. Thus the following hypothesis:

H2: There is significant and positive relationship between strategic improvisation and performance of SMEs in Malaysia.

3. Research Methodology

The sample for the study comprised of owner/managers from the SMEs in Malaysia. Owner/managers were targeted because they are the key informants of the business and usually they are involved in the overall running of the firms. In addition, the views of the owner/managers often represent the views of the entire firms. A total of 131 useable questionnaires were collected from the respondents.

The questionnaires were developed using established measures from previous studies. The knowledge management measure was adapted from Rasula, Vuksic and Stemberger (2012). It consisted of nine items which include questions on accumulation, utilization, sharing practices and knowledge ownership identification. The

strategic improvisation of seven items was measured using scales adapted from Vera and Cossan (2005). The items were measured on a five-point Likert scales where '5' represents strongly agree, and '1' represents strongly disagree. For measuring performance, a subjective self-report assessment was used. This technique was employed because it was expected that the owner/managers would be unwilling to disclose full financial data. This study measured performance with eight items, and the respondents were asked to rate their firm performance on a five-point rating scale. It has been found that subjective measures are correlated with the objective measures of performance (Dess & Robinson, 1984).

Descriptive statistical analysis was performed using SPSS for Windows 18.0 to analyze the nature of the data and to develop a profile of respondents. Partial Least Square (PLS) path modeling was used to analyse the relationships between knowledge management and performance, and between strategic improvisation and performance. PLS was used because it is capable of maximizing the explained variance in the dependent variable. In addition PLS does not require normality of the data distribution, and also does not demand specified minimum sample size (Hair et al., 2014).

4. Results

4.1 Demographic Profile

Table 1 shows that the number of male respondents is slightly higher than the female respondents with 71 (54.2%) and 60 (45.8%) respectively. Majority of the respondents (63 or 48.1%) either held Sijil Pelajaran Malaysia (SPM) or Sijil Tinggi Pelajaran Malaysia (STPM) qualifications while another 32 respondents (22.4%) obtained their Diplomas and 29 (22.1%) with First degree qualification. Three respondents held post degree qualifications with two who obtained Master degree and one a PhD holder. In terms of years in operation, 66 (50.4%) of the respondents' firms have been established between 5-10 years and 46 (35.1%) have been in operation in less than 5 years. Another 11 (8.4%) percent of the respondents' firms were established between 11-15 years. Only 4 (3.1%) firms have been in existence for more than 20 years. With regard to number of employees, 55.4 percent of the firms have less than 5 workers, 42 percent have between 5-50 workers, and four (3.0%) firms have between 51-150 workers.

Table 1. Profile of respondents

<i>Characteristics</i>	<i>Frequency</i>	<i>Percentage</i>
<i>Gender</i>		
Male	71	54.2
Female	60	45.8
<i>Education</i>		
PhD	1	8.0
Master	2	1.5
Bachelor	29	22.1
Diploma	32	22.4
SPM/ STPM	63	48.1
Others	4	3.1
<i>Years in Operation</i>		
Less than 5 years	46	35.1
5-10 years	66	50.4
11-15 years	11	8.4
16-20 years	4	3.1
More than 20 years	4	3.1
<i>Number of employees</i>		
Less than 5 employees	72	55.4
5-50	55	42.0
51-150	4	3.0

4.2 Construct Validity

The construct validity is the extent to which a set of items in an instrument represents the construct to be measured. If the measurement model shows an acceptable level of model fit, then it is an evidence for the availability of construct validity (Hair et al., 2014). The validity of the measurement model was assessed by testing the convergent validity and discriminant validity. The convergent validity exists when the indicators of

one construct converge or share a higher proportion of variance. The violation of the convergent validity adversely affects the findings. The convergent validity in the model was established by calculating the factor loadings, the average variance extracted (AVE) and composite reliability (CR) for all constructs. Hair et al., (2010) suggested the cut off value for loadings at a minimum of 0.5 as significant. All loadings in this study which are greater than 0.5 and the high values of the CR and AVE indicate the presence of convergent validity (See Table 2).

Table 2. Results of convergent validity analysis

Construct	Item	Loading	CR	AVE
Performance (FP)	FP1	0.897	0.912	0.776
	FP2	0.901		
	FP3	0.843		
	KM1	0.799		
	KM2	0.782		
Knowledge Management	KM3	0.698	0.909	0.527
	KM4	0.588		
	KM5	0.735		
	KM6	0.762		
	KM7	0.705		
	KM8	0.715		
	KM9	0.727		
Strategic Improvisation (SI)	SI1	0.811	0.900	0.564
	SI2	0.723		
	SI3	0.818		
	SI4	0.718		
	SI5	0.772		
	SI6	0.692		
	SI7	0.713		

Discriminant validity is the extent to which a construct is different from other constructs (Hair et al., 2010). Establishing discriminant validity implies that a construct is unique and that the set of items measuring a construct is distinct from another set of items measuring other constructs. In examining discriminant validity the Fornell and Larker (1981) criterion was used. It compares the square root of the AVE values with the construct correlations, and that each construct's AVE should be higher than construct's highest squared correlation with other construct. Table 3 shows the correlation matrix where the diagonal figures represent the square root of the VE extracted of the constructs. The test results indicate that there is adequate discriminant validity since the diagonal elements are significantly greater than the off-diagonal elements in the corresponding rows and columns.

Table 3. Results of discriminant validity analysis

	EO	FP	SI
Firm Performance (FP)	0.881		
Knowledge Management	0.474	0.726	
Strategic Improvisation (SI)	0.519	0.684	0.751

Note: Values in the diagonal (bold) are square root of the AVE while the off diagonals are the inter construct correlations.

4.3 Hypotheses Tests

Partial Least Squares (PLS) analysis was used to generate a structural model and then to conduct the hypotheses testing. The path coefficients generated by PLS provide an indication of the relationships and can be used similar to the traditional regression coefficients (Gefen, Straub, & Boudreau, 2000). Path coefficients indicate the strengths of the relationships between the independent and dependent variables, and a significant path indicates that the relationships and hypotheses are empirically supported. Meanwhile R^2 value is a measure of the predictive power of a model for the dependent variable, and the larger the value is, the larger the percentage of variance explained. T-values of the parameter indicate the strength of the relationship the parameter represents,

and the higher the t-value, the stronger the relationship is. The bootstrapping procedure using 5000 sample was used to obtain the t-values of each coefficient (Chin, 2010; Efron & Tibshirani, 1993). Results of the analysis are depicted in Figure 2.

Path analysis was used to test the two hypotheses generated from the research model. The R^2 for this model is 0.296, meaning that only 29.6 percent of the variance can be explained in the extent of knowledge management and strategic improvisation. Based on path coefficient and t-test value results show that H1 and H2 are supported. The results show that knowledge management (KM) and strategic improvisation (SI) positively influence the SME performance at significant level of $p < 0.05$ (See Table 4).

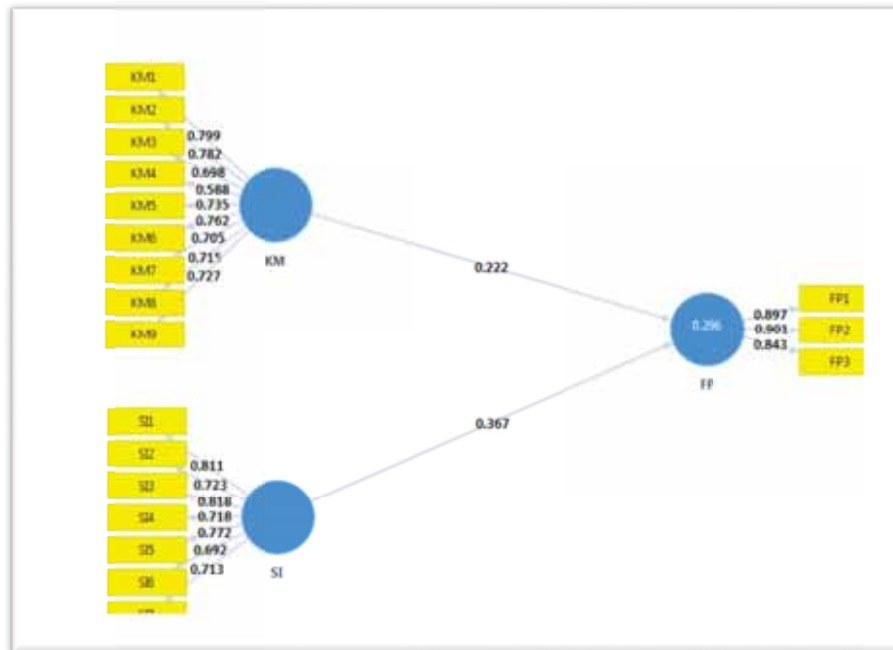


Figure 2. Results of path analysis

Table 4. Path coefficient and Hypotheses testing

Hypothesis	Relationship	Std. Beta	Std. Error	t-value	Decision
H1	KM -> FP	0.222	0.110	2.027*	Supported
H2	SI -> FP	0.367	0.112	3.287*	Supported

*Significance at $p < 0.05$

5. Conclusions

This study investigated the effects of knowledge management and strategic improvisation on performance of SMEs in Malaysia. Result of the analysis shows significant positive relationship between knowledge management and performance. Thus it can be included that knowledge management practices are critical elements for improvement in the performance of SMEs. This finding can be used to improve the knowledge management practices among the SMEs in the time of rapid change in the environment. SMEs should employ these KM practices that is acquiring, creating, storing, sharing, implementing and disseminating knowledge in order to make strategic decisions that can lead to improved performance and sustain competitive advantage.

The findings also demonstrate that strategic improvisation does contribute to an increased performance. Strategic improvisation which constitutes spontaneity, creativity and intuition, is even necessary in situations that require immediate corrective actions where most of the SMEs are in. Improvisation may increase the flexibility and adaptability of the SMEs in those situations. In addition it can be a source of competitive advantage because creativity and intuition in strategic decision making affects performance in changing business environments. Thus to succeed SMEs need to foster more strategic improvisational actions that can bring out change, enhance operational efficiency, and contribute to organizational performance and competitive advantage.

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A Review of HRM Practices and Labor Productivity: Evidence from Libyan Oil Companies

Mohamed Ibrahim Mohamed¹, Mahazan Abdul Mutalib¹, Adel M. Abdulaziz², Mikail Ibrahim³ & Nasser Ahmed Nasser Habtoor¹

¹ Faculty of Leadership and Management, Universiti Sains Islam, Malaysia

² Islamic University of Malaysia, Malaysia

³ Faculty of Major Languages Studies, Universiti Sains Islam Malaysia, Malaysia

Correspondence: Mohamed Ibrahim Mohamed, Faculty of Leadership and Management, Universiti Sains Islam, Malaysia. E-mail: alqual85@yahoo.com

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Abstract

The aim of this study is to review how human resource management (HRM) practice influences labor productivity in oil companies in Libya. This study brought the fact that due to the distinct features of oil companies, common discourses of MRM very often ruled out. In addition, this study focused that HRM is applied at the micro level, which influences the labor productivity in oil companies. Nevertheless, the crucial determinants for fostering labor productivity are not individual level of HRM practice, instead the macroeconomic aspects such as political instability and quality of governance and diplomatic relation. Therefore, this study prescribes a holistic approach, which is that along with micro level of HRM practice and political and macroeconomic stability are crucially important to foster labor productivity.

Keywords: oil company, Libya, labor productivity, HRM practice

1. Introduction

1.1 Introduce the Problem

The manner in which a firm manages its human resources is gradually more recognized as primarily important to carry out of its strategy (Koch & Macgrath, 1996). Although, there is a strong association between human resource management and firm level performance outcomes in the light of theoretical and normative view, but empirical studies provide less consistency. In the case of Libyan Oil Company, it has been hard to explain labor productivity in the light of modern HRM practice due to so many reasons. Because, the country like Libya possesses very special characteristics, hence modern HRM discourses might not be generally applicable. However, labor productivity is largely influenced by both micro as well as macro aspects of the economy. For instance, the micro aspect may directly influence the labor productivity like, recruitment, training, compensation, motivation, allowance, retirement. Nevertheless, macro aspects also indirectly influence the labor productivity.

For instance, the empirical evidences reveal that oil dominant economies often experience poor labor productivity hence a poor economic growth (Sachs & Warner, 1995, 1999, 2001; Auty, 2001; Gelb, 1988; Gylfason et al., 1999). Not only Libya, some other resource abundant countries Oil States in the Gulf, or Nigeria, Mexico, Venezuela had not enjoyed a constant economic growth, though; these respective countries have substantial export earnings from oil. On the contrary, the countries relatively with less or no oil resources like Singapore, Taiwan, and Hong Kong have experienced high economic growth. These phenomena can be explained by economic theory of labor productivity. First, due to the high inflow of foreign currency from oil export lends to an appreciation of the real exchange rate. Consequently, the cost of imports increases to some other import oriented industries; hence it may adversely affect the growth by shifting the resources from high-technology and highly skilled sector to low-technology and low skilled sector, which is known as the Dutch diseases (see Krugman, 1987; Corden & Neary, 1982; Neary & Van Wijnbergen, 1986). However, there is a debate whether this effect lay on micro level or macro level of the economy. The seminal work of McCormick and Wahba (2000) though present a complete utility maximizing decision process of shifting labor from one to another industry; however, the study failed to account the fact that an optimum decision must compensate the lost

production at home, because of potentially high underemployment, an appreciation of the real exchange rate, causing a so-called Dutch disease effect (Acosta et al., 2009; Bourdet & Falck, 2006; Lartey et al., 2008; Vargas-Silva, 2009). Furthermore, McCormick and Wahba (2000)'s decision process is valid only at the micro level, and it does not consider the impact of foreign earning on domestic labor productivity for the recipient countries at the macro level. The resource curse paradox would be explained with the theory of rent-seeking, where it says that when some private companies lobby the government for loan subsidies, grants or tariff protection. These activities do not create any benefit for society; they just redistribute resources from the taxpayers to the special-interest group. Beside of this, the quality of governance, political and geopolitical issues largely hamper the whole economy, particularly the oil sectors. Easterly and Levine (1997) argued that the quality of governance and natural resources would inversely associate with a sense that abundant natural resources would increase corruption, income inequalities, domestic violence, political unrest and policy weakness in a diversified society. Therefore, governments may follow a hazy manner in sending oil rent for lowering the scope of political maneuvering; hence a certain interest group gets all the benefits (Carneiro, 2007). Consequently, the whole market system in resource abundance economy becomes imbalanced as the benefit from resource goes to the only interest group. The empirical study by Van der Ploeg and Arezki (2008) and Sala-I-Martin and Subramanian (2003) drew a conclusion that natural resources adverse affect on the quality of institutions. Van der Ploeg and Arezki (2008) also showed a significant association between that bad trade policy and bad fiscal policy. Mehlum et al (2006) and Boschini et al. (2007) revealed that natural resources adversely affect the labor productivity in the presence weak institution.

1.2 Overview of Oil Sector of Libyan Economy

Libya is one of an important member of the Organization of the Petroleum Exporting Countries (OPEC), and the largest oil reserved country in the Africa. The country is well known about its contributor to the global supply of light, sweet crude oil. Libya's economy depends on the oil sector largely.

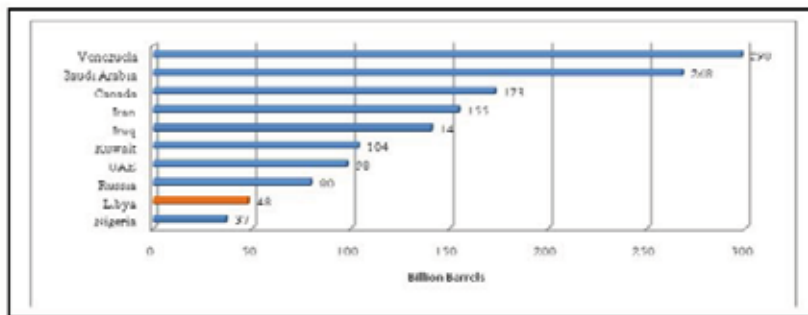


Figure 1. The world's top 10 holders of proven crude oil reserves, 2013 (Billion Barrels), data source, EIA, 2014

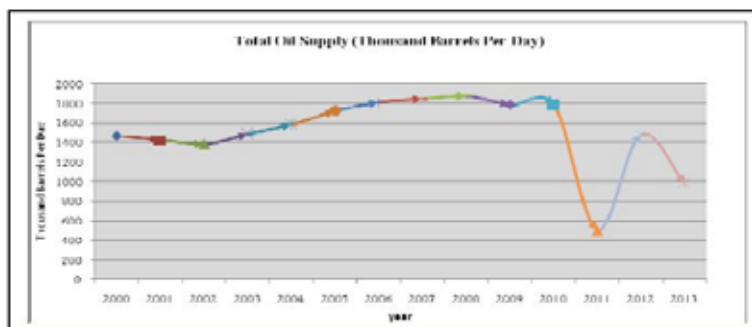


Figure 2. Total oils supply from 2000 to 2013, data source EIA, 2014

The countries 98% export earnings from natural gas and oil were 79% earn only from exporting crude oil (EIA, 2014). Moreover, oil sector accounts about 96 % of total government revenue in 2012. Among the world's top holders of Proven Crude Oil Reserves, Libya stands at 9th position. According to EIA's OPEC Revenues Fact Sheet, the country's export revenue was about at \$4 billion per month from January to June 2013. The figure 1 clearly shows that the supply of oil has smoothly increased from 2000 to 2009. Although it fell down a little bit

in 2009 but it sharply increased in 2010. However, as the civil war began in 2011, the oil supply dropped very rapidly. In 2011, the country supplied only about 501 barrels per day; consequently, the GDP fell down by 62% in the same year (Figure 2).

Regards to the historical background, the Libya gave its first contract of oil extraction to international companies in 1955 (Roudi Fahimi & Kent, 2007). Later on, marketable oil was exposed in the Libya in 1957 while the first export of oil was taken place in 1961 (Bindra, 2008; Roudi Fahimi & Kent, 2007). This was the year when the Libya got its first revenue in the form of oil export. In succeeding few years Libya made remarkable progress and in 1970, Libya was the 6th largest country in the world in terms of oil production. The Libyan oil industry has been managed by National Oil Corporation (NOC) since 1968 along with smaller subsidiary companies (Roudi Fahimi & Kent, 2007). The NOC in the Libya is responsible for the discovery and marketing of oil in local and global markets. Libya has taken attention for investment and export of oil to the European markets. The primary reasons for these are follows; relatively high quality crude oil, low cost oil recovery, nearness to European markets (Outlook, 2013). Foreign investment in the oil industry in the Libya was significantly shrink resulting from the sanctions imposed on Libya particularly, during 1992-1999 (Bindra, 2008). The government of Libya has made attempts to make the country attractive to the foreign investors since the UN sanctions were lifted in 1999 (Roudi Fahimi & Kent, 2007).

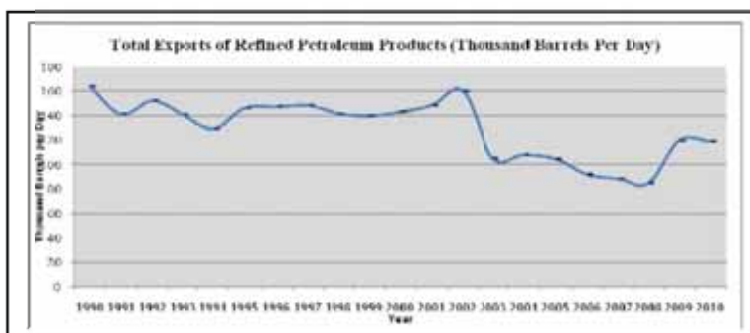


Figure 3. Total exports of refined petroleum products (thousand barrels per day)

The economy of Libya is distinctive in Africa. Some countries of Africa like Algeria, Egypt and Morocco, all have large residents, significant agricultural strength, and well-established industrialized foundations, Libya do not significantly have these resources, however, It has abundant energy resources, especially low-sulfur crude oil as well as natural gas.

Being oil exporting economy, Libya used to export various petroleum products, where the country exported about 162 thousand barrels of refined petroleum per day in 1990 (Figure 3). However, after 1990 this trend oscillated within a very small margin until 1995. Over the period of 1995 to 2001, the rate of export of refined petroleum was on an average 140 thousand barrel per day, but suddenly it sharply increased in 2002. Again, this trend decreased sharply in 2003 and continued a constant rate until 2008. Figure 3 further reports that the export trend turned to rise in 2009 and 2010. After 2010, the civil war started hence, it is assumed it drastically fell down in 2011.

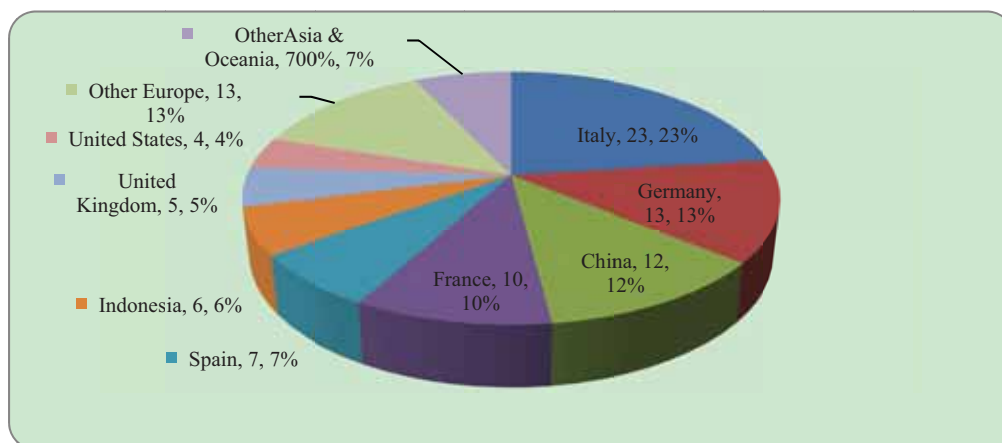


Figure 4. Libya's crude oil exports, by destination, 2012, source EIA, 2014

Libya usually export the majority of its crude oil to European countries, where Italy is the foremost receiver. The United States started again importing crude oil from Libya in 2004 after embargos were taken off, though the quantity of imports was small. The United States imported 56,000 bbl/d of crude oil from Libya in 2012, which was only about 0.6% of total U.S. imports during that year. Beside of this, the country used to export 13%, 12%, 10%, 7%, 6% and 5% to Germany, China, France, Spain, Indonesia and UK respectively in 2012 (Figure 4). For the period of civil war 2011, crude oil exports dropped to average below 400,000 bbl/d for the year (EIA 2014). However, the country recovered its crude oil exports in 2012 to average roughly 1.25 million bbl/d. However, again crude oil exports fell to averaged around 1.1 million bbl/d in the mid of 2013.

2. A Brief Overview of Oil Companies in Libya

2.1 Introduce Oil Company

A number of field-operator oil companies have been working in Libya. Table 1 reports the location of oil field, situated region, field operator and their respective lead foreign partners. About 15 field operator companies, this study focus on prime three companies. Table 2 the selected companies are the most important government owned oil companies working under the National Oil Commission (NOC) of Libya. As the leading stakeholders (70 percent of the total oil market) this study focuses on these three companies and further be generalized for the rest of government owned, and private oil companies working in Libya.

Table 1. Libya's oil ports, fields, refineries, and operator

Load Ports	Region	Main fields	Refinery	Field operator	Lead foreign partners
Es Sider (Sidra)	Central-east	Waha, Samah, Dahra, and Gialo		Waha Oil Company	ConocoPhillips, Marathon, Hess
RasLanuf	Central-east	Mabruk (Mabrouk) Nafoura		Agoco	Total
		As Sarah/Jakhira b(C96), Nakhla (C97)		Wintershall	Wintershall, Gazprom
		Amal, Naga, Farigh		Harouje	Suncor (PetroCanada)
Marsa al-Hariga (Tobruk) ²	East	Sarir, Messla, Beda, Magrid, Hamada ³	RasLanuf; Tobruk; Sarir	Agoco	none
Zueitina	Central-east	Abu Attifel, NC-125		Mellitah	Eni
		Nakhla (C97)		Wintershall	Wintershall, Gazprom
		Intisar Complex and NC74		Zueitina Oil Company	Occidental, OMV
Marsa al-Brega	Central-east	Brega (Nafoura/Augila complex)	Marsa al-Brega	Agoco	none
		Nasser (Zelten), Raguba, Lehib (DorMarada) ⁶		Sirte Oil	none
Mellitah	West	El Feel (Elephant), oil and condensate from Wafa and Bahr Essalam gas fields		Mellitah	Eni
Zawiya or Zawia (Tripoli)	West	El Sharara (NC-115) and NC-186 fields	Zawiya	Akakus	Repsol, Total, OMV
Bouri	West	Bouri (offshore)		Mellitah	Eni
Farwah (Al-Jurf)	West	Al-Jurf (offshore)		Mabruk	Total

2.2 Waha Oil Company (WOC)

Waha is one of the prominent oil company in Libya, which was initiated 1956. The company is publicly owned, where 3200 employees are working there. The company's headquarter is located in Tripoli. The Waha consortium consists of American firms ConocoPhillips, Marathon, and Hess, in partnership with NOC. Waha has

a total production capacity about more than 350 thousand barrels per day. However, Waha is divided among a number of loosely defined fields those are often referred by different names. The main fields of Waha Oil Company are Waha, Gialo, Dahra, and Samah those are substantially large. The fields operated by Waha are located in the Sirte basin, which was shut down during the civil war but it restarted, in late 2011. However, the production was highly hampered due to labor strikes and infrastructural damage, particularly to its export outlet at the Es Sider terminal (EIA, 2014). Nevertheless, the production was raised rapidly to around 300 thousand bbl/d.

2.3 Arabian Gulf Oil Company (AGOCO)

AGOCO is another prominent oil company in Libya, commenced in 1979. Currently, the company is consisted with 2400 full time employees. The headquarter of the company is located in Benghazi. AGOCO works in the eastern area of Cyrenaica, which was a key center of confrontation to Qadhafi. The outline of this Benghazi-based NOC supplementary amplified significantly following its relatively early defection from the regime in support of the insurgency. AGOCO stated that they had at least 400 thousand bbl/d of pre-crisis oil production capacity, which is the largest of any foreign or domestic company in Libya. Its most significant fields are located at Sarir and Messla (approximately 100 thousand bbl/d) in the Sirte basin. It is reported that there were irregular operation of AGOCO production during the conflict, while almost all other companies were shut down, but the firm began to reinstate production in earnest in September 2011. The volume of oil production was about 350 thousand bbl/d in May 2012. Obstruction to full production includes technical problems associated with pumps and power supplies and a small, short-lived, but symbolically considerable interruption to production in May 2012 when company headquarters was blocked by protesters.

2.4 Sirte Oil Company (SOC)

Sirte is another government owned Oil Company, which was stated in 1981. Currently about 6652 employees are working. The headquarter of the company is located in Brega. Similar with AGOCO, Sirte Oil Company is a NOC subsidiary that works in the eastern Sirte basin. It also works the Al-Ruqhubh and other fields, with a total extraction capacity of at least 100 thousand barrels per day.

Table 2. Description of selected government oil companies

Company	Waha oil company	The Arabian Gulf Oil Company	Sirte Oil Company
Industry	Petroleum	Petroleum	Petroleum
Products	Oil and Gas	Oil and Gas	Oil and Gas
Employee	3200	2400	6652
Status	Government owned	Government owned	Government owned
Year of establishment	1956	1979	1981
Headquarter	Tripoli	Benghazi	Brega

Source: www.eia.doe.org

3. HRM Practices and Labor Productivity

3.1 Introduce HRM Practices and Labor Productivity

Human resource management has attracted a huge attention and also has emerged important discussion among various stockholders such as academicians and practitioners (Bowen & Ostroff, 2004). Although HRM is a buzz word however, there is no single universally accepted definition of the concept (Ruël & Bondarouk, 2014). 'HRM is a planned and rational scheme for the management of population functioning in an organization that alone and together puts in the effort for the accomplishment of organizational objectives' (Legge, 1989).

HRM is defined as a methodological approach to develop a formal structure in an organization to guarantee proper recruitment & selection, training & development, performance appraisal, career planning system, employee participation, and compensation system for efficient and effective utilization of skilled & motivated human resource to achieve organizational strategic and operational objectives (Masood, 2010). The impact of HR practices on organizational performance has been an important area of HRM research. The researchers has widely focused on the effect of Human Resource Management practices on organizational productivity and financial performance (Choi, 2011). Success in today's world business is lying behind the benefits and scales of operations and scale of economies. Access to higher productivity level is only possible when competent human resource with proper attitude, skills and knowledge are selected on the basis of organizational requirements. Thus in this context, HR practices can work with motivation towards organizational performance. Although in

most of the developing countries, the main hindrance of organizational growth and profitability is either no or negligible use of professional HRM practices, but, the struggle is continuing to find the best way to use these practices optimally. Pakistan has been focusing on industrial growth for the last few decades. As a result, the organizations from different industries are performing a momentous role in the economic development of the country. Despite their economic importance, different organizations suffer from a variety of structural and institutional weaknesses, which have constrained their ability to take full advantage of rapidly advancing process of globalization and HRM practices. Following are the selected components of HRM practices which help organizations to achieve their goals such increase in productivity, growth, financial and non-financial benefits.

There is a rising agreement among the researchers that organizational human resource policies can improve labor Productivity and organizational goals like productivity and sale. Empirical studies largely focuses on individual HRM practices to achieve organizational goals (Huselid, 1995). Numerous literature support that HRM practices can increase productivity and Productivity of the employees and hence total productivity of the firm (Huselid, 1995; Koch & McGRATH, 1996). The literature shows various degrees of influence of different HRM practices on labor Productivity. For example training has an immediate effect on the labor Productivity (Koch & McGRATH, 1996), while information sharing has a positive impact of the productivity but through secondary channels (Delaney & Huselid, 1996). Studies which support the positive influence of HR practices and organizational outcomes are numerous and significant across the Countries (Bloom & Reenen, 2011; Delaney & Huselid, 1996; Park & Shaw, 2013). Although many studies have reported a positive link between different HRM practices and objective of firm such as increase in productivity, revenue and sale while there are researchers (Ruël & Bondarouk, 2014; Tharenou, Saks, & Moore, 2007; Woodrow & Guest, 2014) who are looking critically to the practice of HRM and the labor Productivity. One of the causes about the disagreement among the researchers may be the methodological concerns. Moreover, the lack of a widely accepted measure of standard HRM practices makes it difficult to compare findings across studies. Although, the literature about HRM practices can be divided into optimistic and pessimistic results however, the optimistic HRM practices to enhance the Productivity of employees and organizational outcome is more dominant (Delaney & Huselid, 1996; Huselid, 1995).

Human Resource (HR) practices at the oil sector adversely affecting the labor productivity and hence ultimate organizational objective such as optimal extraction of oil (Bindra, 2008). Similarly, the recruitment of employees in the oil sector does not show standard human resource recruitment practices which become hurdles in optimal productivity of employees. Investigating perception of the employees' about thee HR practices including staff selectivity, hire and fire, motivation, decentralized decision making, internal labor market etc., and its impact of on the organizational goal (which is in this case is perception of labor productivity) in the Libyan energy sector will reveal pros and cons of the sector which in turn will help to build skills especially in its core activities in the production of oil that contributes to over 90% of countries income.

A reduction in oil extraction is not solely an HR phenomenon. There are may be other reasons of low oil production such as political instability, macro-economic factors, technological factors, and reputation of the country in international community, resource curse, economic stability of the country, Investment opportunities etc. The investigation of the outcome of the oil companies in Libya is obviously not possible or desirable at this stage. The gap, in the literature about HR practices and organizational outcome (in this case in the form of labor productivity) and the evidence of few studies shows lacking of proper HR practices resulting in lower productivity through different channels is a motivation for this study.

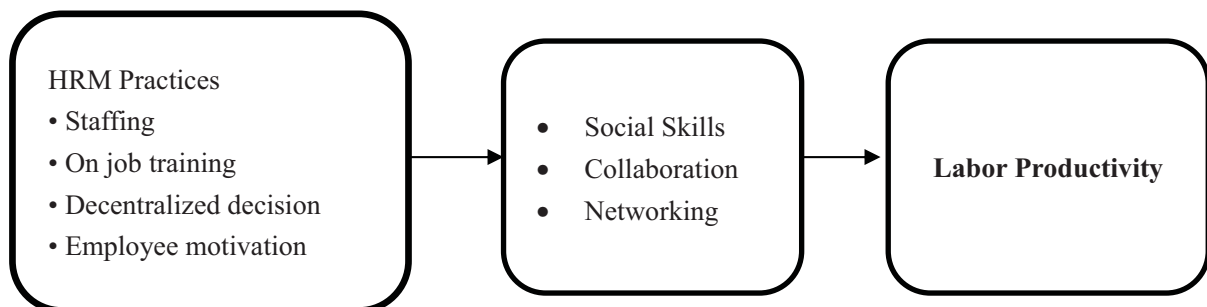


Figure 5. HRM and labor productivity framework

Human resource practices is a wide term used to show all those practice as a system that attracts, develops, motivates, and retains employees to ensure the effective implementation and the survival of the organization and

its members. HRM practices is also conceptualized as a set of on the inside reliable strategies and practices designed and applied to ensure that a firm's human capital add to the achievement of its business objectives (Delery, 1998). This study using four important aspects of HR practices such as staff selection, on job training, decentralized decision making and employees' motivation.

3.2 Staff Selection

Staff selection is an imperative procedure for an institute which settles on the recruitments of workers in respect of particular job requirements (Iles, 1998). More specifically, staff selection is the procedure of making a rational choice among the potential candidates, those who are competitive accomplishing the tasks. This procedure of selecting staffs largely depends on whether the job requirements and candidates skills, qualifications and their willingness blend or not for the vacant position (Iles, 1998). A vigilant staffing procedure can bring an equilibrium between what is required (organizational requirements) and what is offered (candidate abilities) to meet organizational needs (Martín-Alcázar, Romero-Fernández, & Sánchez-Gardey, 2008). Staff selection is one of the prime components of HR practice, which has direct and indirect influence on organizational outcome such as productivity and sale (Huselid, Becker, & Beatty, 2005). Organizations can utilize different HR practices to improve worker's skills, which aim to foster labor productivity. An ample of study reveals that a sophisticated staff selection is positively associated with labor productivity and thus the performance of the organization (Huselid & Becker, 1996; Huselid et al., 2005).

Katou and Budhwar (2007) stated that employees selection and organizational targets such as mounting overall productivity by improving labor productivity and profit margin of firms, were strongly connected with each other. Katou (2008) conducted a study measuring impact of HRM on organizational performance in the context of Greece. The researcher collected data from 178 organizations using a questionnaire survey in the Greek manufacturing sector, and analyzed the data by using 'structural equation modeling' approach. The results pointed out that the association between HRM practice such as staffing and organizational performance is somewhat mediated through HRM outcome such as skill.

3.3 Job Training

Training would be explained as a set of intervention that is intended to improve the determinants of individual performance (De Grip & Sauermann, 2013). In order to foster the organizational output the function of training is crucial. Training augments the productive capacity of employees and thus helps them attaining their organizational objectives. It is also very conducive for workers to reduce their worries during the working hours and help in plummeting the turnover rate (Sahinidis & Bouris, 2008). The bigger the mismatching between the required skills and employee's actual skills, leads the greater the lack of job satisfaction of the employees and finally less productivity. An organization is able to progress the quality of existing employees by conducting comprehensive training and development activities after recruitment. A substantial evidence indicates that investments in training make beneficial organizational outcomes such as increasing in labor productivity and hence optimal achievement of organizational goals (Bartel, 2004). Training is frequently considered as a tool to foster the workers knowledge, skills and abilities in an organization. Existing literature reveals that training interventions progress the labor performance (Goldsmith, Veum, & Darity, 2001). Saks (1995) exhibited that conducting on job training improved worker's productivity. Similarly Thang, Buyens, and Leuven (2008) found that training significantly foster knowledge, skills, abilities, attitudes, and behavior of employees that eventually get better outstanding financial and non-financial performance of the organizations. However, training, skills, and education of a worker and their productivity have a two-way relationship. In the case of when worker's skills and education requirements mismatch each other, that lead to reduce the productivity (Storey, 2004; Thang et al., 2008; Tharenou et al., 2007). Many studies have reveled regarding the utility of training, which explained the relationship between training and labor productivity and hence organizational outcomes (Betcherman, Leckie, McMullen, & Network, 1998; De Grip & Sauermann, 2013). A relevant training boost an employee's ability to execute the given job-related tasks. Tharenou et al. (2007) talked about the relationship between training and organizational-level outcomes by evaluating the outcome of previous studies that have investigated the relationship between training and human resource, performance, and financial outcomes. The research highlighted that 67 studies suggest that training is positively associated to human resource outcomes and organizational performance such labor productivity but it is very weakly related to financial outcomes. The association between training and firm performance may be arbitrated by employee attitudes and skills. Finally, training found to be more strongly associated with organizational outcomes when it is harmonized with key appropriate factors such as organization capital intensity and business strategy.

3.4 Decentralized Decision Making

Decentralization refers a decision making responsibility, which is approved by the organization constitution, meaning that top management to middle and lower-level managers within the organization, allowing top management to focus more on major decisions (Zabojnik, 2002). A prominent study of Bloom, Sadun, and Van Reenen (2012), who conducted the first survey on the decentralization process in 4000 different firms across the world, such as United States, Europe and Asia. They established the fact that decentralization improves collective productivity of the firms. They give the essence that there are many aspects those allow the decentralization to improve organizational outcome. Decentralization is crucial for the shaping of large firms, since for a CEO is unable to go through each small affairs of the company. Most importantly, it can be said that decentralization is connected to firm productivity because the CEO of a more centralized firm does not make all decisions within small period of time. Moreover, decentralizing decision-making can obtain the organizational benefit while it is required to make decision immediately (Richardson et al., 2002). The literature investigative the correlation of decentralization to organizational performance is both scarce and vague. (Richardson et al., 2002) examined decentralization's influence on organizational performance in a sample of behavioral healthcare treatment centers. They pointed out that decentralization has a direct correlation with labor productivity and overall organizational performance (both financial and non-financial).

3.5 Motivation

Motivation can be defined as a process of enhancing labor productivity by providing effective compensation and reward (Abozed, Melaine, & Saci, 2009; Kanfer, Chen, & Pritchard, 2012). Rewards and Returns form employees' behavior and performance output. Surely, monetary and other form of incentive improves employee competencies, thus organizational performance. Mathis (2004) recommended that a fair, transparent, and competitive reward and compensation system foster the retention of talents. Likewise, Dreher & Dougherty (2005) revealed that a reward-based approach plays a role as the driving factor of team and individual performance in organizations while Chiu and Xihua (2008) stated that worker's benefits and compensation significantly influence organizational outcomes such labor productivity and organizational performance. HR practices improve the productivity of workers while motivation retains them within the organization (Chiu & Xihua, 2008).

In the light of the above discussion, it can be said that rewards and compensations foster retention of employees with the best talents for labor competence within the organization

3.6 Labor Productivity

Labor productivity (LP) is the ratio of output to the input of labor. Very often, it is calculated as the amount of output produced per hour worked (Thomas et al., 1990). Mathematically this can be measured by the ratio of the amount of outputs produced to given by the level of inputs used. This implies the measure of the productivity of firms, industries and even the economy as a whole. The essence of productivity is in fact a supply-side measure, that is, it pertains the technical production relationships between inputs and outputs (Inklaar & Timmer, 2013).

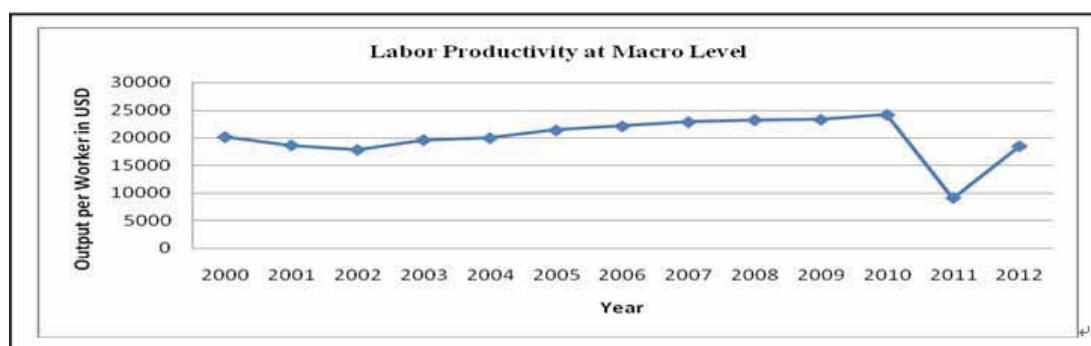


Figure 5. Labor productivity at macro level, data source: WDI 2014

However, since this study follows a review study, therefore by using secondary data, we tried to measure the labor productivity as a whole economy of Libya. We estimated labor productivity simply dividing GDP constant by the total labor force. The Figure 5 clearly illustrates that from 2000 to 2010, the labor productivity was smoothly increasing. Nevertheless, it drastically dropped in 2011 due to the civil war.

4. Conclusion

This review study on HRM practice and labor productivity highlights several important aspects. Firstly, oil companies possess distinct features hence a common discourse of human resources management may not generally applied. Secondly, based existing literature, the above discussion of the paper clearly focused HRM practice at micro level might influence the labor productivity in oil companies. However, the focal determinants for fostering labor productivity are not individual level of HRM practice, instead the macro aspects. Thirdly, the macro aspects such as political instability and quality of governance significantly influence the labor productivity. Therefore, this study draws a conclusion that micro level of HRM practice and political and macroeconomic stability are crucially important to foster labor productivity. This review study enables us to provide several recommendations in terms of HRM practices in the oil companies in Libya. Primarily, the companies should recruit international competitive human resources by ensuring transparency. In addition, the compensation also should be competitive. In order to bring efficiency, there should be the labor division, according to the skills. Since, various macroeconomic and government policy aspects affect labor productivity, hence the companies should be apart from any sort of corruption.

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Corporate Governance and Bank Performance: A Study of Selected Banks in GCC Region

Mohammad Naushad¹ & Syed Abdul Malik¹

¹ College of Business Administration, Salman bin Abdulaziz University, Al-Kharj, Kingdom of Saudi Arabia (KSA)

Correspondence: Mohammad Nausahd, College of Business Administration, Salman bin Abdulaziz University, P. O. Box-165, Al-Kharj- 11942, Kingdom of Saudi Arabia (KSA). Tel: 966-11-588-7065; 966-56-690-2583. E-mail: n.mohammad@sau.edu.sa; meetnaushad@gmail.com

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Abstract

This paper examines the effect of corporate governance denoted by board size, duality, agency cost etc. on the performance of selected 24 GCC banks based on the criteria of total assets for the financial year 2012-13. Tobin's Q and Return on Total Assets (ROTA) are adopted as a measurement of accounting and financial performance respectively.

The results indicate that smaller boards are more capable for monitoring the management closely in GCC banking sector. Dual role of Chief Executive Officer (CEO) are likely to improve the GCC bank performance. The presence of block holders in ownership structure of GCC banks tends to have a positive effect on the performance of banking sector. Overall, the study concludes that the corporate governance poses a significant influence on the financial and accounting performance of GCC banking sector.

Keywords: corporate governance, bank performance, Tobin's Q, ROTA, GCC Banks

1. Introduction

Agency problem is not new to the corporates. Primarily, it resulted from the split-up of ownership from management. It upshot in Managements' lower interest (Jensen & Meckling, 1976). Researchers conclude that firms with greater agency problem performed poorly. Thus, an efficient governance structure proved effective in alleviation of such giant problem (the agency problem) (Brown & Caylor, 2004) and ultimate resulting in the better performance. Most noteworthy are a good number of researches e.g., (Bhagat & Bolton, 2008; Fallatah & Dickins, 2012; Grove, Patelli, Victoravich, & Xu, 2011; Kapopoulos & Lazaretou, 2007), Al-Rashed (2010); Shleifer and Vishny (1997); Hermalin and Weisbach (1991) etc. that proved the fact stated above.

The global financial crisis of 2007 has again fierce the debate over the relationship of corporate governance and the performance of firms specifically banks. Despite its importance, this topic has been explored only by a few studies. But very few are in the bank perspectives and a few are for the GCC.

This study is an outcome of research conducted to portray the effect of different aspects (variables) of corporate governance on bank performance. The focus area for the study covers the leading banks in the GCC region.

2. Literature Review

The literature on how the corporate governance does influence the firm performance is widespread though the outcomes are contrary. Larcker, Richardson, and Tuna (2007) for example, determine that the relationship of corporate governance and performance of firms fail to produce a consistent set of results. Fallatah and Dickins (2012), concluded that corporate governance and firm performance (measured as return on assets) are unrelated, but corporate governance and value of firm (as measured by Tobin's Q and market value of equity) are positively related. Barako and Tower (2007), found foreign and government ownership in board are negatively related with firm performance. Similarly, Heracleous (2001) conducted a research on the theme and concluded, "*researches have failed to find any convincing connection between the best practices in corporate governance and organizational performance*". He concluded that best practices of corporate governance like CEO/Chair duality and insider/outsider composition and organizational performance are insignificantly related. In contrast, Tandelilin, Kaaro, and Mahadwartha (2007) cited a positive relationship with no liner effect among corporate

governance and firm performance. Additionally, Brown and Caylor (2004), concluded that “firms with weaker governance perform more poorly, are less profitable, more risky, and have lower dividends than firms with better governance”. Authors found a strong correlation between corporate governance and firm performance for a large sample of US firms. Similarly, Kapopoulos and Lazaretou (2007) cited a linear positive relationship between profitability and ownership structure.

2.1 Corporate Governance and Bank Performance

The aforementioned studies witnessed that corporate governance and firm performance is well taken by the researchers render mixed results. But the focus of the present study is to trace out the relationship between the corporate governance and the bank performance. Banks are among the most important sources not only of finance but also of external governance for firms. Unlike, other corporations banks carry a special responsibility to take care of people’s money as well as maintain trust among the other stakeholders. Therefore, banks need to be more accountable and transparent. Thus, the structure of the governance of banks remains unique in nature.

Some studies focuses on the performance of GCC banks follows specifically, Al-Musalli and Ismail (2012) investigated the upshots of corporate governance variables on *Intellectual Capital Performance (ICP)*. Researchers concluded that there is no effect of bank size on its performance. While, intellectual capital performance and bank financial performance is positively related. Arouri, Hossain, and Muttakin (2011) examined the linkages of bank performance (ROA) and Board Size, CEO Duality, Block holders, Institutional Ownership and Foreign ownership for 27 banks from GCC countries except Kuwait from 2008 (Table 1). The authors found foreign ownership and bank performance are significantly associated while the ownership is to be found negatively associated with performance. On the other hand the board characteristics like board-size and duality insignificantly impact the performance. And the size of the bank affects performance positively.

Some other studies have also examined the relationship and impact of corporate governance on banking industry-see for example, Sufian (2010), Kabigting (2011) and Grove et al. (2011) etc. Grove et al. (2011) carried out a study on 236 US public commercial banks from 2005–2008 to find out the corporate governance impact on the bank performance. Authors classified the corporate governance variables in two categories, i.e. governance factors and control variables. The findings of the study suggest that board size and financial performance is negatively associated while insider representation is positively related with performance. Moreover the dual role of CEO has a negative association with financial performance. Table 1 portrays a summarized picture of various studies conducted on corporate governance and firm performance.

Table 1. A comparison of corporate governance factors and firm performance in some illustrative studies

Study	Sample	Variables Tested	Results
Al-Musalli and Ismail (2012)	74 listed banks of GCC during the period 2008–2010 except Kuwaiti listed banks (11 banks).	Dependent: Intellectual Capital Performance (ICP) Independent: Adherence to Islamic Sharia principles, Bank internationality, Bank riskiness, Bank size, Banking industry concentration, Board independence, Board size, Domestic strategic institutional ownership, Family ownership, Foreign strategic institutional ownership, Governmental ownership, Presence of foreign banks and Return on equity.	<ul style="list-style-type: none"> • There is a positive significant relationship between bank financial performance and ICP and a moderate negative relationship between domestic strategic institutional ownership and ICP. • Bank size does not affect bank performance. • Board size, presence of independent directors and ICP are negatively associated. • Family ownership has a negative effect with ICP. • Foreign banks and other FIIs do not improve ICP of GCC banks
Arouri et al. (2011)	27 banks from GCC countries except Kuwait from 2008	Dependent: Return on Assets (ROA) Independent: Block holders, Board Size, CEO Duality, Foreign ownership and Institutional Ownership	<ul style="list-style-type: none"> • Board characteristics such as board size and CEO duality do not have a significant impact on performance. • Firm performance and foreign ownership are positively associated. • Institutional ownership is negatively associated with performance. • The size of the bank affects positively on performance
Kabigting (2011)	Listed Banks of Philippine Stock Exchange (PSE) from	Dependent Corporate Governance (proxied by Insider Ownership), Corporate Governance (proxied by board size) Independent: Age, Bank size, Earning per share (EPS), Independent directors,	<ul style="list-style-type: none"> • Insider ownership has nothing to do with bank age. • Earnings per share and insider ownership are negatively related. • ROE and EPS are negatively related to board size.

Study	Sample	Variables Tested	Results
	2005 to 2009.	Non-performing loan (NPL), Return on assets (ROA) and Return on equity (ROE)	<ul style="list-style-type: none"> • corporate governance as proxied by insider ownership has significant relationship with ROA, bank size and EPS. Both bank size and ROA are positively related while EPS is negatively related to corporate governance. • corporate governance as proxied by board size has significant relationship with independent board, EPS, ROA and ROE. • Both independent board and ROA are positively related while EPS and ROE are negatively related to corporate governance.
Grove et al. (2011)	236 US public commercial banks from 2005–2008	<p>Dependent: Bank performance proxies denoted by Return on Assets, stock-alpha: the measurement of future access return of stocks, and the NPA ratio.</p> <p>Independent: Various governance factors along with two control variables</p>	<ul style="list-style-type: none"> • The performances of Banks with smaller boards are found better in the later crises duration. • Block holder and bank performance have negative and significant association in between during the financial crisis. • The duality of CEO plays a negative role in financial performance.
Sufian (2010)	Islamic Banks of Malaysia from 2001-2007.	<p>Dependent: The return on total assets (ROTA) of the banks during the year taken.</p> <p>Independent: Variables were classified as inside and outside the firm. The inside variables include (1) size of bank (2) credit risk (3) efficiency of management (4) network embeddedness (5) bank's capital strength. While, The outside variables include (1) economic conditions (2) inflation rate (3) bank ownership (4) period.</p>	The overhead cost is negatively related to Malaysian Islamic banks' profitability.
Al-Rashed (2010)	Stock exchanges published data range from 2007 to 2009	<p>Dependent: Reported Earnings, Financial Leverage, Cash Distributions, Share Price and Management remunerations</p> <p>Independent: General Assembly, Board of Directors, Audit Committee, External Auditor, Government Representatives, Debtors and General Stakeholders</p>	Some correlation is found among factors affecting corporate governance at the large scale with variables that are usually linked to corporate performance.
Kapopoulos and Lazaretou (2007)	175 Greek Firms from year 2000	<p>Dependent: Firm Performance</p> <p>Independent: corporate ownership structure</p>	A linear positive relationship between profitability and ownership structure.

3. Methodology

Up till now corporate governance among GCC countries is infantile state of affairs. The last decade only witnessed the emergence of corporate governance and the Arabic word 'HAWKAMAH' promulgated for corporate governance. But despite the infantile state and several challenges ahead in the region, corporate governance is making a mark in GCC (Saidi, 2011). Oman took the lead in the region to issue firstly a code of corporate governance in 2002. While on the other hand Kuwait left behind and could only incorporate certain guidelines in their company laws in 2012 still the governance code is yet to be finalized.

But despite of several initiatives and formal code of corporate governance existed in each country. Still there is a leap gap to align with the international corporate governance best practices and a dire need to strengthen more the structure so that the region could be safeguarded from the effects of any world economic turmoil.

The GCC banking sector except Bahrain and Oman was in totality conservative of nature earlier. It resulted in the entry restrictions for foreign banks. However a noticeable reversal can be seen in these policies specifically in last decade (Al Karasneh & Bolbol, 2006). But the corporate governance is introduced to banking sector along with other sectors only. The GCC banking sector has some special features such as family business ownership, existence of conventional and Islamic banks together. With the existence of many Islamic banks the GCC banking sector witnesses several unique characteristics. Though, the GCC governance codes do not address separately the Islamic banks except few provisions in the existing codes of governance.

In order to achieve the objectives of present study, 24 GCC banks are selected based on the criteria of total assets. Mainly data is collected from gulf base website (www.gulfbase.com) and cross verified with the annual reports, respective central banks of GCC countries and individual banks' websites.

3.1 Variable Selection and Hypothesis Development

3.1.1 Value of Firm /Bank Performance Variables

Performance measurement of banks is getting complex more and more. The most common measurement for bank performance adopted by researchers is Return on Assets (*ROA*), see e.g. Arouri et al. (2011), Grove et al. (2011) and Sufian (2010) etc. refer also table 1. But as pointed out Larcker et al. (2007) & Grove et al. (2011) *ROA* is widely used as the measurement of accounting performance of firms. Generally, it gives an idea about how effectively & efficiently does a firm/bank utilize its resources to generate a good return. Therefore, our first independent variable to measure the bank performance is *ROA/ROTA (Return on Total Assets)*.

The second performance measure, we use in the present study by considering the financial aspect. The *TOBIN'S Q* is denoted as the proxy for it. *TOBIN'S Q* propounded by James C. Tobin (1969) explains the relationship of current cost of replacement assets to the market value of the firm's assets including share & stocks (Al-Hawary).

Henceforth our study regress the twofold factors such as corporate governance factors and value of firms (CGVF) as advocated by Rashid and Islam (2013). Thus, we state the primary hypothesis of the study as below.

H₁ = *GCC bank performance is significantly influenced by the corporate governance factors.*

The corporate governance factors considered in the present study is stated in the given next section.

3.1.2 Corporate Governance Variables

3.1.2.1 Board Size

The importance of board size to influence the performance/value of the firms is widely advocated by researchers see e.g., Grove et al. (2011), Kapopoulos and Lazaretou (2007), Dalton and Dalton (2005), etc. Researchers argued that larger board size with the blend of their educational background, talent, technical knowledge and skills etc. is more expected to draw the diverse talent and diversity to the board decisions Abeysekera (2010), Coles, Daniel, and Naveen (2008) and Dalton and Dalton (2005) etc. In contrast, Nam, Nam, and ong (2004), Beasley (1996), Jensen (1993) etc. argued that a larger board size usually lack effective communications causing dearth of open interface and arguments resulting in increasing the CEOs power. Thus in this light our second hypothesis state below.

H₂ = *Board size positively affect the value/performance of GCC banks.*

3.1.2.2 Duality

Early studies like, Jensen and Meckling (1976) and Cadbury committee report see Cadbury (1992) it-self argued that the position of CEO and the Board chairman should not be hold by one person only. As it reduces the degree of independency of board in one hand and widen the area of self-serving and entrenchment for CEO on other hand (Kang & Zardkoohi, 2005). In continuance to the preceding trend we also purpose,

H₃ = *CEO Duality has a negative effect on the performance of GCC Banks.*

3.1.2.3 Block Ownership

GCC banking sector has a unique characteristics in terms of ownership structure as large size of ownership concentration is based on either family ownership or other block holders (Chahine, 2007). The presence of block holders in the firm's ownership were assumed to facilitate better monitoring inducements leading to great performance (Leech & Leahy, 1991). Researchers such as Ongore (2011), Hartzell and Starks (2003) and Smith (1996) suggest that manager behavior can be constrained by the corporate monitoring done by the institutional investors/ block holders. Our approach also supports the earlier studies as well, so the hypothesis to test it can be:

H₄ = *Block holders in the ownership structure of GCC banks positively influence the performance.*

3.1.2.4 Control Variables

The organizational characteristics of each firm do have an influence on the structure of corporate governance followed that upshot into the impact on performance (Grove, 2011). Therefore in the regression model to nullify this effect the control variables are useful. As per www.businessdictionary.com, "control variable is the variable that is held constant in order to assess or clarify the relationship between two other variables". Thus two variables i.e. total assets and market capitalization has been constructed as the control variable. In order to purge the multi-collinearity effect natural logs of the variables are taken.

3.2 Model Specification

As specified in the above section, we have selected two dependent variables represented by *ROA* and *Tobin's Q*. The Corporate Governance variables specifically include the board size, duality, block ownership and agency

cost. The value of *ROA* is get after dividing the operating income by total assets for each bank. While *TOBIN'S Q* is considered the proxy for financial performance calculated on the basis of formulation given in (investopedia.com), i.e.

$$\text{TOBIN'S Q} = \frac{\text{Total Market Value of the Firm}}{\text{Total Assets Value}}$$

First independent corporate governance variable is the board size of banks. The variable is measured by summing up the total number of board members inclusive of chairman, vice-chairman and CEO. The next independent variable is *Duality*. It is a dummy variable. The variable is constructed to test the influence of leadership structure on overall value of the GCC banks. It is considered 1, where CEO and Chairman is the same person, otherwise = 0. Block Ownership represents the sum of majority shareholders. It is get by summing up the percentage of ownership holds by all majority shareholders. The majority shareholder we have considered to those who holds 5 or more percent of shares. Ownership structure is also a measure for agency cost. Instead of taking the dummy variable we have add all the majority shareholders percentage to get the *Agency Cost*. In the present empirical analysis to test the hypothesis stated earlier multiple regression model using Ordinary Least Square (OLS) is set. Thus the following type of linear modulation is used:

$$TQ_i = \alpha + \beta_1 BS_i + \beta_2 DUA_i + \beta_3 AC_i + \beta_4 \log TA_i + \mu_i \quad (1.1)$$

$$TQ_i = \alpha + \beta_1 BS_i + \beta_2 DUA_i + \beta_3 AC_i + \beta_4 \log MC_i + \mu_i \quad (1.2)$$

$$TQ_i = \alpha + \beta_1 BS_i + \beta_2 DUA_i + \beta_3 AC_i + \beta_4 I_BS_DUA_i + \mu_i \quad (1.3)$$

And

$$ROTA_i = \alpha + \beta_1 BS_i + \beta_2 DUA_i + \beta_3 AC_i + \beta_4 \log TA_i + \mu_i \quad (2.1)$$

$$ROTA_i = \alpha + \beta_1 BS_i + \beta_2 DUA_i + \beta_3 AC_i + \beta_4 \log MC_i + \mu_i \quad (2.2)$$

$$ROTA_i = \alpha + \beta_1 BS_i + \beta_2 DUA_i + \beta_3 AC_i + \beta_4 I_BS_DUA_i + \mu_i \quad (2.3)$$

Where,

TQ_i = Tobin's Q for the period of i.

$ROTA_i$ = Return on Total Assets for the period of i.

BS= Board Size

DUA = Duality

AC = Agency Cost

LogTA = Natural Log of Total Assets

LogMC = Natural Log of Market Capitalization

I_BS_DUA = Interaction effect of Board size and duality

μ_i = Stochastic Error term for the period of i.

4. Empirical Results

Descriptive statistics as reported in Table 2 depicts the average board size in GCC Banks as 9.9 directors. This seems to be slightly higher than the optimal board size propounded by Jensen (1993) i.e. seven to eight. Table 2 also shows on average, 87.5 percent of the directors in GCC board structure are independent while 12.5 percent are dependent viz. CEO and Chairman is the same person. It is interesting to note that on an average 54.16 percent of total sampled GCC banks are controlled by block ownership proxied as agency cost in table 2.

Table 2. Descriptive statistics of model variables

	B SIZE	DUALITY	AGENCY COST	LTA	LMCAP
Mean	9.875000	0.125000	0.541667	8.976909	10.47073
Median	10.00000	0.000000	1.000000	9.189078	10.61746
Maximum	12.00000	1.000000	1.000000	10.51472	11.71005
Minimum	6.000000	0.000000	0.000000	7.074831	8.819846
Std. Dev.	1.261900	0.337832	0.508977	0.843453	0.747795
Skewness	-1.485695	2.267787	-0.167248	-0.353022	-0.559670
Kurtosis	5.796095	6.142857	1.027972	2.634462	2.812268
N	24	24	24	24	24

We use OLS method to test the hypothesis of Corporate Governance and Value of the Firm (CGVF) model using cross sectional data of 24 GCC banks for the current year of 2013. Table 3 (a) reports results for CGVF model effects using TOBIN's Q as the Explained variable. And the Table 3 (b) portray the effects of corporate governance variables on the return on total assets (ROTA).

As per our first hypothesis GCC bank performance is significantly influenced by the corporate governance variables. It is supported by our regression results, i.e. financial performance proxied by TOBIN's Q in equation-1.1 all variables taken together explain 58.3 percent of the cross sectional variation of GCC banks; where as in the case of equation 1.2 & 1.3 it is 42.4 and 54.2 respectively. Overall fitness of good as measured by F statistics for equations- 1.1, 1.2 and 1.3 are 99, 90 and 95 percent respectively.

To check the robustness of our models we also used the accounting performance proxied by ROTA. In equation-2.2 all variables taken together explain 63.3 percent of the cross sectional variation of GCC banks; where as in the case of equation 2.1 & 2.3 it is 36.0 and 38.4 respectively. Overall fitness of good as measured by F statistics for equation- 2.2 and 2.3 are 97 and 95 percent respectively while equation- 2.1 is found to be insignificant and dropped.

As regard to hypothesis-2, i.e. board size positively affect the value/performance of GCC banks. It is found negatively associated with both financial ($t= 2.64$, $\alpha= .01$ for model-1, $t= 6.06$; $\alpha= .00$ for equation 1.3) and accounting performance ($t= 2.50$, $\alpha= .05$ for equation-2.1, equation 2.2 & 2.3 are found insignificant) thus our findings are similar to the Mashayekhi and Bazaz (2008), Nam et al. (2004), Beasley (1996), Jensen (1993) etc. It indicates that smaller board size will result into the better bank performance. As advocated by Al-Musalli and Ismail (2012), Grove et al. (2011), Kabigting (2011) that smaller board is more capable for monitoring the management closely.

Table 3(a). Estimation results for model-1

Tobin's Q	Equation -1.1 Coefficients	Equation – 1.2 Coefficients	Equation – 1.3 Coefficients
INTERCEPT	0.0467 (0.1480)	0.1936 (0.2008)	0.4302** (0.0709)
B_SIZE	-0.0219** (0.0083)	-0.0147 (0.0112)	-0.0176* (0.0076)
DUALITY	0.0855** (0.0284)	0.0966** (0.0356)	-1.2193* (0.5762)
AGENCY_COST	-0.0307 (0.0283)	-0.0625* (0.0320)	-0.0609* (0.0278)
LTA	0.0479** (0.0164)	-	-
LMCAP	-	0.0208 (0.0219)	-
INTERACTION EFFECT (BOARD_DUAL)	-	-	0.1263* (0.0543)
R ²	0.583	0.424	0.542
R-squared (Adjusted)	0.461	0.254	0.359
F-statistic	4.763	2.499	2.959
Prob.	0.01	0.07	0.04

Note. (**) and (*) indicates significance level at 0.01 and 0.05 respectively. The values in brackets indicate the Standard Error of Estimates.

Our third hypothesis, i.e. CEO Duality has a negative effect on the performance of GCC Banks. Regression results for equation-1.1 & 1.2 shows a positive relationship with both financial ($t= 3.01$, $\alpha= .01$, $t=2.71$; $\alpha= .01$) and accounting performance ($t= 3.66$, $\alpha= .01$). In addition, we examine how duality interacts with board size. Estimated coefficients of equation- 1.3 with financial performance (Table 3.a) suggest that the dual role of CEO along with optimal board size produces the significant effect on the firm financial performance ($t= 2.33$, $\alpha= .05$). This is further confirmed by accounting performance coefficients reported in table 3 (b) where ($t= 3.16$, $\alpha= .01$). Thus the estimated coefficients suggest that board size and the dual role of CEO are likely to improve the GCC Bank performance.

Table 3(b). Estimation results for model-2

ROTA	Equation -2.1 Coefficients	Equation – 2.2 Coefficients	Equation – 2.3 Coefficients
INTERCEPT	0.0193 (0.0141)	0.0620** (0.0148)	0.0325** (0.0088)
B_SIZE	-0.0020* (0.0008)	-0.0012 (0.0008)	-0.0017 (0.0009)
DUALITY	0.0044 (0.0031)	0.0117** (0.0032)	-0.2057** (0.0664)
AGENCY_COST	-0.0030 (0.0030)	-0.0024 (0.0023)	0.0015 (0.0025)
LTA	0.0021 (0.0018)	-	-
LMCAP	-	-0.0030 (0.0017)	-
INTERACTION EFFECT (BOARD_DUAL)	-	-	0.0196** (0.0062)
R ²	0.360	0.633	0.384
R-squared (Adjusted)	0.105	0.435	0.384
F-statistic	1.408	3.202	2.965
Prob.	0.28	0.03	0.05

Note. (**) and (*) indicates significance level at 0.01 and 0.05 respectively. The values in brackets indicate the Standard Error of Estimates.

The last hypothesis, i.e. Block holders in the ownership structure of GCC banks positively influences the performance. The block holders are proxied by the agency cost. The coefficients are significant at .05 level for financial performance except equation-1.1, where it is negatively insignificant. While in terms of accounting performance it is negatively insignificant except in equation- 2.3 where it is positively insignificant.

5. Conclusion

In this study we examined the role of corporate governance variables (board size, duality, agency cost) on performance of selected GCC banks denoted by TOBIN's Q and ROTA. The hypotheses stated were tested on the cross sectional data of 24 GCC banks for the financial year 2012-13. The first finding of our study supports the earlier contention that *smaller boards are relatively capable for monitoring the management closely*. It is found to be true in GCC banking context. Thus our findings uphold the conclusion of Al-Musalli and Ismail (2012), Grove et al. (2011), Kabigting (2011). On the other hand it contradict with Arouri et al. (2011).

On duality issue our findings conclude that dual role of Chief Executive Officer (CEO) are likely to improve the GCC bank performance. It supports Al-Musalli and Ismail (2012) and contradict with (Arouri et al., 2011), Grove et al. (2011) etc.

The presence of block holders in ownership structure of GCC banks tends to have a positive effect on the financial and accounting performance of banking sector. Therefore it contradicts with Al-Musalli and Ismail (2012), Arouri et al. (2011) and Grove et al. (2011) etc.

In nutshell, the study concludes that the corporate governance poses a significant influence on the financial and accounting performance of GCC banking sector.

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Family Background Risk Factors Associated with Domestic Violence among Married Thai Muslims Couples in Pattani Province

Kasetchai Laeheem¹ & Kettawa Boonprakarn¹

¹ Faculty of Liberal Arts, Prince of Songkla University, Hatyai, Thailand

Correspondence: Kasetchai Laeheem, Faculty of Liberal Arts, Prince of Songkla University, Hatyai, Songkhla, 90110, Thailand. E-mail: Lkasetchai@yahoo.com

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Abstract

This study examined family background risk factors associated with domestic violence among married Thai Muslim couples in Pattani Province. The informants were 1,536 wives who were representatives of their families. The R program was used for data analysis to determine the frequency, percentage, chi-square value, odds value, and logistic coefficient. The results were that 38.3 percent of the Thai Muslim couples in Pattani Province used domestic violence, and the risk factors of family background found to be associated with domestic violence at a significance level of .001 were four variables: strict upbringing, violent behavior in childhood, witnessing parents quarreling in childhood, and violent behavior in childhood. The married couples with chances to use domestic violence were as follows: those who witnessed their parents quarreling in childhood regularly (2.46 times); once in while (1.73 times); had severe punishment in their childhood regularly (0.65 times); once in a while (0.51 times); had very strict upbringing (0.53 times); had moderately strict upbringing (0.41 times); had violent behavior in childhood regularly (0.52 times); and once in a while (0.43 times), respectively. The results of this study would be beneficial in forming policy and taking preventive measures for children witnessing their parents quarreling in order to end the cycle of domestic violence.

Keywords: family background, risk factors, domestic violence, married Thai Muslim couples

1. Introduction

Presently, domestic violence has become a social problem that more organizations in the government and private sectors give importance to in order to prevent and solve because it has spread widely in every society and with married couples of all economic statuses, occupations, races, and religions. This hidden problem is complicated with an increasing degree of violence, which makes it more difficult to prevent and tackle (Kungsakon & Pojam, 2008; Laeheem, 2014). This is different from the past when most people in Thai society did not give as much importance and realization to domestic violence as they should have because they thought that domestic violence was a personal problem specifically for family members only, and other people should not interfere or intervene (Pradabmuk, 2003; Kungsakon & Pojam, 2008). Domestic violence between husbands and wives is mostly by husbands against their wives by intentionally using force to threaten or harm their wives physically or mentally such as forcing, threatening, beating, kicking, and limiting their freedom. These behaviors usually develop from conflicts and quarrels (Intarajit & Karinchai, 1999; Triemchaisri, 2001; Laeheem, & Boonprakarn, 2014). Domestic violence is the husband's abusive behavior against his wife with an intention to attack her physically and mentally by forcing and coercing her, and it is an action caused by anger, fright, anxiousness, and a lack of temperance, which sometimes can cause severe injuries or death (Walker, 2001; Malley-Morrison & Hines, 2004; Hampton, Gullotta, & Ramos, 2006; Kongsakon & Pojam, 2008). Wives who are victims of domestic violence are usually wounded physically and mentally, and may decide to get a divorce. In addition, children who regularly witness such violence learn and absorb it in their memory and may feel that all problems can be solved with violence. This can make them violent when they are young as well as when they are grown up, and they may behave violently against their peers, spouse, and children (Promrak, 2007; Kungsakon & Pojam, 2008; Laeheem, & Boonprakarn, 2014). For the government sector, government organizations have to spend a large amount of money on campaigning through media to urge people to realize the violent problem, and help solve the problem. Furthermore, budget is needed to employ personnel related to providing treatment and consultations for victims of domestic violence (Hemmanad, 1990; Puawongpaet, 1994; Karnkanakul, 1997)

According to a report by the Violence against Children and Women and Domestic Violence Information Center (2013), prevalence rates of domestic violence were still high during 2010 – 2013. There were 949 incidents in 2010, 1065 in 2011, 887 in 2012, and 776 in 2013. The statistics on the number of children and women who came to the center for services showed that there were 22,639 violence incidents against women, of which 8,336 incidents or 36.82 percent were committed by people who were close to the victims or by family members, and 1,950 incidents or 8.61 percent by strangers. It was also found that most of the violence incidents against women (5,786 or 52.3 percent) were committed by their husbands (One Stop Crisis Center (OSCC), 2011). This resulted in divorces, and indicated that the rates of domestic violence incidents did not decrease, and most of them were done by family members, especially husbands against their wives. Moreover, in the past, the problem of domestic violence between husbands and wives had not been solved by related individuals and organizations because government officials and society regarded domestic violence as internal affairs between husbands and wives, personal conflicts, not crimes that affected other people, and therefore, other people should not interfere. If domestic violence cases were not very serious, police usually tried to settle them through reconciliations, and did not document the cases. As a result, individuals who committed the violence were not punished or were not punished suitably, and did not change their behaviors (Kungsakon & Pojam, 2008; Laeheem, & Boonprakarn, 2014).

There are many causal factors related to domestic violence, but one important cause is witnessing parents quarreling and hitting each other in childhood. Studies have found that there are a number of phenomena that reflect an increasing severity in violence against women by men who have experienced violence before their marriage (Kungsakon & Pojam, 2008; Laeheem, & Boonprakarn, 2014). Exposure to parents quarrelling during childhood was found to be the most important risk factor that resulted in married couples using violence in their own families (Ua-amnoey 2002; Parimutto, 2011). The problem of domestic violence stems from childhood experience, especially exposure to bad incidents including getting severe punishment in childhood, and witnessing parents' violent quarrels (Pongwech & Wijitranon, 2000; Parimutto, 2011; Kongsakon & Pojam, 2008). Husbands who commit violence against their wives are usually from families with domestic violence, and exposures to such incidents during their childhood have affected their feelings and emotions, so they learned and absorbed the violence that has become part of their personality and will remain there permanently. Consequently, they adopt the use of violence, and when they have conflicts, misunderstanding, and quarrels with their wives, they choose to use violence to solve their problems like what they experienced in their childhood. Obviously, experiences and exposures in childhood can contribute to the cycle of domestic violence because children will use violence in their own marriages when they grow up (Gelles & Straus, 1979; Bandura, 1976).

In addition, more people with experiences in violence committed regularly by their parents against each other may display violence against their spouses than those who do not have such experiences (Stets, 1990; O'Leary & Williams, 2006; Malley-Morrison & Hines, 2007). Families, especially families that use violence to the extent that members think that it is part of their daily life, are sources of motivation for members to display violent behaviors towards people around them. Members of this type of family, in addition to thinking that violence is part of their daily life, adopt violence as an alternative for problem solving, and if they want respect from others, they use force and violence (Remschmidt, 1993; Brentro & Long, 1995; Straus, 2001).

Thus, there is a need to investigate family background risk factors that are associated with domestic violence among Thai Muslim married couples in Pattani Province in order to determine whether and/or how the six variables of risk factors are associated with domestic violence. The eight variables are strict upbringing, democratic upbringing, negligent upbringing, severe punishment in childhood, exposure to parents' quarrels, violent behavior in childhood, females' inferior status, and the emphasis on patriarchy, or male dominance. The benefits of the results of this study will be for all related parties to use in preventing and providing help for married couples with domestic violence in addition to management of domestic violence in other provinces or regions before the problem becomes more serious with a higher degree of violence. The results of this study can help in finding ways to solve the problem of domestic violence that can become social problems in time.

2. Literature Reviews

Most domestic violence among married couples in Thai society is done by husbands on wives that calling "husband violence against his wives". Husband violence against his wives refers to husbands' behavioral patterns of hurting their wives physically, mentally and sexually in order to show power in controlling them. It also refers to assaulting wives by husband is one form of violence against his wives; it cuts off his wives' rights and obstructs the existence of sex equality and the development of peacefulness. (Phromrak, 2007; Parimutto, 2010; Supanichwatana & Laeheem, 2017). It is an action that husband injures his wife that results in the victim's physical, mental and sexual injury or behavior that violates, forces, threatens, and injures each other.

(Pichaisanith, 1997; Friends of Women Foundation, 2013). Husband violence against his wives refers to using force to harm physically, mentally, sexually or to harm life, and to violate rights and freedoms in various ways, which are unfair actions in order to get power to control over them or to make them yield. It is with a purpose to hurt his wives as well as to harm their health, rights, and freedoms. This is done by misuse of force or power to make his wives do or not do and accept the action (Pakjekwinyusakul, Jamsutee & Nettayasupa, 2003; Punamsap, 2005; Ministry of Social Development and Human Security, 2007). Violence done to the wives can cause a lot of economic burden to society in terms of medical treatment, social welfare, counseling provision, and prevention measures, etc. Moreover, it affects them mentally and emotionally, and it affects children's learning and absorption of the feeling. Additionally, the victims (his wives) are not only injured physically but also psychologically which can remain in their memory all their life. (Puawongpaet, 1994; Kanjanakul, 1997; Promrak, 2007).

There are 5 causes of husband violence against his wives in Thai society; 1) Conflict of interest—Activities in a family can be a waste, and members of the family may want the opposite. That is, when one gains from doing one activity, the other might lose from doing it. Conflict can originate from different interest such as one member may want to go to a movie while another want to play sports. Conflict can also result from different characteristics such as one is messy but the other is tidy and has to clean up after him or her. 2) Childhood experiences of violence—Individuals' learning and absorption of violence from society and environments especially in childhood in a family that regularly uses violence, children can absorb violence and use it. They would see that violence is normal and believe that problems can be solved with violence. 3) Knowledge about life history of each other—Family members know life history of each other well such as ability, weak points, strong points, likes and dislikes, etc., which is different from members of other systems who know each other superficially. Therefore, conflict between family members can be more severe than that between members of other systems because they can attack the other exactly on his or her weak points or defects. 4) Social values and attitudes of surrounding people—Wrong beliefs about status with emphasis on male dominance that men must be heads of families and males' aggressiveness and violence are normal and macho. On the contrary, women must not be aggressive and violent because that is not what ladies should be. Good wives must be modest, humble, and patient, not haggle with their husbands, respect their husbands, obedient, and ready to serve their husband in all matters. Another belief is that husbands are owners of their wives and have rights to do anything with them even beating them for punishment, and their wives do not have the right to protest them. Moreover, other people should not interfere when husbands and wives quarrel because it is normal just like the tongue and teeth hitting each other. When fathers beat their children, they have the power to do it and other people should not pay attention to it. There is another belief that it is normal for married men to have sexual with other women but not for married women to do so because it is considered adultery, and such women are bad and nobody would want to be associated with. 5) In society without alertness to human rights that does not believe all human beings are equal in rights, it is normal for people in such society to see some people as having higher status and more rights than other people do. Women and children have a lower status than men have and thus have less rights, and this causes abuses against them and causes them to be taken advantage of. In society where violence is so widely used that it becomes normal and accepted, where the use of violent behaviors reflects advantage and becomes incentive for using more violence, and where environments have influence on violence, pressure, thought, people in such society will be aggressive and likely to commit more acts of violence. (Kaewfan, 2007; Parimutto, 2010; Daen-khunthod, 2011; Laeheem & Boonprakarn, 2014).

3. Methods

3.1 The Subjects

The subjects of this study were 1,536 wives who were representatives of Thai Muslim married couples in Pattani Province in providing data. They were selected using multi stage sampling as follows. Stage 1) Districts were selected using stratified sampling divided into three strata which were districts with high and very high levels of population loss (red districts), districts with a moderate level of population loss (pink districts), and districts with a low level of population loss (green districts). These levels were determined using the data and trends of violence provided by the Deep South Watch (2013). Then two districts from each strata were selected using simple random sampling to get six districts. Stage 2) four sub-districts were selected from each district through simple random sampling to get 24 sub-districts. Stage 3) Two villages were selected from each sub-district to get 48 villages. Stage 4), the last stage of subjects selection, 32 wives were selected from each village to represent Thai Muslim married couples in Pattani Province in giving data. The 32 wives were then divided into two groups of 16. One group was with, and the other without, risk domestic violence behaviors. They were selected by local Muslim leaders in the target areas.

3.2 Research Instrument

The research instrument was the Screening Inventory for Thai Muslim Spouses at Risk of Domestic Violence Behaviors (Laeheem, 2014) that was developed by the researcher, and has been tested for its quality and to be with normal criteria for results interpretation. The five rating scales are: 4 = Regularly (16 times or more); 3 = Often (11 – 15 times); 2 = Quite often (6 – 10 times); 1 = Once in a while (1 – 5 times); and 0 = Never. (Laeheem & Sungkharat, 2012). The target group was asked to determine the level of their spouse's behaviors during the last six months. (See appendix).

3.3 Data Collection

The data for this study were collected through via face-to-face interview by the researcher and research assistants who, even though, were with experiences in data collection and were locals of the target areas, were retrained in order to have the same data collecting methods.

3.4 Variables Used in the Research

There were eight determinants which were strict upbringing, democratic upbringing, negligent upbringing, severe punishment in childhood, exposure to parents' quarrels, violent behavior in childhood, females' inferior status, and the emphasis on patriarchy, or male dominance, and the outcome was domestic violence.

3.5 Data Analysis

The R program, R commander package, and epicalc package were used to analyze descriptive data to calculate the frequencies and percentages. Chi-square test was used to analyze the relationship between family background factors and domestic violence, and family background risk factors associated with domestic violence were analyzed by computing logistic coefficients and the odds ratios.

3.6 Variable Measurement

1. The eight variables of determinants were measured by finding means of the questionnaire and making them into standard scores or z-scores. After that they were divided into three groups where the cut points were set as follows. If the standard score was lower than -1.00, it meant that it was at a low level or never. If the standard score was from -1.00 to 1.00, it meant that it was at a moderate level or once in a while, and if the standard score was from 1.01 or more, it meant that it was at a high level or regularly.

2. Criterion variables were calculated by adding up the results of the measurement form and comparing them against the normal criteria of the screening inventory developed by the researcher. The criterion is that Thai Muslim married couples who are classified into the group with domestic violence were those whose score is from 118 or more (T56.15 or more).

4. Results

4.1 General Data on Family Background Risk Factors in Eight Variables and Domestic Violence

The data were collected from the 1,536 wives who were representatives of Thai Muslim married couples in Pattani Province in giving data. It was found that most of them (42.1%) were raised in a strict upbringing style at a moderate level, followed by those who were raised this way at a high level (29.7%), and a low level (28.2%), respectively. Most of the subjects 37.6%, were raised in a democratic upbringing style at a high level, followed by those who were raised in this style at a low level (31.4%), and at a moderate level (31.4%). Most of the subjects (45.2%) were raised with a negligent upbringing style at a high level, followed by those who were raised in this style at a low level, and a moderate level were (31.4%), and (23.4%), respectively. In addition, most of the subjects (38.4%) had severe punishment in childhood once in a while, followed by those who had severe punishment regularly (33.5%), and those who never had it (28.1%). The percentage of the subjects who witnessed their parents' quarrels in their childhood once in a while, and that of those who never witnessed such incidents were the same (39.8 %); those who regularly witnessed the incidents, and those who had violent behaviors in childhood once in a while were of the same percentage of 44.9 %, followed by those who never had violent behaviors in childhood (38.4%), and regularly had such behaviors (16.7%), respectively. Most of the subjects (37.7%) thought that they had an inferior status at a moderate level, followed by those who thought they had an inferior status at a high level (33.7%), and at low level (28.6%), respectively. The percentages of the subjects who believed in male dominance at a low level, and a high level were almost the same (37.4% and 37.2%), and at a moderate level (25.4%). Five hundred and eighty-nine (589), or 38.3 percent of Thai Muslim married couples in Pattani Province were classified into a group with violent behaviors, 947 or 61.7 percent of them were classified into the group without violent behaviors.

4.2 The Association between the Eight Variables of Family Background Risk Factors and Domestic Violence

Analysis was performed to find out about the association between domestic violence in the Thai Muslim married couples in Pattani Province and the eight variables of family background risk factors which were strict upbringing, democratic upbringing, negligent upbringing, severe punishment in childhood, exposure to parents' quarrels, violent behavior in childhood, females' inferior status, and the emphasis on patriarchy, or male dominance. The analysis using a chi-square test found that strict upbringing and violent behavior in childhood had a statistically significant associated with domestic violence at .001, and severe punishment in childhood and exposure to parents' quarrels had a statistically significant associated with domestic violence at .01. Democratic upbringing, negligent upbringing, females' inferior status, and the emphasis on patriarchy, or male dominance did not have a statistically significant associated with domestic violence. Thai Muslim married couples in Pattani Province who had a high proportion of domestic violence were those who had strict upbringing at a high level, regularly had severe punishment in childhood, were regularly exposed to parents' quarrels, and regularly had violent behaviors. (See Table 1)

Table 1. Association between family background risk factors and domestic violence

Determinants	Domestic violent			Chi-square	p-value
	Not violent (947)	Violent (589)	Total (1,536)		
Strict upbringing				27.564	0.000
Low	68.2	31.8	28.2		
Moderate	64.1	35.9	42.1		
High	52.0	48.0	29.7		
Democratic upbringing				3.766	0.152
Low	60.7	39.3	31.4		
Moderate	59.0	41.0	31.0		
High	64.6	35.4	37.6		
Negligent upbringing				1.350	0.509
Low	61.8	38.2	31.4		
Moderate	59.2	40.8	23.4		
High	62.8	37.2	45.2		
Severe punishment in childhood				11.974	0.003
Never	68.2	31.8	28.1		
Once in a while	60.5	39.5	38.4		
Regularly	57.5	42.5	33.5		
Exposure to parents' quarrels				9.280	0.009
Never	68.8	31.2	39.8		
Once in a while	61.0	39.0	39.8		
Regularly	58.6	41.4	20.4		
Violent behavior in childhood				34.923	0.000
Never	69.3	30.7	38.4		
Once in a while	60.1	39.9	44.9		
Regularly	48.2	51.8	16.7		
Females' inferior status				1.795	0.408
Low	59.1	40.9	28.6		
Moderate	62.3	37.7	37.7		
High	63.1	36.9	33.7		
The emphasis on patriarchy				3.101	0.212
Low	60.8	39.2	37.4		
Moderate	59.0	41.0	25.4		
High	64.3	35.7	37.2		

4.3 Family Background Risk Factors Associated with Domestic Violence

In analyzing family background risk factors associated with domestic violence in the Thai Muslim married couples in Pattani Province using binary logistic regression, four variables were found to be significantly associated with domestic violence. They were strict upbringing, severe punishment in childhood, exposure to

parents' quarrels, and violent behavior in childhood (p value $< .001$) with a residual deviance of 954.4 on 1527 degrees of freedom. Married couples who had strict upbringing at a high level and a moderate level had a higher probability of having domestic violence than those who had this upbringing style at a low level at 0.53 times (95% C.I. 0.41 – 0.69), and 0.41 times (95% C.I. 0.28 – 0.89), respectively. Married couples who regularly had severe punishment in childhood had a higher chance 0.65 times (95% C.I. 0.50 - 0.85), and those who had it once in a while had a higher chance 0.51 times (95% C.I. 0.36 – 0.71) than those who never had severe punishment in childhood to have domestic violence. Married couples who regularly, and who, once in a while, were exposed to parents' quarrels had a higher chance to have domestic violence than those who were never exposed to parents' quarrels 2.46 times (95% C.I. 1.74 – 3.49) and 1.73 times (95% C.I. 1.27 – 2.36), respectively. Married couples who regularly had violent behaviors in childhood had a higher chance 0.52 times (95% C.I. 0.37 - 0.72), and those who had such behaviors once in a while had a higher chance 0.43 times (95% C.I. 0.31 – 0.61) than those who never had violent behaviors in childhood of having domestic violence. (See Table 2)

Table 2. Family background risk factors associated with domestic violence, final model

Factors	Odds ratio	95 % Confidence interval (C.I.)	S.E.	Wald	<i>p</i> -value
Strict upbringing				30.088	0.000
Low	1				
Moderate	0.41	0.28, 0.59	0.19	23.114	0.000
High	0.53	0.41, 0.69	0.14	22.038	0.000
Severe punishment in childhood				18.022	0.000
Never	1				
Once in a while	0.51	0.36, 0.71	0.17	15.388	0.000
Regularly	0.65	0.50, 0.85	0.14	9.608	0.002
Exposure to parents' quarrels				25.577	0.000
Never	1				
Once in a while	1.73	1.27, 2.36	0.16	12.200	0.000
Regularly	2.46	1.74, 3.49	0.18	25.535	0.000
Violent behavior in childhood				25.363	0.000
Never	1				
Once in a while	0.43	0.31, 0.61	0.17	23.785	0.000
Regularly	0.52	0.37, 0.72	0.17	15.183	0.000

5. Discussion and Conclusions

The results of the study revealed that family background risk factors significantly associated with domestic violence among Thai Muslim married couples were four variables: strict upbringing, severe punishment in childhood, exposure to parents' quarrels, and violent behaviors in childhood. Married couples who had a high chance of having domestic violence were those who were exposed to parents' quarrels regularly (2.46 times), once in a while (1.73 times), those who had severe punishment in childhood regularly (0.65 times), and once in a while (0.51 times). Married couples who had strict upbringing at a high level (0.53 times), at a moderate level (0.41 times), those who regularly had violent behaviors in childhood (0.52 times), and those who, one in a while, had violent behaviors in childhood (0.43 times). The results of the study indicate that family background risk factors that are most associated with domestic violence among Thai Muslim married couples are: regular exposure to parents' quarrels (2.46 times) and occasional exposure to parents' quarrels (1.73 times). This is because witnessing parents' quarrels in childhood enables children's learning process and response through imitation. Human's learning is more efficient and more effective in the context where there is feeling and emotion which often takes place during childhood when children are ready to learn and imitate their parents more than other people, and thus children learn and absorb what they learn into their personality and remain with them until they grow up. When children learn and experience violence committed by people in the family, they learn the norm and adopt violence as well as the role model of using violence. Therefore, when they grow up and have conflicts with their spouse, they imitate their parents' behavior and use violence in solving the problem (Gelles & Straus, 1979; Bandura, 1976).

Additionally, children who experience violence in their family, especially from exposure to parents' quarrels, can absorb and imitate such violence which can lead to a norm of using violence and will use violence against their spouses when they are married, and the violence will continue in a cycle (Gelles & Straus, 1979; Bandura,

1986). In a study by O'Leary & Williams (2006), it was found that individuals who have frequently experienced family violence such as parents beating and scolding each other, parents beating their children, and sibling quarrels, are more likely to use violence against their spouses than those who have not had such experiences. This corresponds with a result of a study by Stets (1990) who found that people who have experienced violence have a higher chance of displaying violence against their spouses than those who have not. Children who have experienced violence between their parents have higher chances of committing violence than those who have not, 4.50 times (Laeheem, Kuning, McNeil, & Besag, 2008); 7.60 times (Laeheem, Kuning, & McNeil, 2009), and 7.11 times (Laeheem, Kuning, & McNeil, 2010). Children who have experiences in exposure to family violence, particularly, parents' quarrels, and severe punishments in childhood can absorb and imitate such violence (Laeheem, 2013a). Youth who have seen their parents quarrel have a higher chance (1.47 times) of committing violence than those who have not (Laeheem & Baka, 2009). Youth who have violent behaviors are usually from families with domestic violence such as beating and physically hurting each other, which is one of important causes of domestic violence because these children absorb and imitate what they have seen and think that violence can solve problems (Laeheem & Baka, 2012). Moreover, one risk factor that leads to violence and offenses is witnessing violent or illegal actions by others (Malley-Morrison & Hines, 2007).

As can be seen, influence of violence reinforces negative life experiences and is a starting point of violent behaviors, and encourages individuals to display violent behaviors that they have seen or experienced which make them feel that such behaviors are normal part of daily life. Experiences in violence motivate individuals to follow, and they are more motivated when repeatedly experience such violence, and try to justify or adopt violence as a method of problem solving. Individuals, especially youth, whose families often quarrel and have conflicts can be seriously stressed because of the harmful environments, and if serious stress happens for a long time, they usually go against adults and think that when people want to be respected, they have to use force and violence (Brentro & Long, 1995; Straus, 2001). Families are one cause of increasing violent behaviors, particularly, families with domestic violence, which motivates violent behaviors, and motivates individuals to show violent behaviors or accept that violent behaviors are normal for daily living, and that violence is an alternative for solving problems (Remschmidt, 1993; Laeheem, 2013b). Unsuitable transfer of knowledge, principles of practice, attitudes, and values are processes that make individuals unable to live in society happily, and results in conflict, quarrels, and physical assaults, which can be so serious that they eventually become domestic violence (McCall & Simmons, 1982; Hemmanad, 1990; Pongwech & Wijitranon, 2000; Parimutto, 2011).

The results of the study are beneficial for seeking ways to prevent and reduce domestic violence. However, parents and guardians must have realization and give importance to their children's feelings, be patient, forgive, understand, trust, and avoid quarrels so that children will not lean, absorb, and imitate violence, and use it against their spouses when they grow up and are married. In addition, relatives and related organizations must cooperate to campaign against domestic violence, and must cooperate with religious leaders and local leaders to promote happy and peaceful family, and encourage married couples to lead their married life in a desirable way according to the social norm and as expected by Muslim society specified in the Islamic principles.

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Appendix

Screening Inventory for Thai Muslim Spouses at Risk of Domestic Violence Behaviors (Laeheem, 2014).

Explanation Please asked the target group to determine the level of their spouse's behaviors during the last six months. The criterion for the score of each level is as follows.

4	means	the target group has regularly been abused with that behavior.	(16 times or more)
3	means	the target group has often been abused with that behavior.	(11 – 15 times)
2	means	the target group has quite often been abused with that behavior.	(6 – 10 times)
1	means	the target group has once in a while been abused with that behavior.	(1 – 5 times)
0	means	the target group has never been abused with that behavior.	

Domestic Violence Behaviors	Behaviors level				
	4	3	2	1	0
Aspect 1: Physical abuse					
Kicked					
Hit					

Domestic Violence Behaviors	Behaviors level				
	4	3	2	1	0
Pushed by foot					
Beaten					
Shoved					
Slapped					
Hit by knee					
Hit by elbow					
Thrown at					
Bitten					
Pinched and scratched					
Getting hair pulled or snatched					
Strangled					
Burnt with a cigarette butt					
Aspect 2: Emotional and mental abuse					
being scolded					
being bawled or yelled at					
talked at rudely					
ridiculed					
insulted					
talked at sarcastically					
abandoned without financial help					
receiving no attention and no love					
being mocked					
despised					
oppressed					
threatened					
detained					
teased about disabilities/impairments					
Aspect 3: Sexual abuse					
being forced to have sex when one does not want to					
being forced to have sex the way one does not like					
being forced to have sex in a place that one does not think appropriate					
being forced to have sex when one is not well					
being molested in front of others					
being lewd in public					
being forced to watch pornography					
being forced to wear clothes that reveal parts of one's body					
being forced to have one's photos taken naked					
being injured while having sex					
Aspect 4: Social abuse					
being detained					
being obstructed from socializing with friends					
being obstructed from contacting relatives					
being censored on telephone calls					
being confined to the house					
being prohibited from working outside the home					
being restricted in participating in social activities					
being obstructed from talking with neighbors					
being forced to travel only with family					
being forced to resigned from work					

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Faith-based Organizations and Microfinance: A Literature Review

Najmul Hoda¹ & Shankar Lal Gupta²

¹ College of Business, Umm Al-Qura University, Makkah, Saudi Arabia

² Waljat College of Applied Sciences, Rusayl, Oman

Correspondence: Najmul Hoda, College of Business, Umm Al-Qura University, Makkah, Saudi Arabia. Tel: 96-653-346-5852. E-mail: najmulhoda19@hotmail.com

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Abstract

Development institutions have been categorized as faith-based and mainstream based on their background and characteristics. This paper reviews the extant literature on Faith-based Organizations (FBOs) and their role in various areas of development specially poverty alleviation through microfinance. This paper reviews the studies dealing with faith-based organizations, their characteristics and their role in development. Some papers specifically deal with the religious principles that shape the value system in these organizations. A number of empirical studies both qualitative and quantitative provide insights on the working and performance of FBOs. This review paper will be useful for the researchers involved in the areas of social science, anthropology as well as economics. The findings of the empirical studies will be of interest to policy makers and regulators.

Keywords: faith-based organizations, microfinance, religion, poverty alleviation, literature review

1. Introduction

The development sector has been evolving and has seen a paradigm shift. In the recent past, the sector saw renewed efforts from those development institutions that subscribe to some religious faith and were not acknowledged in the past for some reasons. The development literature clearly distinguishes between the organizations associated with a religious faith and those that claim to be secular. Faith-based microfinance possesses the same distinct features as that of faith-based organizations. Therefore the paper first presents the detailed summary of the features of these organizations found in the literature. While describing the features of faith-based organizations (FBOs), the distinguishing principles, influence of faith, typology, and the role of FBOs in development. The next section deals with the various researches dealing with the principles of religious faiths in dealing with poverty. The next section discusses the studies on the role of the FBOs in poverty alleviations. The final section concludes the paper and discusses scope for future research.

2. Faith-based Organizations

Faith-based Organizations have been defined as a “general term used to refer to religious and religion-based organizations, places of religious worship or congregations, specialized religious institutions, and registered and unregistered non-profit institutions that have religious character or missions” (Woldehanna, et al., 2005, p. 27). Though faith-based organization is not a legally defined term, it normally refers to organizations affiliated to certain faith. Clarke (2008) offered a comprehensive definition of Faith-based organizations:

“a faith-based organization is any organization that derives inspiration and guidance for its activities from the teachings and principles of the faith or from a particular interpretation or school of thought within that faith” (p. 6).

These organizations explicitly claim a religious motive (Kirmani & Zaidi, 2010) and religion in these organizations “are often expressed in their mission statements, outlining the overall purpose of the NGOs and describing the underlying values and principles” (Petersen, 2010). Fritz (n. d.) has included various types of institutions in the list of FBOs: “a religious congregation (church, mosque, synagogue, or temple); an organization, program, or project sponsored/hosted by a religious congregation (may be incorporated or not incorporated); a nonprofit organization founded by a religious congregation or religiously-motivated incorporators and board members that clearly states in its name, incorporation, or mission statement that it is a

religiously motivated institution; and a collaboration of organizations that clearly and explicitly includes organizations from the previously described categories”.

2.1 Identification of Faith-based Organizations

There are several studies that point out the characteristics that help in identifying faith-based organizations. Jeavons (1997) proposed seven dimensions and these were also enumerated by Sider and Unruh (2004) as, “organizational self-identity, selection of organizational participants (staff, volunteers, funders, and clients), sources of resources, goals, products, and services (including “spiritual technologies”), information processing and decision making (e.g., reliance on prayer and religious precepts for guidance), the development and distribution of organizational power, and organizational fields (including program partners)” (p. 111). Smith and Sosin (2001) also analyzed several institutions to study how faith is present in an organization and suggested that the presence of faith can be found in the form of “resource dependency, authority and organizational culture”. The availability of funds, control of religious institutions or personalities, the influence of faith in the organizational design are some of the important factors that they found to be shaping the uniqueness of faith-based organizations.

2.2 Influence of Faith in FBOs

Many researchers have analyzed specifically the influence of faith in the faith-based organizations. Faith has a very strong and distinct influence in the functioning of Faith-based organizations. Clarke (*ibid*) suggests that faith can influence the agency and identity of the organization along both organizational and programmatic levels. The understanding of “faith” varies within different organizations and this factor is responsible for determining how faith will affect the functioning of an organization. Clarke (*ibid*) opines on this issue that, “the faith element of the FBO is not an add-on to its development activity rather an essential part of that activity, informing it completely” (p. 15). Berger (2003) further emphasized another important point that the effect of faith cannot be simply identified by programmes. It is actually the motive and the values that make the entire effort faith-based. Jeavons (2004) pointed to this fact in his case study that the effect of “faith” must not be apparent to prove that it exists within the organization. Berger (*ibid*) also suggests that to understand the effect of faith, pervasiveness should be the main determinant and there is nothing absolute in role of faith in FBOs.

James (2009) found two areas where the influence of faith can be directly observed – in the application of religious ritual and activities and use of religious teaching in main activities. Unruh (2004) highlighted the main factors present in the programmes of a religious organization. These factors are responsible for giving the organization a distinct identity compared to the mainstream organization. He mentions nine features that may indicate religious affiliation. These are “self-descriptions, sacred objects, invitations to religious activities, prayer, use of sacred texts, worship, sharing of personal testimonies, religious teachings, and invitations to a personal faith commitment”. Ebaugh et al. (2006) suggest examining the religious nature of FBOs in terms of three dimensions namely Service, Staff, and Organizational dimensions. Goggin and Orth (2002) advanced the earlier works on faith-based organizations and developed a scale named as Faith Integration Scale. This scale could measure the pervasiveness of faith in an organization. The scale comprised of five calibrations – organization, administration, environment, funding, and programme. Each factor was further elaborated to specify its composition. Aiken (2010) emphasized the effect of faith on six areas of the target community namely “change in the community; theology and development goals; selection of beneficiaries; programme design and implementation; staff motivation and faith in internal practice”. She also mentioned that faith was also cited to be the main source of motivation by the staff of a faith-based organization. Smith and Sosin (*ibid*) did an institutional analysis to describe the religious coupling in an organization that can be determined by resource dependency authority and organizational culture. James (2004) deduces from his study on Christian FBOs that faith impacts organizational dynamics in ten ways namely, “structural affiliation and governance; values and staff motivation; mission; strategy and theory of development; selection of partners and choice of beneficiaries; faith practices and teaching in programming; staffing and leadership; organisational culture and decision-making; constituency and sources of funding; and external relationships” (p. 12). Faith affects the organization in two main ways: in the organizational features and in the programme features.

A Faith-based organization may not necessarily have all the characteristics discussed above or meet all the criteria to be identified as faith-based. James (*ibid*) points out that faith can affect an organization in “internal operations, leadership, relationships, culture and policies of an organization”. Jeavons (1994) mentioned that the religious practices observed by the staff are important elements in the organization decision-making. The beneficiaries or members may or not be a part of such rituals. Typical example of the staff religious practice within an organization is the time off for observing religious duty/prayer. Another symbolism is the start of any

meeting or important work with the recitations from the religious books. The intensity of observation of such acts depend on the influence of faith in the organization. So, in a highly involved organization, it may be mandatory for the staff to attend the prayers or rituals whereas it may be voluntary in other cases.

Table 1. Influence of Faithin FBOs

Sider and Unruh (2004)	Organizational Characteristics (Mission statement, Founding Affiliation, Controlling board, Senior management Support, Personnel religious practices) Programme Characteristics (Religious environment, Program content, Integration of religious component, Expected connection between religious content and desired outcome)
Jeavons (1997, 2004)	organizational self-identity, selection of organizational participants (staff, volunteers, funders, and clients), sources of resources, goals, products, and services (including “spiritual technologies”), information processing and decision making (e.g., reliance on prayer and religious precepts for guidance), the development and distribution of organizational power, and organizational fields (including program partners)
Smith and Sosin (2001)	resource dependency, authority and organizational culture
Berger (2003)	Not only in programmes but pervasiveness of faith
Unruh (2004)	Self-descriptions, sacred objects, invitations to religious activities, prayer, use of sacred texts, worship, sharing of personal testimonies, religious teachings, and invitations to a personal faith commitment
Ebaugh <i>et al.</i> (2006)	Service, Staff, and Organizational dimensions
Goggin and Orth (2002)	Faith Integration Scale (organization, administration, environment, funding, and programme)
Aiken (2010)	change in the community; theology and development goals; selection of beneficiaries; programme design and implementation; staff motivation and faith in internal practice
James (2004)	structural affiliation and governance; values and staff motivation; mission; strategy and theory of development; selection of partners and choice of beneficiaries; faith practices and teaching in programming; staffing and leadership; organisational culture and decision-making; constituency and sources of funding; and external relationships

Source: Literature Survey

2.3 Typology of FBOs

Faith-based Organizations (FBOs) are not similar, homogenous lot. They vary in several dimensions as discussed in the previous section. More detailed explanations of the variations are present in various studies (Sider & Unruh, 2004; Clarke, 2008; Hefferan et al., 2009). However, there is one thing common among these organizations and that is the connection with faith. All the faith-based organizations have a clear connection with some religious or faith-tradition but in varying degrees. The variation is not just in degrees of affiliation but also by the virtue of differences within the faith. There are different strains of the same religious faith (Clarke, 2008). Due to this reason, several faith-based organizations hide their faith-identity. James (2009) mention that in order to enlarge the source of donations and diversify the personnel and to be able to work in diverse areas, some faith-based organizations do not use faith too explicitly. There are many classifications and typologies of faith-based organizations available (Table 2). However in terms of the nomenclature of the types of faith-based organizations the contributions of Goggin & Orth (2002) and Scott (2002) have been given great importance by Sider and Unruh (*ibid*). Monsma (1996) developed a “Religious Practices Scale” to describe the religiosity of an FBO. On the basis of the degree of religiosity, he called them High, Medium or Low faith-based. Monsma (2002) refined this classification in his later work and classified them as “faith-based or integrated and faith-based or segmented programmes”. Sider and Unruh (*ibid*) classified FBOs into five categories and Tadros (2010, p. 7) has

cited three types of Faith-based organizations categorized by UNFPA and also presented examples of each types. Clarke (*ibid*) classified FBOs as, “faith-based representative or apex bodies; faith-based charitable or development organizations; faith-based socio-political organizations; faith-based missionary organizations; and faith-based radical, illegal or terrorist organizations”. Bradley (2009) developed a continuum to place faith-based organizations according to how faith shapes their identity and influences their practice. Jodhka and Bora (2009) proposed a modified typology using Clarke’s typology (p. 8). Sider et al. (2002) named five typologies based on the presence of distinct religious symbolisms in the programmes.

Table 2. Typology of FBOs

Clarke (2008)	faith-based representative or apex bodies; faith-based charitable or development organizations; faith-based socio-political organizations; faith-based missionary organizations; and faith-based radical, illegal or terrorist organizations
Monsma (1996)	religious practices scale (high, medium or low faith-based)
Monsma (2002)	faith- integrated; and faith- segmented programmes
Sider (2004)	faith-permeated; faith-centered; faith-affiliated; faith-background; and faith-secular partnerships
Tadros (2010)	faith-based and/or faith-inspired development organizations; interfaith- or multi-faith-based organizations; local congregations; and ministries of religious affairs
Bradley (2009)	secular non-governmental organizations and denominational or faith-led organizations
Jodhka and Bora (2009)	faith-based charitable or development organization; faith-based socio-political organizations; faith-based missionary organization; faith-based cultural organizations; and any other faith-based organization
Sider, et al. (2002)	integrated-mandatory, integrated-optional, relational, invitational and implicit

Source: Literature Survey

2.4 Significance of FBO's in Development

Jones and Petersen (2011) present review of the literatures on FBOs in their article. They comment “that there is a growing body of research on religion and development, primarily from development scholars and practitioners”. FBOs have been providing “education, health, humanitarian relief, and microfinance to hundreds of millions of people, substituting for absent governments across large swathes of the developing world” (Kaplan, 2009). Tadros (*ibid*) present the various types of works being carried out by FBOs that constitute almost half of all the efforts. Tyndale (2006) has supported the role of FBOs in development and proposes that these organizations can prove to be an effective alternative to the mainstream counterparts. Narayan (2000) has also reported that FBOs are contributing more to development and have shown to be more effective. Lunn (2009) and Lybbert (2008) further add that FBOs play an important role in the formation of social capital. Marshall and Keough (2004) opine that these organizations have more affinity to the local people and have the potential to reach the grassroots. Clarke and Jennings (*ibid*) argue that religious organizations are rooted in the community, a rootedness that helps situate their work and makes them more effective. CIVICUS (2011) highlights that FBOs possess the best network for service delivery because the religious institutions are quite connected to the poor and they play an important role in the lives of the poor. In addition to this network, the FBOs can actually reach the donors of same faith across the world. Another point that adds thrust to the significance of FBOs is the fact that connection with faith is more profound in the developing countries (Goulet, 1980). James (*ibid*), Belshaw et al. (2001) and Haynes (2007) have highlighted the institutional advantages of FBOs. Wrigley (2011) mentioned several advantages namely “sustainable, efficient development services” “access to the poorest” “valued by the poorest”; “superb networks and global links”; and effective in “motivate (ing) volunteers, action and civil society advocacy” (p. 8). Tsele (2001) mentions that FBOs have positive connections with the poor because they try to relate with the target as “subjects” and not “objects”. UNFPA (2008) advocates the role of faith and chalks out a

strategy on how the government agencies and donors can partner with FBOs. Aiken (*ibid*) has noted many significant benefits of FBOs citing the works of (James, 2009; Clarke, 2008; Benn, 2005; Marshall, 2005) such as; “providing efficient, cost effective services, reaching the poorest, being valued and listened to by the poor, providing an alternative to a secular theory of development, igniting civil society advocacy and motivating action” (p. 3).

3. Empirical Studies on Faith-based Microfinance

Empirical studies dealing with faith-based microfinance are few. Vidal (2001) mentions that the main reason for the scarcity of empirical analyses of these organizations is the absence of any listing of such organizations at international, country or even state/county level. Still, the literature survey resulted in some prominent studies on these institutions.

The conceptual aspects such as the role of faith in development, viability of FBOs in microfinance, significance of religion in micro-entrepreneurship have found due importance by many researchers. Ashta and De Silva (2011) reviewed the studies that took place on the role of religion in microcredit. They also described the broad contours of research in this area. Akdede and Hotunluoglu (2008) analyzed empirically the relationship between “the degree of religiosity” and “economic development” for Turkish cities with the presence of municipal authorities. Allen (2006) has discussed the potential of faith-based microfinance institutions in providing better access to financial services to very poor people than groups which borrow from banks and financial institutions. van Engelenhoven (2006) in his thesis examined the relationship between religion and economic activities of micro-entrepreneurs in developing countries who receive a micro-credit in Zambia. He finds that the female micro-entrepreneurs in developing countries are central and there is a positive relationship between religion and micro-entrepreneurship.

In-depth analyses of the functioning, operating procedures and faith pervasiveness in FBOs are also found in the literature. Harper, et al. (2008) discusses FBOs based on Islamic, Hindu and Christian faiths. Shetty (2008) has also discussed the same faith-based microfinance institution associated with the Dharmasthala temple in Dakshin Kannada in the southern part of India included in Harper, et al. (*ibid*). Diklitch and Rice (2004) describe faith-based microfinance institutions in Africa. They mention about Menonite Central Committee as a different and more liberal Christian approach to development assistance. Harriman (2008) presents such institutions in Philippines and Thailand. Kaur (2007) analyzed the activities of COVA of Hyderabad, India. Mask (2000) writes about the microfinance operations of World Relief in his paper. Ashta and Deselva (*ibid*) have cited the case of Periyar community that runs microfinance institution named SNDP Microfinance in Southern India. Kessler and Arkush (2009) highlighted the operating details of a Christian FBO named Christian Aid. Fikkert (2000) describe a Christian FB-MFI named Evangelical Social Action Forum (ESAF) in Kerala, India. Clarke (2010) discusses the unique cases of inter-faith based organizations namely Muslim Aid and United Methodist Committee on Relief to demonstrate that the presence of faith has overall positive effect on the development activities. Bradley (2009) compared three types of faith-based organizations using a faith scale.

The empirical assessment of sustainability, impact, and financial performance of FB-MFIs has been dealt with in some studies. Mersland et al. (2013) analyzed the performance of a sample of Christian faith-based microfinance institutions and compared them with the mainstream organizations. Reinikka & Svensson (2008) compared the effectiveness of faith-based and mainstream service providers. Their findings favored their assumption that FBOs are more effective than mainstream organizations. Aiken (*ibid*) examined the influence of faith identity in FBOs and found that it is a determining factor for the success of these programmes. Benthall (2008) supported the view that the relationship between faith and development is positive. Mc Keon and Madsen (2009) research and document the roles faith-based organizations (FBOs) are playing in Western Canada, especially in British Columbia and Alberta. Ndemo (2006) provides an in-depth analysis of the performance of faith-based enterprises operating in Kenya while Jodhka and Bora (*ibid*) provide an empirical analysis of the FBOs operating in the state of Maharashtra in India. The research is a part of a comprehensive study instituted by DFID. Bano and Nair (2007) provide a comprehensive analysis of the FBOs operational in South Asia. Noland (2005) presented the performance of economies that have influence of religion and this study has significant relevance to the study of FBOs. Llanto and Geron (2000) studied the operational features of FB-MFIs and commented on some important issues like the coverage of cost of offering non-monetary services like faith-teaching, spiritual activities etc. Fikkert (*ibid*) presented an in-depth analysis of various Christian FB-MFIs and suggested that the teachings of Gospel should be highlighted more in any humanitarian work undertaken by Christian FB-MFIs. He basically promotes faith-integrated institutions. Hovland (2005) analyses the tensions between the Norwegian Missionary Society and its dependence on secular funding from NORAD, the Norwegian government’s official development assistance agency.

Table 3. List of faith-based microfinance institutions

S No	Name of the institution	Reported in	Faith	Location
1.	SNDP	Minimol and Makes (2012)	Hinduism	India/Kerala
2.	Akhuwat	Harper <i>et al. (ibid)</i>	Islam	Pakistan/Lahore
3.	Al Farz Foundation	Khaled (2011)	Islam	Pakistan/Lahore
4.	Al Khair Cooperative Credit Society	Khan (2009)	Islam	India/Patna
5.	American Friends Service Committee (AFSC)	Diklitch and Rice (2004)	Christianity	United States
6.	CAPARV	Harper <i>et al. (ibid)</i>	Islam	India/Imphal
7.	Catholic Relief Services	Harper <i>et al. (ibid)</i> , Diklitch and Rice (2004)	Christianity	Various Countries
8.	Chinmaya Mission Sidhabari	Paul (2012)	Hinduism	India/Sidhabari
9.	Christian Aid	Kessler and Arkush (2009), Harper <i>et al. (ibid)</i>	Christianity	UK/Oxford
10.	COVA	Harper <i>et al. (ibid)</i> , Kaur (2007)	Islam	India/Hyderabad
11.	ESAF	Harper <i>et al. (ibid)</i>	Christianity	India/Chennai
12.	Islamic Relief Worldwide	De Cordier (2009), Kirmani and Khan (2008)	Islam	UK/London
13.	LEAP	Harper <i>et al. (ibid)</i>	Christianity	Liberia/Monrovia
14.	Lutheran World Relief (LWF), Mennonite Central Committee (MCC)	Diklitch and Rice (2004)	Christianity	USA
15.		Diklitch and Rice (2004)	Christianity	North America
16.	Muslim Aid	Clarke (2008)	Islam	UK/London
17.	Muslim Fund, Deoband	Khan and Nisar (2004)	Islam	India/Deoband
18.	Oxfam	Bradley (<i>ibid</i>)	Christianity	UK/Oxford
19.	Shri Kshetra Dharmasthala Rural Development Program	Harper <i>et al.</i> (2008), Ashta (2010), Shetty (2008)	Jainism	India/Mangalore
20.	Tearfund	Wrigley (2011)	Christianity	UK/Teddington
21.	The Holy Cross Social Service Centre	Harper <i>et al.</i> (2008)	Islam	India/Hazaribagh
22.	United Methodist Committee on Relief	Clarke (2008)	Christianity	USA/New York
23.	Village Development Project	Bradley (2009)	Hinduism	India/Jodhpur
24.	World Jewish Relief	Kessler and Arkush (2009)	Jewism	UK/London
25.	World Vision	Diklitch and Rice (2004)	Christianity	USA

Source: Literature Survey

4. Discussions and Conclusions

Faith and development have been operational for a long time but their association was subdued because of the existing taboo. However, the need for alternative models of poverty alleviation and the gigantic task of eliminating poverty, enshrined in Millennium Development Goals, has opened the doors for this model. In the past few decades, the literature on Faith-based organizations has appeared in significant amount. These organizations have the potential of adding a lot of value in the area of microfinance in the form of social capital, linkage with the community, reputation and cost efficiency. The literature review shows that there are limited studies on the detailed performance of these faith-based microfinance institutions. Comparisons of the performance of faith-based microfinance institutions with their mainstream counterparts are very few. The various aspects that need to be probed are the sustainability of these institutions, impact of faith, value addition to microfinance, and the inherent challenges.

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Applying Maturity Framework to US Cinema for Analyzing the Commercial Culture Industry

Hyunjung Rhee¹

¹ School of Cinematic Content, Dankook University, Gyeonggi, Korea

Correspondence: Hyunjung Rhee, School of Cinematic Content, Dankook University, Gyeonggi, Korea. Tel: 82-10-8738-7725. E-mail: bonoanimi@gmail.com

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Abstract

In the 21st century, the culture industry is being focused as the core growth engine of the future because of its high value added potentials. At such time, it is important to map out a proper plan for flourishing the culture industry depending on the current situation of each nation. However, there is a difficult point in evaluating the current culture itself in that it is abstruse due to its intangible value so that the necessity of analysis method development only for culture industry is emphasized. This paper is aimed to suggest a potential framework in order to estimate the quality of commercial culture within the framework of industry. For this purpose, we borrowed the concept of the maturity model, which has been generally applied for evaluating the quality of an intangible field. As a representative commercial culture, we chose the film industry for the analysis. We established a maturity framework for commercial culture based on a case study of the US cinema industrial history as a representative free economic system.

Keywords: commercial culture, experiential product evaluation, maturity framework, US cinema

1. Introduction

In the beginning of the 20th century, “Culture Industry” has been first mentioned in the academic field by Adorno and Horkheimer (Kim et al., 2007). In accordance with the combination of those two differing words, ‘culture’ and ‘industry’, it is reasonable to assume that culture contains economic value. “Commercial cultures” (McAllister, 2003), such as blockbuster movies, TV shows and pop songs, becomes rather the prime mover creating added value in the 21st world industry. Although culture itself cannot be judged by any standards, commercial culture is different; in capitalist society, culture is considerable in judging quality with various cultural products which are mostly experiential products. Then what would be estimated as a *good* commercial culture in the market? This question is important for both governments and enterprises in order to obtain ideas on how they can support and develop commercially worthwhile products, respectively.

The software industry, as well, plays a pivotal role in a nation’s economic growth and *is* also crucial for evaluating the quality. Like cultural products, software is hard to evaluate before it has been experienced. The U S State Department, an institute to first adopt the software, has been supporting the SEI (Software Engineering Institute) at Carnegie Melon University in order to develop a measurable standard for the quality of software. As a result, the CMM (Capability Maturity Model) has been built, which is the first introduced the concept of “maturity.” SMI insisted that “the quality of a product is largely determined by the quality of the process that is used to develop and maintain it” (Paulk et al., 1993). More specifically, the quality of software is possible to equate the quality of its producing environment.

Likewise, in this paper, maturity framework is presented as a method to figure out the quality level of commercial culture. the history of film is chosen as the source because; the film is one of the representative commercial cultures; in most nations, the film industry has begun at around the same period- the invention of technology; thus, the comparison between countries is easier; and about 100 years of film history is a proper length of time to observe clearly both industrial rises and falls. We especially chose US film history as the source for checking the possibility of applying maturity concept to see the quality of commercial culture of the period, because US film industry has been operating in a fully free-economic system from the very beginning. This paper suggests inferring the situation of commercial culture with the methodology of the case study of US cinema.

2. Definition and Method

2.1 Maturity Model

The concept of “maturity” has first been suggested as a framework methodology in the CMM (Capability Maturity Model), which has been developed by SEI (Software Engineering Institute) at Carnegie Melon University, in 1984. The objective of the CMM is to establish a standard for evaluating the quality of software, upon the support of the U. S. government (Ramanujan & Kesh, 2004). CMM represents the level of software depending on the quality of the developing process. Later, CMM has been developed into CMMI (Capacity Maturity Model Integration), an integration model suggesting global standards in order to improve process in a more efficient way for system-technology related enterprises.

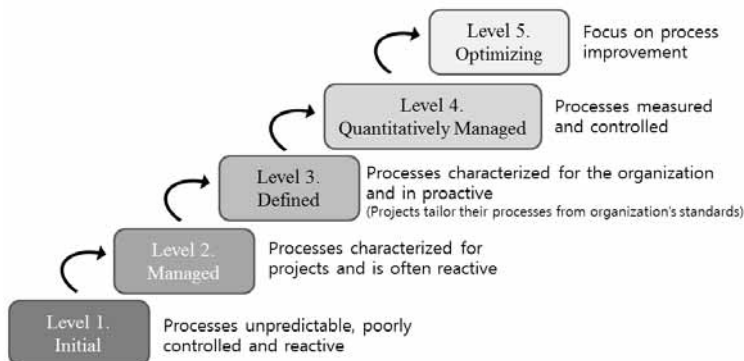


Figure 1. Characteristics of maturity levels

The concept of “maturity model” has been applied for evaluating the growth by comparing with that of others (Fisher, 2004; Harmon 2004; Spanyi, 2004). Later, it was applied for checking the capability levels of an organization in various fields, including business management, marketing, people capability, green environment, and so on (Ahern et al., 2004; Hakes, 1996; De Bruin et al., 2005); the characteristics of each level is shown as Figure 1. The EA (Enterprises Architecture) maturity model, which has a concept that is used worldwide and has also been developing properly depending on nations and periods, is one of the good maturity model examples for evaluating an organization’s job performance. It has developed an objective to evaluate the strengths and weaknesses in each department through the whole analysis of organizational culture, capability, sources, and structures for all EA build-up object departments, such as the US Government Accountability Office, Department of Commerce and Office of Personnel Management.

Table 1. Maturity stage titles of different maturity models

Model Title (Institution)	Level 0	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6
Capacity Maturity Model Integrated (SEI)	-	Initial	Managed	Defined	Quantitatively Managed	Optimizing	-
Business Process Maturity Model (Gartner)	-	Process-Aware	Coordinated Processes	Cross-Boundary Process Mgmt	Goal-Driven Processes	Optimized Processes	-
Enterprise Architecture (US Gov)	Create EA Awareness	Establish Commitment and direction	Create a management foundation	Develop initial EA versions	Using EA for targeted results	Use EA for transformation	Continuous improvement
Business Maturity model (Deloitte)	-	Pioneer Level	Process Level	System Level	Network Level	-	-
Technical Capabilities (AT Kearney)	-	Beginner	Reviewer	Overseer	Performer	Innovator	-
Green IT (Accenture)	Incomplete	Initial	Repeatable	Defined	Managed	Optimized	-

As presented in Table 1, most of maturity models have adopted 5 levels. Each level is defined by the major processes associated with it. The lowest level commonly shows the barren environment of new starting processes or organizations. The second level, maturity models use the *processing quality* words such as ‘coordinated’, ‘management foundation’, and ‘repeatable’; this represent that level 2 is the level of *putting more effort is necessary*. Level 3 seems to contain more manageable quality than level 2 and in level 4, the process eventually reach the point of *become stable*. The highest level shows optimizing and innovation process preparing for the future.

2.2 Definition of ‘Maturity’ in Commercial Culture

Previously, software quality-related maturity models are objective to minimize the rate of failure such that the indicators of each level are compromised by the quality of its developing environment and process. Organization competence evaluation models, such as the EA maturity model (Valdés, 2011), set each level with the quality of the operating system quality in institutions. As it is possible to guess from the examples of various maturity models, maturity models are particularly practical to the fields that are vague to evaluate with their intangible characteristics. Those models, first of all, set the objective (e.g., minimize rate of failure when determining the software purchase), find the information necessary in order to check meeting the objective (e.g., quality of software), and then determine the indicators based on the environment in which the information could come out from (e.g., the whole process until the software is made).

Likewise, we first set the objective in order to develop the maturity framework. We then diagnose the current commercial culture industry in countries and suggest possible strategic plans for the steps forward. In other words, in this paper, the concept of ‘maturity’ is in a completely economic perspective, meaning “widely acceptable enough to satisfy the diversity of great mass and widen the size of market.” Thus, this framework can be considered as an indicating current standard of a nation’s culture industry.

2.3 Applying the Concept of Maturity Framework into Culture Industry

As mentioned above, it is hardly acceptable to evaluate the quality of certain nation’s culture. Ambiguous words, such as ‘high-class culture’ or ‘savage culture’, are used for class with power in the past in order to stress their superiority; hence, we should not be confused with the quality of the culture itself. This paper suggests a framework in order to see the commercializing value, and not the quality of culture. For such purpose, we first check the separate period from film history literatures, and then analyze each period based on economic growth and technological improvement. This framework establishes the foundation for building an actual maturity model in commercial culture.

Maturity Level	Level 1	Level 2	Level 3	Level 4	Level 5
Industry Attributes	Introduction	Attempting Various ways	Development by practices	Stable/analyzable	Ideal point
Industry Condition	New product introduced	Industry Formation	Active Market	Advanced	Practice for the best
Possible Strategies	Watching marketability	Public/Private Support	Various investment	Establishment of order	Planning for expanding field




Figure 2. Suggested maturity framework outline

In accordance with the previous maturity model examples, the suggested maturity framework for commercial culture could be considered in order to construct Figure 2. ‘Level 1’ would certainly be the introductory period; the formative movement to the industry would be shown at this level. ‘Level 2’ can be considered as structuring the shape of the industry period. At this level, the market is not yet very competitive, but the nation actively

supports looking further into the future. 'Level 3' can be the market boosting period by the number of enterprises rather than the national level. The industry condition would become pretty stable in 'Level 4'; the current lead in market could be considered at this level. Finally, in 'Level 5', "perfect monopoly" could be suggested as the ideal form for the lead in a market (Nightingale, 1978).

To provide the useful guidelines, the commercial culture maturity framework will provide both political and practical features of conditions and strategies at each level. Because the purpose of this study is to develop an industrial maturity framework, we suggest a possible direction rather than proposing specific evaluation standards similar to most maturity models.

3. Maturity Concept Based Analysis of US Cinema History

3.1 Introduction Level: 1890s - 1910s

During the introduction period, especially for commercial culture business, it was mostly important to have financial strength of the nation as well as to ensure the freedom of creation. In the case where there was demand but self-sufficiency was not possible, a country's reliance on foreign products was very high. During this level of period, the industry ecosystem was not yet constructed and therefore, the financial situation was easy to be in disequilibrium. Productions more focused on seizing a new market rather than caring about the quality of their commercial culture products.

The global film industry was centered on Europe in the beginning of the 20th century. However, as a result of World War I, that of the US took the lead. While all European nations were in chaos by the war, the US film market supply was able to satisfy the demand through domestic products. During this period, the number of theaters and audiences increased explicitly; hence, the US film industry went under a mass production system. At that time, the center of the US film industry was New York; however, the area had a downside with its unstable climate to produce a numbers of films over a short-term period. Hence, film producing companies turned their attention to California, which has a warm and pretty stable climate, beautiful landscapes and rich human resources; gradually, the center of the industry moved to Hollywood (Thomson & Bordwell, 2009).

3.2 Industry Formation Level: 1920s & 1950s ~ 1960s

'Industry formation level' represents the period of the industry making various attempts in order to structure a stable market. It is the very next level of introduction in which most of the new industries are supposed to be. If the industry is not new, but stays in this level, the industry would be unstable from various effects, including external circumstance changes. Thus, the industry would attempt different strategies in order to find a proper structure for the currently paced circumstance. In US film history, we set two different periods into this level- in 1920s and 1960s.

From the late 1910s, production and distribution became integrated, as the so-called "studio system" was advent. In the late 1920s, only 5 major studios known as "The Big Five" and 3 minors known as "The Little Three," dominated the entire US film market. These studios built a very high entry barrier, making it difficult for new studios to enter the market. The development of film sound recording techniques and the birth of film festivals, such as the "Academy Awards," helped raise the status of the US film industry (Shin, 2013).

When the alternative media, television emerged in 1960s, the film market economy shrank. The spread of TVs in households was effective, strongly enough to change people's lifestyle; hence, the US cinema met its recession. In order to get out of the crisis, distinctive strategies were implemented; cinemas widened the screen size, positively adopted color film and improved the quality of sound (Thomson & Bordwell, 2009). The Paramount Decrees closed its studio system. Major studios had a hard time and ultimately closed; however, mini-major, minor and independent film studios grew fast finding a way to coexist with the TV industry. From the late 1960s, in order to lower risks, Hollywood film studios made great effort to find "guaranteed" filmmakers. Great named directors have produced masterpieces in this period and also made great success in theaters. In fact, behind this success, new storytelling methods, which have been developed in the 1950s and 60s, have been a great force (Thomson & Bordwell, 2009).

Even though we put the 50s to 60s in the development level, this period differs from the period before the golden age in how the government treated the studios as well as how the studios reacted to the environmental influences. As a result, they attempted more various types of movies and became more enthusiastic in lowering risks on movie investments. The advent of a strong alternative media, TV, was eventually a cause to reconstruct the entire industry's rules in both cases. To handle this kind of crisis and to take a step forward, it is important to find a way to compete but also to cooperate, so that they attempted differentiation strategies in screen size, color and sound quality as a competitive way. The US government pushed a reconstruction policy against monopolization,

and helped minor studios find a way to survive by cooperating with the TV, making image materials for broadcast so that they later could widen their position in the commercial culture industry. Although many of the major studios were falling apart, the reconstruction eventually vitalized the film industry.

3.3 Market Boosting Level: 1930s ~ 1940s & 1980s

At this level of period, film business is recognized as a very popular market, enough to create even added value. Similar with manufacturing business, the capital strength of major companies is very important in the commercial culture industry. Because building a high entry barrier also means that a great amount of capital was invested to the production, this could seem positive in the industry constructing period; right after the 'Industry formation' periods, which are after 20s and after 60s, would represent this level.

From the early 1930s, until Paramount decrees have acted in 1949, Hollywood operated under a studio system; many of the major studios owned theaters in order to take all the profit earnings from their products. Further, they unified the whole production, distribution and show in theater processes. Although the depression in 1929 hit the economy of theaters, the film business was not very bad compared to other businesses. They covered their loss by lowering ticket prices and production cost. They produced huge amount of B-movies similar with prior successful examples; this became an opportunity to develop "the Hollywood Narrative Rules (Song, 2007)." Color film was developed during this period; yet, it did not appeal movie productions because there were no strong demands for color movies.

In the 1980s, even media or electronic domestic and multinational enterprises ran into the entertainment business through M&A. They preoccupied windows for additional profit, such as video, cable TV and satellite TV after movie release. To give prominence to the "watching at theater value," many of those companies have attempted to produce movies in huge scale. The appearance of multiplex theaters and super blockbuster movies raised theater earnings.

3.4 Stable Industry Level: 1990s ~ Present

The commercial culture industry in this level is authorized in the world market, such that the distribution between countries is very active. In the case of film business, not only the final product itself but also the staff, distribution rights and publication rights, are subject to deals. The government also acknowledges the commercial culture field as a value added industry. Audiences' attitude toward movies has become much mature; they recognize the value of watching in theaters and are not much agitated by the movie ticket price. Yet, the audiences are not mature enough in the current trend with fast developing technologies. Commercial culture in this level, with its intangibility, ensures various windows for selling; thus, it is most important to protect products from illegal spreading.

In the mid-1990s, the regulation with regard to film studios owning a broadcasting station was mitigated, and media companies have become possible to operate networks and production studios. Dreamworks, one of those multi-operational companies, emerged in this period, and invested intensively in multimedia. With the big success of 'Twister' (1996), film productions even believed that special effects can cover the absence of narratives (Seo, 2009). This idea carried out continuous failure of big budget blockbusters. On the other hand, it strengthened the competitiveness of computer graphics technology for films. As a result, special effects and animation technology have made remarkable development in the 1990s. Blockbusters mostly have been venturing into wide-release with the strategy of huge box-office in the opening weeks so that film productions increased the budget for promotion and marketing.

In the 2000s, vertical integration has been leading under IT and communication companies. This aspect seems to have been engendered from the advent of convergence culture (Jenkins, 2008). Theaters have renovated facilities and raised the average ticket price; however, it did not have much effect on the number of audience; audiences have become mature enough to realize the value of watching in theaters. Until now, film productions, in order to reduce risks, have been creating sequels to hit movies and numerous series based on famous comics or novels.

Commercial culture productions have the know-how of which elements appeal to the targeted audiences in some degree. They collect information based on past records and also establish somehow the *grammar* or *rules* for success. Yet, because the taste of people and trends continue to change, production companies at this level tend to high marketing costs.

3.5 Toward Dominating the Entire Global Market Level

This level describes the ideal form of industry. Nightingale (1978), in his research for defining the meaning of industry and market, gathered two different scholars' opinions; he reached that 'market' is with "a distinctive concept dealing with relationships between sellers and buyers." This can be interpreted as taking an extreme

dominant and most effective position in a business relationship, which would be monopoly. It best describes the shape of the final level. However, we should be aware as to what brings a monopoly phenomenon. Monopoly can be caused from many different reasons; it could be from resource ownership or from statutory or product differentiation or so. US films dominated the world market, whereas its competitors did not have enough capacity or enough capital to produce films with quality from the after effects of the world wars. The monopoly in this level describes that a nation's film industry can wield power based upon its leading edge technology or entirely different creativity.

4. Result

In accordance with the historical analysis above, a maturity framework is developed with features of condition and strategy in each level. As mentioned above, five different levels are set by priority; from an introduction to an ideal form. In addition, each level is divided into two stages based on the attributes of industry; both 'first entering' and 'returning' conditions are considered in each level. In each level of the framework, the features of conditions are described and possible strategies are suggested in order to move forward to the next level. Table 2 shows the final maturity framework output for the commercial culture.

Table 2. Maturity framework for commercial culture in free economy system

Maturity Level	Industry Attributes	Condition/ Strategy	Features
Level 1 Introduction	Planning Structure	Condition	<ul style="list-style-type: none"> • Company-leading industry system • Regulation or supporting policy unestablished
		Strategy	<ul style="list-style-type: none"> • Competing for preoccupancy in the new market
Level 2 Industry Formation	2-1 Structure Formation	Condition	<ul style="list-style-type: none"> • Full of resource in industry: companies lead industry system • Exhibition price is determined depending on demand and supply
		Strategy	<ul style="list-style-type: none"> • Leading companies build high entry barrier • Leading companies vertically integrate to become more powerful
Level 3 Market Boosting	2-2 Structure Reformation	Condition	<ul style="list-style-type: none"> • Focusing on foreign commercial culture market establishment • Advent of threatening alternative media
		Strategy	<ul style="list-style-type: none"> • Demand decrease causing from the effect of alternative media • Foreign commercial culture market extending • Systematizing foreign commercial culture product distribution in domestic market
Level 4 Stable Industry	Expanding Demand	Condition	<ul style="list-style-type: none"> • Companies finding way to coexistence with alternative media • Both domestic and foreign markets are rapidly enlarged • World market pays attention to domestic infrastructure, technologies and human resources
		Strategy	<ul style="list-style-type: none"> • Exhibition facilities are renovated for multiple activities • Number of international students in related field is increased • Major companies capturing quality talents • Promoting investment abroad • Companies occupying various windows • Companies investing on R&D • Domestic commercial culture becomes influential to the world market
Level 5 Global Dominant	Active Exportation	Condition	<ul style="list-style-type: none"> • Owns the world leading technologies • Number of abroad institutions for studying advanced technologies is increased
		Strategy	<ul style="list-style-type: none"> • Companies increasing numbers of overseas offices • Considering co-development with other industry fields • Producing commercial cultures using the most advanced technologies • Researching focused on various foreign cultures and situations • Profits from international market become far bigger than from domestic market
Level 5 Global Dominant	Cultural Permeating	Condition	<ul style="list-style-type: none"> • Commercial culture becomes a nation representative industry • Nation's commercial culture monopolizes the world market
		Strategy	<ul style="list-style-type: none"> • Raising entering barriers with far advanced technologies and fruitful resources • Investing in preoccupying creative and unique talents from all over the world

5. Conclusion

From historical data, it has been found that culture industry has been continuously developing toward the stable condition. It is a very similar idea with the notion, that the highest level of quality, which most general maturity models have suggested, was optimization. The construction of the framework has implications for making possible to assume the commercial quality of products in a certain period. To draw a maturity framework for commercial culture, the film industry was analyzed, because film is a representative commercial culture, which has already formed as an industry from the beginning. This paper, however, is limited observations in the film industry; the next step will be to see other commercial cultures, such as music and games. It will be also considerable to find more examples from other countries in order to increase the reliability. For the further study, framework is planned for expansion in order to establish a maturity model for commercial culture.

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The Modality of Impossibility and Possibility of Verbs with Infinitive Component (On the Material of Russian Proverbs and Sayings)

Khuzina Ekaterina Alexandrovna¹ & Gunko Oksana Genadjevna¹

¹ Naberezhnochelnynskiy Institute Kazan (Volga Region) Federal University, Russia

Correspondence: Khuzina Ekaterina Alexandrovna, Gunko Oksana Genadjevna, Naberezhnochelnynskiy Institute Kazan (Volga Region) Federal University, Syuyumbika Ave., 10 A, Naberezhnye Chelny, RT, 423812, Russia. Tel: 963-123-9610. E-mail: eka5551@rambler.ru

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Abstract

In the given article the integrated approach was used. Its basis is made by the structural-semantic method which is showing in joint consideration of the formal and substantial parties of the language of Russian proverbs and sayings.

1. Introduction

The problem of modality, and also means of its realization in the language is difficult and many-sided. The modality is allocated among the main categories which represent a necessary element of the statement. Many known linguists devoted their works to researching of the category of modality. The basic provisions, defining the essence of the category of modality in the modern Russian language, are stated in V. V. Vinogradov's work: *About the category of modality and modal words*. The linguist characterizes this concept: "Each sentence includes modal meaning as an essential constructive sign, i.e. comprises the indication on the relation to reality" (Vinogradov, 1950, p. 38).

2. Discussion

It is well-known, that the modality joins predicativity and it is one of the main signs of any sentence, i.e. it is actually syntactic category. Following V. V. Vinogradov's concept, we understood modality as the relation of the contents of the statement to reality (reported to its real implementation) from the point of view of the speaking. There are objective and modal meaning of reality / irreality, subjective-modal meaning of reliability / probability, predicate modality of possibility, impossibility, etc. actions marked out in linguistics.

Proverbs and sayings is a widespread genre of folklore, accompanying people for a long time. Such means of expression as an exact rhyme, the simple form, brevity, made proverbs and sayings resistant, remembered and necessary in everyday speech. They give clear positive and negative lines of life, claiming or criticizing, eulogizing or mocking. The material for this research is 150 units (proverbs and sayings), taken from the dictionary of *The proverbs of the Russian People* by V. I. Dahl. There is a debatable problem of differentiation of proverbs and sayings from phraseological units. The essence of proverbs and sayings, as language phenomena, isn't found out up to the end, thus, the presented material as the lingvo-creative phenomenon, having a huge flow of historical and cultural, lingvo-cultural information, is still actual and draws a lot of attention of researchers all over the world.

As well as any other modal meaning in the Russian language, the meaning of possibility and impossibility in proverbs and sayings can be expressed lexically - by means of special vocabulary, morphologically – by special modal words, syntactically – by special constructions.

Within this article we will stop on constructions with an infinitive as the predicative center. It should be noted that, the category of modality of possibility, impossibility has no formal expression in an infinitive paradigm. Nevertheless, the research of proverbs and the sayings, containing an infinitive or verbs with infinitive component, allows finding certain modal meanings in this verbal form. It is necessary to note, that the expression of the modal relation to the action, fulfilled by an infinitive, makes the main content of the various constructions which are formed with an infinitive.

Many works in linguistics are devoted to researching of the category of modality of possibility, impossibility: (V. V. Vinogradov, A. V. Bondarko, G. A. Zolotova, O. L. Kamenskaya, I. B. Khlebnikova, U. S. Stepanov, V. V. Gurevich, E. I. Belyaeva, V. V. Panfilov, N. M. Makovka and others).

Thus, under «possibility of implementation of an action» we understand its potentiality: an action will probably be carried out under any conditions, and, respectively, becomes reality, and it is also possible it won't be carried out, and, thus, remains only unrealized possibility or potentiality. Actually possibility is defined by ability or inability of the subject to this action, or conditions in which the action proceeds. Under impossibility – modal meaning of an impracticability, an action impracticability; lack of the conditions are favorable for implementation of this or that action. In the sentence modal meaning of impossibility is created by various means. The basic – the existence of negative components in the sentence structure.

3. Results

It is known, that on common use among the constructions expressing modal meanings of possibility and impossibility, it is possible to allocate connections with the following verbs: can, dare, be able that has already been noted by V. V. Vinogradov. The modal meaning of possibility of an action is realized as a part of sentences by means of the following words: can, be able/manage, to be in time, to manage, be successful, to guess, to cope, to risk, to manage, to have possibility (Vinogradov, 1950, p. 45). *Who is able to live in the house, he doesn't go to tell fortunes.* Imperfective aspect of the verb in this proverb shows that the action expressed by this construction is represented in its current, in the process of commission, and thereby in duration or repeatability. The form of imperfective aspect of an infinitive with meaning of duration of action emphasizes its potentiality. *You were able to live, be able and to die. You were able to lose, be able and to find.* The use of an infinitive in these constructions in the form of perfective aspect also shows potential action, as the meaning of potentiality itself is inherent in an infinitive. The form of an imperative mood of an auxiliary verb «be able» attaches to all sentence the significance of obligation, though the meaning of possibility of fulfilling of an action here remains: to find possibility, be able, *to die, find.* Telling itself doesn't carry out action, and demands its performance. The action is unreal, demanded.

In the above described examples, the construction *be able* with an infinitive has meaning of *possessing ability, be able*. This verb doesn't express the action, but only informs of possibility of its performance, so, reviewing the last presented examples, we understand that: *if one managed to lose something, he should have possibility to find the lost, the person who lives in a family peacefully and observing family traditions, he doesn't go to fortunetellers.* Constructions of a verb "to be able" and an infinitive: "is able to live", "be able to die", "be able to find", express possibility caused by the situation.

The modal meaning of impossibility is connected with a number of such phenomena, as: particle *not*, pronouns and adverbs with prefixes *not* and some other predicatives with a prefix *not*. T.V. Markelova marks out the following means of expression of denial: particle *not*, negative pronouns: *anybody, anything, etc.*, adverbs *anywhere, never, nowhere, etc.* (Markelova, 1981, p. 47). *Why should I become reconciled with one who isn't able to quarrel. It will be done harm to those who aren't able to live the house.* In these examples the form of imperfective aspect of an verbs with infinitive component caused impossibility of commission of action by the situation: *we won't be able to reconcile with the person who isn't able to swear since there is no reason for reconciliation, as we weren't at odds; if the person isn't able to live at home, in a family, by the family rules established by norms, customs then inevitably some trouble may happen.*

There are some frequent cases of expression of the modality of possibility, impossibility, within one proverb: *I managed to speak but I didn't dare to speak. I am able to speak but I don't dare to speak.* From the presented examples we understand that: the person had (has) possibility to tell, express his opinion, but there was no possibility to fulfill this action owing to any subjective or objective circumstances.

Thus, proverbs and the sayings containing constructions of verbs "to be able, can, dare" and an infinitive react to all phenomena of reality, reflect life and outlook of the people, transfer household, social, philosophical, moral and ethical, esthetic national views, have modal semantics of possibility, impossibility of commission of action with various shades of meaning: approvals, disapproval, extreme persistence, the recommendation, advise of commission, or not commission, quite often they have instructive character: *You were able to live, be able and to die. He is not able to do serious work by himself, but shouts one for all. I don't dare to show the face.*

Prepotent position among explicators of modal meaning of possibility in proverbs and sayings occupies the predicative *it is possible*, possessing capacious modal semantics and being stylistically neutral. There is quite often the determining situation in sentences with meaning of possibility which is cornerstone of a potential situation: *To marry is not to sneeze: it is possible to tell beforehand.*

Thus, we will investigate functioning of the predicative *it is possible* in the verbs with infinitive component. Predicative «it is possible» in an impersonal construction with an infinitive has the meaning: *probably, there is an possibility to do (to make) something, it is allowed: It is possible to get a sin, and destroy precisely*. In the presented example the following opinion is expressed: to sin or make something bad doesn't make special work, and it will be difficult to get rid of a sin. The predicative used in a postposition to an infinitive, emphasizes, increases the modal meaning of possibility.

The bridge is not the Lent, it is possible and to drive all over. In the given example, it is spoken about physical capacity to make action: *the bridge, it is simply a bridge, an obstacle in a way which can be overcome, in comparison with the Lent, which is impossible to break by no means*. The possibility of implementation of the action by an infinitive is estimated by the speaker.

The modifier *it is possible* in Russian proverbs and sayings most often acts in impersonal sentences where verbal not expressiveness of the subject and action is represented as independent of the figure: *Dashing to trouble a misfortune, it is possible to be gone soon*. In this example the semantic emphasis in a construction without "the dative subject" is placed not on the figure, but on the action, on possibility of its implementation irrespectively of those who have such possibility. Here the figure as if is detached is *placed off-screen* (Askochenskaya, 1998, p. 78) therefore the meaning of possibility in an impersonal sentence is given in a generalized view: *It is possible to correct but will be worse. It is possible to eat this trouble with bread*. (Action can concern anyone).

The nature of impossibility is transferred in proverbs and sayings by antonymous to a predicative *it is possible* a modal adverb *it is impossible*, here possibility of realization of a situation is exposed to denial. A. M. Peshkovsky considers these words remarkable by that, *being not adverbs, i.e. without meaning a sign, they are used, nevertheless, only with verbs* (Peshkovsky, 2001, p. 166). These sentences enter the relations with sentences either with obligatory, or with facultative denial, depending on a verbal aspect. I. G. Osetrov considers constructions *it is impossible* with an infinitive of imperfective aspect to the statements expressing the modal meaning of obligation (Osetrov, 1985, p. 35).

Semantic specifics of a predicative *it is impossible* is in realization of meaning of objective possibility not to have possibility, and also conditions for action performance, the modifier is characterized by dispassionateness of an action, independence of process and a state from the active figure: *It is impossible not to heat up at the furnace*. This example testifies to *impossibility of sitting at the furnace and not to heat up*. The construction of this predicative with a negative particle at an infinitive has the meaning: «it is necessary, has to» expresses the modal meaning of obligation. A. M. Peshkovsky notes here weakening of denial: *... denial repetition... creates positive sense* (Peshkovsky, 2001, p. 389). Action is presented as potential with an obligation shade: *it is impossible not to heat up = it is necessary to heat up*.

The modal meaning of impossibility can be implemented in impersonal sentences. It is possible to note complication of this modal type by a meaning shade *the absence of hope for success: Don't order to tell, it is impossible to conceal*.

The sentences with an infinitive of perfective aspect and a predicative *it is impossible* mean impossibility of implementation something and correspond to actually negative infinitive sentences: *It is possible to tell lies, and it is impossible to muddle*. Action is presented as potential, impossible owing to certain conditions.

Sentences with an infinitive of imperfective aspect and a predicative «it is impossible» in the same meaning are correlative with sentences with *there is no possibility: At a loss to trade (it is impossible to sell). The earth can't stand without tsar (it is impossible)*. Such sentences can also mean prohibition, and then they correspond to sentences with facultative denial with *it isn't allowed* or with sentences without denial with *it is forbidden*. Action is presented as potential. In such constructions the meaning of impossibility of an action is expressed.

There is an interesting fact, that the large number of realization presented by expressional versions of sentences with a predicate infinitive + *it is impossible* in Russian proverbs and sayings, where on the first place the infinitive is taken out, and the word-form depending on it, remains on the last place, it is a sentences with *frame accent structure* (Shvedova, 1980, p. 325). Such inversion with a preposition of an infinitive and a postposition of a predicative *it is impossible* is an aberration, that is more usual for statements of colloquial style. This discrepancy of the language phenomena to the standard, being cornerstone of expressivity, not typicalness and therefore singularity and expressiveness of the speech, are inherent in the style of Russian proverbs and sayings: *Mother the earth, it is impossible to speak. The song is over, it is impossible to sing more*.

Therefore, in proverbs and sayings, in semantics of a modality of possibility, impossibility compatibility of modal modifiers *it is possible, it is impossible* with an infinitive both perfect, and imperfective aspects are used.

4. Conclusion

Summing up the above results, it should be noted that semantics of a modality of possibility and impossibility of verbs with infinitive component in proverbs and sayings can create various private modal meanings and shades: allowed possibility, possibility of an action with an estimation shade, potential impossibility, impossibility of an action with a meaning shade the absence of hope for success, approval, disapproval, the recommendation, caution etc. The constructions of modal components and infinitives can express real/irreal/potential action, depending on forms of an inclination and time of a verb, functional type of the sentence and a lexical meaning of a modal component.

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Judgments of the European Court of Human Rights as a Source of Recommendations on Fight against Corruption: Prospects for Interdisciplinary Research

Yury P. Garmaev¹, Diana A. Stepanenko¹ & Roman A. Stepanenko²

¹ The East Siberian branch of the Russian State University of Justice, Irkutsk, Russian Federation

² Buryat State University, Ulan-Ude, Russian Federation

Correspondence: Yury P. Garmaev, The East Siberian branch of the Russian State University of Justice, Irkutsk, Russian Federation. Tel: 7-914-637-9213. E-mail: yu.garmaev@outlook.com

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Abstract

In the article it is stipulated that some judgments of the European Court of Human Rights not only detect gaps in legislation as well as in practice of the fight against corruption crimes existing in Russia and other countries, but actually offer methodological recommendations for law enforcement authorities. Therefore, the purpose of this article is to single out, distinctly formulate and make interpretation of this kind of recommendations, particularly – for the criteria of legality of the undercover police operations aimed at exposing the corruptionists, for provisions on how to implement these measures avoiding illegal provocations and instigating actions. In conclusion of the study, it is noted that to increase the efficiency of detection and investigation of corruption crimes it is necessary to consolidate efforts of Russian and foreign scientists – the representatives of sciences of anti-crime cycle, in the first place – the penal law, criminalistics as well as operational and search activity. Notwithstanding the significant differences in legal regulation of respective legal relations in Russia, the United States of America, Great Britain and other countries, the effective methodologies on struggle against corruption have much in common in different countries.

Keywords: bribery, fight against corruption, operational experiment, instigation, provocation, police operation, the European Court of Human Rights, criminalistics, operational-search activity, undercover agent

1. Introduction

In the National Security Strategy of the Russian Federation (RF) up to 2020, the corruption was named among the main sources of threats to national security (Decree of the President of the Russian Federation, 2009). Despite the fact that in recent years, the statistics relating to results of the fight against corruption offenses in Russia remains, strangely enough, at the same level, and on some other indicators have even been decreasing (Note 1), the coefficient of latency of these infringements remains extremely high (Note 2). Whereas corruption in Russia “... appears to be not only dangerous from a social point of view as a factor undermining the state authority, but also as one of the dominant causes defining the organized, economic, political criminality” (Avdeev, 2013) hardly anyone in the country will doubt that the measures of legal fight to combat corruption will only be strengthened in near future.

At the same time, the prevention of corruption must certainly have an unconditional priority over other counter-measures, particularly, measures of so called criminal repressions. Thus, the Federal Law of the Russian Federation of December 25, 2008, No.273-FZ “On Corruption Counteraction” proclaims the principle of priority use of measures aimed at preventing corruption. Russia carefully examines the experience of use of effective legal means for preventing corruption gathered in other developed countries (Koop, 1998).

However, the analysis of the media and results of opinion polls as well as scientific works allows drawing a conclusion that the Russian public and the State authorities are quite ready for a sharp tightening of actions of criminal repressions against corruptionists. The authors of majority of scientific publications on the issues of Russian criminal law (qualifications of corruption offenses) having noted the imperfection of relevant criminal legal norms listed in Art. 30 and 23 of the Criminal Code of the Russian Federation (the RF Criminal Code), criticize the lawmakers sharply mainly for the need for improvement of legal technique of these norms. Also, the

opinions are being voiced, the essence of which are – the practicality of gradual introduction of repressive measures (Fomenko, 2013) and the idea that there is an objective necessity for repression as the predominant tool of fighting the corruption (Jani, 2001).

Thus, on the way of increasing the efficiency of fight against corruption by legal means, there is, in our opinion, the need to address a number of major problems. Let's consider some of them. The first one is described in detail in criminal-legal literature, and therefore we will allow ourselves not to dwell on it in detail. The gist of it is about the shortcomings in structures of criminal-legal norms mentioned above (Lopashenko, 2013; Rarog, 2013). Obviously, there is a need for further improvement of the Russian criminal law.

The second problem relates to the influence of norms of international law on Russian law-enforcement practice. In general, it should be noted that Russia is a member of not one but of a number of international anticorruption agreements. This means that Russia, in the framework of its internal policy, is obliged to implement integrated measures to combat corruption in accordance with the commitments that have been entrusted to it in accordance with international agreements.

In particular, the Federal Law of 30.03.1998 No. 54-FZ (Federal Law, 1998), the Russian Federation ratified the Convention for the Protection of Human Rights and Fundamental Freedoms and the Protocols thereto (hereinafter – the Convention) (Convention for the Protection of Human Rights and Fundamental Freedoms, 1950). Thus, Russia has committed, besides other things, to execute the judgments of the European Court of Human Rights (hereinafter – the Court, the ECHR) taken upon cases in which the state participated as a party.

It is difficult to overestimate the influence of these obligations on the national law enforcement practices. Thus, the Plenum of the Supreme Court of the Russian Federation in its decree of 27 June 2013 No. 21 “On Application by the Courts of General Jurisdiction of the Convention for the Protection of Human Rights and Fundamental Freedoms of 4 November 1950 and the Protocols thereto” underlined again the role and importance of the legal positions of the European Court for the Russian court and, accordingly, for the investigative practice. Therefore, in p. 2 of the Decree it is said that the legal positions of the ECHR contained in final judgments of this court in regard to the Russian Federation are to be binding for the courts. In order to effectively protect the rights and freedoms of a person the courts take into account the legal positions of the ECHR, as set out in finalized regulations adopted in relation to the other states – the parties to the Convention. Further in the same judgment (p. 11), the Plenum of the Supreme Court noted: “bring to attention of the courts that the decisions, actions (inaction) of the state authorities, local authorities and officials, including the interrogation officer, investigation officer, head of the investigative authority and the public prosecutor, the state or municipal employee must be in strict compliance with not only the Russian legislation, but also with the generally recognized principles and norms of international law, international agreements of the Russian Federation, including the Convention and its Protocols in interpretation of the European Court”. This means that, for instance, the facts of evidence in a criminal case are inadmissible if received in violation of the provisions of the Criminal Procedure Code of the Russian Federation (RF Code of Criminal Procedure) and if received in violation of the Convention or the Protocols thereto, as it is understood by the European Court in its acts of interpretation.

2. Methodology (Legal Provisions of the European Court against the Practice of Provocations in Russia)

The legal provisions of the European Court were stated on multiple occasions in the court cases versus Russia, where its citizens were prosecuted for illegal drug trafficking and bribery (the cases: “Vanyan vs. Russia”, “Khudobin vs. Russia”, “Veselov vs. Russia” and others). So, in the case “Khudobin vs. Russia” ECHR noted that, in principle, the precedential law of the European Court does not prohibit referring to the facts of evidence obtained as a consequence of an undercover police operation. However, the use of undercover agents must be limited; the police force can act secretly, but without instigation (ECHR Decision, 2006).

One of the latest and the most informative decisions of this kind is the case of “Veselov and others vs. the Russian Federation” (Decree of the ECHR, 2012). Thus, in p. 90 of the decision, the Court noted that in the cases where the main evidence had been obtained through covert operations (for example, under an operational experiment or a test purchase. Noted by us – the authors), the authorities must prove they have had sufficient grounds for the conduct of the covert operation. In particular, they must have the specific and objective evidence indicating that the preparations are taking place for the commission of acts constituting the offense for which the applicant is to be prosecuted later (Decision of the European Court in the case “Sequeira vs. Portugal”, complaint #73557/01, ECHR 2003-VI, Decision of the European Court in the case “Eurofinacom vs. France, complaint #58753/00, ECHR 2004-VII, Decision of the European Court in the case “Shannon vs. United Kingdom”,

complaint #67537/01, ECHR 2004-IV, Judgment of the Grand Chamber in the case “Ramanauskas vs. Lithuania”, §63 and 64, Regulation of the European Court in the case “Malininas vs. Lithuania”, §36).

The European Court, having noted that it is not the first time it encounters in its practice with similar violations, harshly criticized not only and not so much the Russian court practice, but in fact the entire system of the Russian legislation providing counteraction to corruption of crimes and drug trafficking: “...the Russian system, in which the test purchases and operational experiments are entirely within the competence of the operational-investigative bodies, diverges from practice adopted by a majority of the states—the parties. The Court considers that this shortcoming reflects structural evasion from provision of warranty against police provocation” (Decree of the ECHR, 2012)

It seems that, largely under the influence of these clarifications of the ECHR, the Plenum of the Supreme Court of the Russian Federation in its judgment of 09.07.2013 No.24 “On Judicial Practice in Cases of Bribery and Corruption and other Corruption Offenses”, apart from the problem of criminal liability for the provocation of bribery or commercial bribery prohibited by Article 304 of the Criminal Code of the Russian Federation (RF Criminal Code), for the first time explained to the courts, in published Russian judicial practice, the essence of instigating actions (emphasis added – authors) of law enforcement agents who provoke the official or a person performing managerial functions in a commercial or other organization to accept a bribe or an item of commercial bribery (Note 3). As noted by the Plenum in that paragraph of the judgment, these acts are committed in violation of the requirements of Article 5 of the Federal Law of 12, August, 1995 No. 144-FZ “On Operational and Search Activity” and consist of handover of a bribe or a subject of commercial bribery, at the consent or at the suggestion of an official or the person performing managerial functions in commercial or other organization, whereas such consent or proposal was obtained as a result of persuasion of these individuals to receive valuables under circumstances indicating that without the intervention of law enforcement officers, the intent for acceptance of those would not have arisen and the crime would not have been committed.

Further in the same paragraph, the Supreme Court of the Russian Federation clarifies that under these circumstances, the acceptance by an official or a person performing administrative functions in commercial or other organization, of money, securities, other property or property rights, as well as property-related services, may not be regarded as a criminal offense. In this case, the deed does not constitute a crime.

It should be added that the European Court in the said judgment on “the case of Veselov and others” actually offers operational-search bodies as well as investigative authorities the criminalistic, methodical and search recommendations. After all, in investigating situations of operational experiment and test purchases, the ECHR demands: “the conduct of investigation must be held mainly in a passive way” offering clear criteria of what is meant under that phrase. As indicated in P. 92 of the decision “in the case of Veselov and others”: “... This particularly excludes any behaviour that may be considered as the pressure exerted on the applicant for the purpose of forcing him commit a crime, such as – initiative contact with the applicant, repetition of the offer after the initial denial, insistent demands, the increase of price compared to the normal...”. It is understood in this context that the applicant is the citizen Veselov and others who have appealed to the European Court.

3. Discussion (Trends of Russian Law Enforcement Practices)

Unfortunately, it is necessary to state that the operational-search units of law enforcement authorities of Russia at times still admit provocative-inciting actions in cases of illegal sale of drugs as well as in cases of bribery. However, the trend of recent years is that, while mostly correctly applying the norms of the Convention in the interpretation of the European Court, the Russian courts, adopt judgments of acquittal in corresponding court situations with growing frequency. Examples abound.

So, A. A. Ilyushin, summarizing the court practices in Nizhny Novgorod region, demonstrates the decision of the Regional Court: the head of the local government of one of the districts of the Region (citizen M.) was acquitted on charges of attempted bribery on large scale, due to the absence of components of crime in his actions (Ilyushin, 2013). In the process of trial of this case it was established that at the time B. had requested M. to allocate land plot for the construction of the store in the interests of OOO “C”, he had neither been a manager nor an employee of this company, and acted as a participant of an operational experiment held by operational staff of the local subject of operational-search activity (hereinafter – OSA). In this case, the name of the company was used by operatives without knowledge and consent of the legal entity solely for the purposes of operational experiment. In such situation, the court came to the conclusion that there had been an artificial creation of evidence of a crime – receipt of a bribe.

In this case, the facts of evidence obtained through conduct of operational search measures (further on – OSM) were recognized by the Court as inadmissible on account of violations of P.8 Art.5 of the Federal Law of 12

August, 1995 “On Operative-Search Activity” (the ban to instigate, persuade, encourage directly or indirectly to commission of unlawful acts). It is regrettable that the investigating authorities of the Investigative Committee of the Russian Federation, while being capable of providing a correct assessment for the deed and to dismiss the case on the stage of preliminary investigation, have supported legal position of the OSA subjects who committed an obvious, we believe, violation of the said requirements of the law and the Convention. Thus, investigating officers having the case for many months nonetheless failed to have provided evidence to support the idea that there indeed were grounds to suspect M. of accepting bribes, at the initiation of the OSM with participation of B. Here quite typical for the Russian practice of operational-search activity was that in operational accounting and then in a criminal case, the process of justification of reasons for the conduct of OSM (Art. 7 of the Federal Law of 12 August 1995 “On Operative-Search Activity”) had been based on the unsubstantiated statement and testimony of operational officer that he has allegedly been in possession of some secret inside information about illegal activities of the defendant. Taking into account the established Russian practice of applying the Law on State Secret of the Russian Federation (Note 4), it is extremely difficult to verify the accuracy of this information in framework of the preliminary and court investigations, and at times it is simply impossible.

In this case, the Court found these statements of operative officer and his own testimony (as a witness) clearly insufficient for the launch of the OSM. The investigators also failed to have undertaken necessary investigative steps to verify the version of M. that he had been persuaded for a long time and ultimately he was forced to accept the money that he had intended to spend for public purposes.

Regrettably, it is necessary to state that the operative-investigative bodies of law enforcement authorities of Russia still often allow for provocatively-inciting actions in criminal cases, thus demonstrating notorious accusatory bias – which is quite common negative phenomenon in Russian and global judiciary practice. “The essence of it consists in aspiration to formulate at first, and then at all costs to confirm the charge by the ruling of the Court, which does not meet the requirements of comprehensiveness, completeness and objectivity of the study of facts and therefore does not allow the Court to correctly apply the provisions of the criminal law and render a just judgment” (Voskobitova, 2014).

In reference to the example above, it is important to note that not only the Regional Court acquitted the defendant. The Judicial Chamber on Criminal Cases of the Supreme Court of the Russian Federation has recognized the conclusions of the Court of the first instance as justified.

This example is far from being a single occurrence. The trend of last years is that, while mostly correctly applying the norms of the Convention in the interpretation of the European Court, the Russian courts take judgments of acquittal in corresponding court situations with increasing frequency. Here, it is possible to speak of a certain stable positive tendency of judicial practice. Surely, under existence of similar circumstances. However, there remains a negative trend of use of instigating provocative approaches in the activity of operational staff – the OSA subjects with the support of other organs of criminal prosecution (investigation, prosecution).

The analysis of above-mentioned interrelated explanations of the European Court, the Russian Supreme Court and examination of trends in legal practice allows for making some generalizations. Certainly, the operational units are not authorized to allow for not only for criminal provocations (Art. 304 of the RF Criminal Code), but also for the above-said instigating actions. Whereas the prohibition covers not only bribe-takers, bribe-givers, but also assumed middlemen in bribery (Art. 291.1 the RF Criminal Code), since the latter are exposed within the operational experiments similar to those carried out in relation to the subjects of the crimes foreseen by Articles 204, 290 and 291 of the RF Criminal Code. In the widespread tactics of carrying out of these operational search measures (OSM), which are broadly covered in scientific literature and even in periodicals, the operatives often conduct double, two-stage operational experiment: 1) at first, a bribe is passed, under control, to the mediator; 2) after exposure, he is involved into cooperation including his handing over of the bribe to an official. Undoubtedly, the instigating actions are unacceptable which entail further recognition of these actions of operational bodies as illegal, both at the first as well as at the second stage of the operational experiment.

Not only in the acts of judicial interpretation, but primarily – at the level of Russian criminal law and legislation on operational and search activity, it is necessary to formulate the rules revealing the criteria for differentiation between three types of activities: the lawful conduct of operational experiment (as well as the test purchase), provocations for commission of offense and instigation to actions described above. In opinion of some authors, the question of legality of operational search measures in detection of crimes (as well as of their unlawfulness) needs to be addressed, first of all, in the RF Criminal Code (Shmonin & Semykina, 2013).

However, one has to acknowledge that at the moment the presented clarifications of the Supreme Court of the Russian Federation, the European Court, which, not yet having become fully the norms of the national law, have definitely complicated the practice of combating against corruption offenses and may affect its already low efficiency. As it is regretfully noted by A. N. Khalikov, with the current level of corruption in Russia and taking into account the “professionalism” of bribe-takers as well as coordination, in many cases, of interests of bribe-takers and bribe-givers, to expect statements from persons giving bribes would be a utopia. The authors believe that the only way out of the situation would be to conduct a preliminary OSM “operational infiltration”, when an operative agent, acting under the guise of a potential bribe-giver, participates in the operational experiment on conduct of controlled handover of the bribe and further detention of the bribe-taker red-handed (Khalikov, 2006).

Undoubtedly, the law enforcement authorities are required to, by all legitimate means and in the shortest time, dramatically increase the effectiveness of criminal measures to combat corruption. The leadership of the country is well aware of the need for the most decisive actions. Thus, V.V. Putin, the President of the Russian Federation, at the board of the General Prosecutor's Office on June 3, 2013 expressed himself in a sense that the most important now – is the fight against corruption, because it undermines the foundations of the state of Russia. And one must not think “that someone offends someone”. We must “brush out” the guilty, including those in our own ranks, he clarified (Note 5). At the level of scientific support for combating corruption the problem must be addressed comprehensively, by synthesizing the achievements of many branches of scientific knowledge.

4. Conclusion (International Experience and Perspectives of International Scientific Cooperation)

Among these sectors, besides criminal law and other sciences of anti-criminal cycle the leading place must belong to two sciences: criminalistics and operational-search activity. According to Russian legislation, these two sciences fall into one academic specialty under code 12.00.12 – criminalistics; forensic activities; operational-search activity. With the help of their scientific tools, the newly created as well as modernized criminalistic methods of investigation of corruption crimes and recommendations in framework of operational-search support for the fight against corruption must necessarily contain advices, instructions regarding:

- (a) On one hand – the tactical methods aimed at avoiding, preventing provocations and instigating actions by operative officers and contributing persons;
- (b) On the other hand – the tactical (police) operations aimed at proactive detection and exposure of corruptionists. The proactive detection and exposure in a given context means the activity of operational units, not just passively waiting for those who would come in and declare of bribe extortion – this approach is indeed inefficient – but for those who themselves would go on the offensive against corruption criminality.

Here the Russian experience and suggestions on its optimization as well as international experience would be quite useful. In all developed countries of the world, the problem of fighting corruption stands sharp. Besides, for instance, in the USA, the problem of corruption in the police force itself is not less acute coupled with the problem of cruelty at times demonstrated by policemen (Bone, 2014). Therefore, the complex of above-mentioned problems is considered rather urgent at the international level.

Earlier, we proposed an algorithm of the so-called “proactive operational experiments” (Garmaev & Falileev, 2006). For example, in the UK and the USA, in some typical investigative situations the law enforcement bodies resort to tactics bordering with provocation, which in fact it is not. Thus, A.V. Shmonin and O.I. Semykina provide brief description of deceptive operations under the name of “stings”, and “manna from heaven”, etc. When using such tactics, the police launch fictitious stores, for example, for buying and selling of jewellery, cars and other things in hope to put an end to the sale of stolen property. In given situation, the police do not violate the boundaries of legality. It uses the tactics of deception in order to discover the criminal network of sales of property acquired by criminal means (Shmonin & Semykina, 2013).

In Russia, this type of individual methodologies, guidelines and algorithms must be developed by, first of all, representatives of the said two sciences – criminalistics and operational search activities, in collaboration with experts in the field of criminal law and criminal procedure, as it is clear the problem carries interdisciplinary, systemic nature – as well as the means of addressing it.

It is also obvious there is the need to combine the efforts of Russian and foreign scientists - representatives of the said sciences of anti-crime cycle. Notwithstanding the significant differences in legal regulation of respective legal relations, the effective methodologies on struggle against corruption have much in common in different countries. For example, the results of studies conducted in the USA are consistent with the Russian ones to the

extent that the scientists of the two countries formulate very similar criteria of legality / illegality of the police operations to expose the corruptionists on the basis of careful analysis of the national legislation and judicial (case law) practice. On the basis of these criteria, the advices and recommendations for policemen and investigators are formulated. The countries are different, but the recommendations are very similar. Thus in the USA, the legality of the “trap” by law enforcement agencies is justified by the category of crime infringing primarily the public sphere of the state interests (e.g. bribery is forcing the prosecution to rely on facts of commission of offenses developed by a person based on results of “traps” (Bloom & Brodin, 2010) . In any case, as S. Emanuel has stated, the police should not break the delicate boundary between the previously formed intention to commit a crime and the instigation to it (Emanuel, 2009).

It should be emphasized again, that in similar way not only and not so much the suggestions are formulated on additions and amendments to the corresponding national legislation. The universal methodological recommendations are proposed in order to improve the efficiency of detection and investigation of corruption crimes. Therefore, combining of the efforts of scientists from different countries for elaboration of such techniques – is a perspective direction for further international research at the intersection of criminalistics, operational and search activities, criminal law and other sciences of anti-crime cycle.

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Notes

- Note 1. For example, in 2010, there were registered 7647 facts of taking bribe (Art. 290 of RF Criminal Code), but in 2013 - only 6 710. See the data at the portal of legal statistics of the General Prosecutor of the Russian Federation. Retrieved from <http://crimestat.ru/21>. Date of access: 03/29/2014.
- Note 2. So, the latency coefficient of receiving the same bribe (Art. 290 of the Criminal Code) is 1:150. See Karabanov, A.L. & Melkin, S.K. (2010). Modern problems of counteraction of corruption: *Criminal Law and Criminological Aspects*. Moscow: Wolters Kluwer, p. 42.
- Note 3. About the impermissibility of not only provocations, but broader – of instigating actions had already been mentioned in the criminalistic literature: Garmaev, Yu.P. & Obukhov, A.A. (2009). *The qualification and bribery investigation: practical tutorial*. Moscow: Publishing House "Norma", pp. 125-132.
- Note 4. The state secret in Russia, as in many other countries, includes, besides other things, the information on forces, facilities, sources, methods, plans and results of the operational-search activity. Paragraph 4 of Article 5 of the law of the Russian Federation dd. 21.07.1993 # 5485-1 "On state secret". Retrieved from legal reference system "Consultant Plus". Date of access – 24.03.2014.
- Note 5. *Rossiiskaya Gazeta* (2013), June 4, p. 2.

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A *Shariah* Perspective Review on Islamic Microfinance

Shaheen Mansori¹, Chin Sze Kim¹ & Meysam Safari²

¹ Berjaya Business School, Berjaya University College of Hospitality, Kuala Lumpur Malaysia, Malaysia

² Graduate School of Business SEGi University, Petaling Jaya, Malaysia

Correspondence: Shaheen Mansori, Berjaya Business School, Berjaya University College of Hospitality, 11 west, Berjaya Times Square, No.1 Jalan Imbi, Kuala Lumpur Malaysia, Malaysia. Tel: 60-32-687-7000. E-mail: Shaheen.mansori@gmail.com

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Abstract

Islamic micro finance is a growing industry in several Muslim countries such as Bangladesh, Nigeria, and Malaysia. Islamic microfinance is at the heart of Islamic finance as it addresses one of the fundamental roles of financial intermediaries demanded by *Shariah*. Over the past few decades, many initiatives have taken place to alleviate poverty in Muslim countries. This paper provides the Islamic thoughts and motives behind these initiatives and then, it discusses the mechanisms proposed by Islam to improve the life of poor, prevent them to become poor, and also to improve the general economic relations among members of society. Later on, *mudarabah*, *Musharakah*, *murabahah*, *Ijarah*, and *qard al-hasan* are discussed as different types of *Shariah* compliant contracts that can be used as the base of micro financing business model.

Keywords: Islamic microfinance, micro-finance, Islamic finance, *mudarabah*, *Musharakah*, *murabahah*, *Ijarah*, *qard al-hasan*

1. Introduction

According to the Economist (2008), Muslims are one third of the world poor communities. Even though microfinance has been known as a useful tool to aid failing economies (Comim, 2007; Dowla & Barua, 2006; Islam, 2007; Wright, 2000), the Muslims do not take full advantage of the existing microcredit products (Karim, Tarazi, & Reille, 2008). Based on the findings of a global survey conducted in 19 Muslim countries by The Consultative Group to Assist the Poor (CGAP), 20-40 percent of the respondents said that religious reasons is one of the main reasons why they do not take advantage of the existing, interest based microcredit products. Thus, constructing and making the Islamic based microfinance available would encourage the reach of microfinance and aid of the Muslim poor in all countries which had only reached about 380'000 customers globally and it was accounted to an estimated of one half of one percent of total of microfinance outreach.

The Muslims view conventional microfinance principles as not compliant to the principles set forth in the Islamic finance law. According to Honohan (2008), an estimated 72% of people living in Muslim-majority countries did not use formal financial services. Therefore, even though many microfinance institutions had stepped in to help the low income Muslim clients, the demand for Islamic microfinance product has become the new driving force in the market.

Islamic financial principles and microfinance are two major elements in the fast growing Islamic finance industry. Islamic financial principles do not only relate to financial need of the poor but also the social principles in caring for the less fortunate. Even though Islamic microfinance is at its infancy stage, but by providing financial products which comply with the Islamic financial principles would encourage the acceptance by the Muslims toward the financial aid provided by the microfinance institutions and also fulfil the demands among the Muslim clients.

Therefore, to have better understanding of this issue related to Islamic financial principles in terms of *Shariah* – the Islamic law – we are going to look into Islamic perspectives in alleviating poverty, *Shariah* compliance, Islamic instrument in microfinance, instrument for mobilization of fund, *Shariah* compliant instrument of microfinance, risk management in Islamic microfinance and finally we are going to discuss financial sustainability and poverty reduction.

2. Islam and Poverty Alleviation

Islam believes that even though individuals are given the same opportunities, each person would not have the same level of economics status. It is because individuals are different in term of their ability to acquire a certain level of economic status. Islam defines poverty as a state where the individual fails to fulfil any of the five basic requirement in life which are religion, physical self, intellect or knowledge, offspring and wealth (Hassan & Ashraf, 2010).

Thus, in order to alleviate poverty, Islam views it as a part of social justice and faith in *Allah*. One of the pillars of Islam is to pay *zakat* which means purifying one's wealth for the will of *Allah*; to acknowledge that everything we own belongs to *Allah* and to work towards the betterment of the Muslim *Ummah* (i.e. community or society). It is not only an obligatory for every Muslims who can afford to pay *zakat* but it is a form of worship to *Allah* by sharing the wealth with the less fortunate.

However, poverty cannot be alleviated simply through income redistribution and providing equality in opportunities but it needs a holistic approach which in Islam it is a combination of poverty alleviator initiatives including income level increment biased toward improving poor population, offering an equitable wealth distribution mechanism and finally ensuring that all groups of society has equal opportunities (Hassan, 2006).

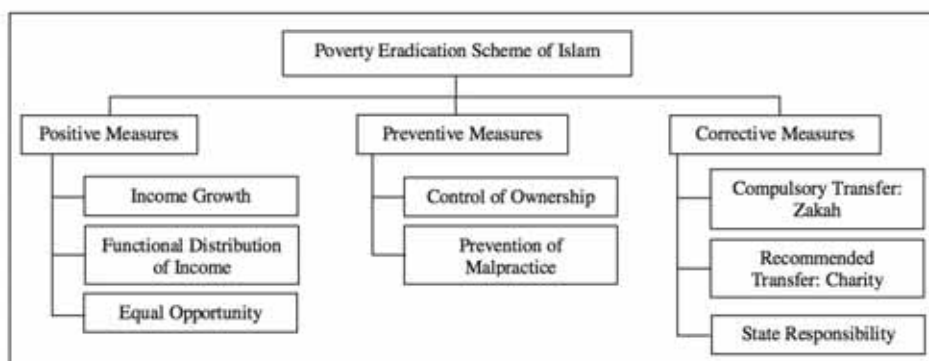


Figure 1. Poverty eradication scheme of Islam - Source: Sadeq (1995)

Poverty Alleviation Strategies in Islam

As stated in Figure 1, the strategies in alleviating poverty include three kinds of measures (Sadeq, 1995); (a) positive measures, (b) preventing measures and lastly (c) corrective measures. Each of these measurements is further divided into few other elements which define the Islamic measures taken to alleviate poverty.

2.1 Positive Measures

According to Hassan (2006), the positive measures taken to alleviate poverty in Islam include income growth, functional distribution of income and equal opportunities provided to public. Each of these elements is a part of the positive measures in Islamic approach toward alleviating poverty.

2.1.1 Income Growth

Islam emphasizes on *halal* earning and moderate consumption by individual which also includes savings for both individual and the economy. Muslims are encouraged to lead a moderate lifestyle but at the same time, they need to make an effort to improve the quality of life through better earnings.

In the *Quran, Surah An-Najm*; (53:39) “And that there is not for man except that [good] for which he strives” which means that man will only get what he deserves and thus to have something positive in the sense of earning a certain level of economics status, he needs to work for it.

In *Surah Al-Isra*: (17:29) “And do not make your hand [as] chained to your neck or extend it completely and [thereby] become blamed and insolvent”. Allah revealed this verse as guidance to the Prophet for not to be too open hand (Narrated by Ibn Marduwaih and others from Ibn Mas'ud). In other word, in this verse, Allah clarifies that despite of what is available, a person should do not spend it all. (Narrated by Said bin Mansur from Yasar Abu Hakam) which could only means to remind, not only Prophet but also the Muslims to be moderate in everything that would also include spending and giving donation.

2.1.2 Functional Distribution of Income

This is the second element in positive measures which refers to the equability in income distribution in production factors needed to alleviate poverty despite of the high income.

In Surah *Al-Nahl*; (16:90), “Allah commands justice, the doing of good, and liberality to kith and kin, and He forbids all shameful deeds, and injustice and rebellion: He instructs you, that ye may receive admonition” which means that it is imperative to do Allah’s bidding and to avoid the things that Allah forbids. This particular verse emphasizes on fairness (al-'adl) which related to justice (al-inshâf), goodwill (al-Ihsan) and giving the right to one’s family (dzî al-qurbâ).

Where else, in Surah *Al Mutaffifin*: (83, 1-3), “Woe to those who give less [than due]. Who, when they take a measure from people, take in full. But if they give by measure or by weight to them, they cause loss” reminds the Muslims of the repercussion of being defrauders and the rewards for the righteous.

2.1.3 Equal Opportunity

The Islamic approaches in distribution of income among the people emphasize on equability such as profit sharing and prohibiting *riba*. According to Sadeq (2002), the distribution of income in Islam is based on ratio instead of nominal fixed interest among the stakeholder.

2.2 Preventive Measure

The second aspect in Poverty Alleviation Scheme in Islam is preventive measures which include control of ownership and prevention of malpractice (Hassan, 2006).

2.2.1 Control of Ownership

Islam believes that everything in this world belongs to *Allah*. This is the main concept in Islam in regards to ownership of the resources available. Although man has secondary ownership but natural resources are not allowed to be owned privately. Such resources are to be owned by the state as a mean of assurance of public access to them. Business and industries are allowed by Islam, to be privately owned as long as it is based on Islamic ethical mandates.

2.2.2 Prevention of Malpractice

Interest (*riba*), gambling, cheating, hoarding, bribery and any other malpractice are prohibited by Islam because it can lead to economic disparity. *Surah An-Nisa*’; (4:26) “O you who have believed, do not consume one another's wealth unjustly but only [in lawful] business by mutual consent. And do not kill yourselves [or one another]. Indeed, Allah is to you ever Merciful” clearly to remind Muslim to respect the ownership of one another’s properties. In the present time, malpractice also includes company fraud and white collar crimes which can affect the equability in income distribution (Sadeq, 2002).

2.3 Corrective Measures

As stated in Figure 1, Corrective Measures in Poverty Alleviation Scheme in Islam includes (a) Compulsory Transfer (*zakat*) (b) Recommended Transfer (charity) and (c) State Responsibility.

2.3.1 Compulsory Transfer (Zakat)

Zakat is one of the five pillars of Islam and being Muslim, it is a part of the well-off Muslims’ responsibility to fulfil this obligation to the society in order to share and distribute a certain amount of income equally among the people especially the poor. It is mandatory and the foundation of Muslim lifestyle. In *Quran*, it is also stated, “Zakah expenditures are only for the poor and for the needy and for those employed to collect [zakah] and for bringing hearts together [for Islam] and for freeing captives [or slaves] and for those in debt and for the cause of Allah and for the [stranded] traveler - an obligation [imposed] by Allah. And Allah is Knowing and Wise” (*Surah Al-Tawbah*; 9:60).

2.3.2 Recommended Transfer (Charity)

Unlike *zakat*, charity (*sadaqah*) is encouraged and will be highly rewarded because it is a benevolence act by the well-off Muslims in order to help the less fortunate Muslims and in a way, it can help to alleviate poverty. In the sense of strong economic disparity, it is then become an obligation and thus mandatory (Sadeq, 2002). It is also mentioned in *Surah al Baqarah*, in length and depth, the importance of charity and *zakat*.

2.3.3 State Responsibility

It is the Islamic state government’s responsibility to provide favourable environment and implement Islamic law to ensure that any malpractice does not go unpunished and the state’s wealth benefits all population. The state is

also responsible to enhance the institution of *zakat* and provide the equability in opportunity for its people (Hassan, 2006).

3. Shariah Compliance

Shariah compliant finance can be defined as financial activities and investments that comply with Islamic law and regulations which prohibiting interest charges and involvement in any enterprise associates with any activities or products forbidden by Islamic law. *Shariah* compliant finance is a factor that differentiates conventional and Islamic financial institutions (Obaidullah & Khan, 2008). Therefore, Islamic microfinance must not only comply to the *Shariah* but to be accepted by their Muslim clientele, it must be perceived to be as such.

3.1 Shariah Board

Shariah Supervisory Board (SSB) consists of distinguished scholars and experts of *fiqh* who would monitor and confirm that the activities or operations of the financial institutions comply with the *Shariah*. The board would be able to give such comfort to the stakeholders of the Islamic financial institution and by setting it up would be a factor to encourage the Muslims, in general, to benefit from the Islamic microfinance. However, referring to the review of Islamic microfinance, none of them have instituted SSB due to the cost of setting it up and so to have an alternative to the above approach is quite a challenge (Obaidullah & Khan, 2008).

3.2 Bai Contract Issue

The divergences among the *Shariah* scholars have become a major challenge in implementing and developing Islamic microfinance. Some of the debates which often occur among the *Shariah* scholars are pertaining to the nature of the practice of microfinance which allows a variation in the standardized set of contracts and ways of dealing with delays and delinquencies through penalty. There are also many unresolved issues in the mainstream Islamic finance that have become challenges in Islamic microfinance as well.

Many Islamic microfinance providers view techniques such as *murabahah* (mark-up financing) and *ijarah* (lease-purchase and finance lease variety) as substitute for interest-based loan. On the other hand, the concept of *qard al-hassan* becomes attractive due to its benevolence nature. It focuses on recovering the 'actual' service charge from the beneficiary. However, this kind of practice does not allow the growth of the portfolio in the long term and the decreased of their value during inflation can jeopardize its survival. Even though, there is a suggestion to link the loan to a physical commodity, it fails to reach a full consensus.

Despite of these issues, many interest-based loans would like to be treated as *Shariah* compliant due to its 'benevolent' nature. For example, the successive government in India which provided microfinance loans at lower interest compare to the prime lending interest rate. They would even, at periodic interval, waive the entire loan due to the hardship such as crop failures. In the Grameen bank system of Bangladesh, it labels the features of the interest bearing conventional loans differently such as (i) cap on the interest loan no due; (ii) no recovery due to project failures; (iii) no formal contract for interest payments; and (iv) no shareholder-owners. However, these kinds of practice have renewed the discussions on the presence of *riba* in such finance mode.

3.3 Divergence in Clients' Perception

Often times, the clients have different perceptions on, *mudarabah*, *murabahah* and *qard al-hasan* which makes implementing and developing Islamic microfinance difficult and challenging. Their lack of knowledge in *fiqhi* rules which govern the *riba*-free mechanism caused further challenges in Islamic microfinance.

First, the clients seem to display initial preference to *mudarabah* which has profit sharing mechanism. However, only a few understand that profit-sharing mechanism may, under certain design, more expensive compared to other alternatives in Islamic finance. Secondly, some clients recognize the conflict between the microfinance programs and the borrowers in determining profits. Besides that, the borrowers may also prefer not to reveal their profit to the program (and their group).

In term of *murabahah*, which relates to buy-resell mechanism, some clients express their concern in term of its similarity in the practice of fixed interest rate (*riba*). However, when this concern is properly addressed, it is acceptable by the clients and local religious leaders. They understand and accept that the cost incur in carrying out a microfinance program has to be recovered in order to ensure that the program continues. They also appreciate the transparency of it model which provides equal instalments. It is easier to monitor and administer.

Clients' perception towards *qard al-hasan* also causes some concern because of its 'pure' form. Even though, *Shariah* distinguish the concept of *qard al-hasan* and *sadaqah*, some borrowers may misconstrue it as 'free'.

Though there are some borrowers who understand the difference and accept the need to repay but the flexibility in this mechanism does not determine the 'when' to do so.

The 'hot and cold' response by the clients due to their perceptiveness does not encourage further developing the products in Islamic microfinance and creating major problems for the professionals to create alternative modes in this sector.

4. Islamic Microfinance Mechanisms

4.1 Mudarabah

Mudarabah is a scheme in Islamic finance where the capital is provided by the Islamic financial institution or investor(s) which is known as '*rab-ul-maal*' to the small entrepreneur who is known as '*mudarib*'. The profit from the project is shared between the capital provider and the entrepreneur at an agreed predetermined ratio. However, the loss will be borne entirely by the capital provider because a *mudarib* invests the *mudarabah* into a project based on trust basis except in cases of misconduct or negligence by the *mudarib*. A *Mudarib* is liable to the full amount of the capital if he is negligent or breaches the terms of the *mudarabah* contract (Safari, 2013). The *mudarib* also has full control over the management and the *rab-ul-maal* can only monitor or oversee the operation without making any interference (Rahman, 2010).

Mudarabah structure is based on an arrangement between the entrepreneur and the financial institution or it can also be based on two-tier structure or *re mudarabah* between the capital provider (public, *zakat*, government, *waqf*, etc), intermediate *mudarib* (financial institution), and the final *mudarib* (micro entrepreneur). The profit sharing ratio in *mudarabah* is predetermined. It is a percentage of the profit which has to be clearly stated and not a lump sum of payment. Profit can only be claimed when the *mudarabah* operation is making profit and any losses must be compensated by the profit in the future operation. However, according to Dhumale and Sapcanin (1999), practically due to unavailability of financial statement from entrepreneur, the total profit to be shared is difficult to determine.

There are two types of *mudarabah*; (i) *Mudarabah Muqayyadah* (restricted *mudarabah*) and (ii) *Mudarabah Mutlaqah* (unrestricted *mudarabah*). In *Mudarabah Muqayyadah*, the capital provider specifies a particular business or place for the *mudarib* to invest in. On the other hand, in *Mudarabah Mutlaqah*, the *mudarib* has full freedom to decide the kind of business to invest in. However, he is not allowed to either lend the *mudarabah* to another *mudarib* or mix his own investment in any *mudarabah* without the consent of the *rab ul maal*.

Due to the features of *Mudarabah*, the financial institution who acts as the capital provider or *rab ul maal* is exposed to the risk of capital erosion caused by the loss making operation of the micro entrepreneur. In addition to this, since the *mudarabah* does not require collateral, it exposes the financial institution to credit risk on bad investments. Thus, to mitigate these risks, the microfinance institution still can do supervision even though the micro entrepreneur has the full control of the management (Mirakhor & Iqbal, 2007).

4.2 Mushakarah

Unlike *mudarabah*, *mushakarah* is about partnership between the microfinance institution and the micro entrepreneur. They will also have profit sharing at a predetermined ratio but they also share the loss based on capital contribution ratio. According to Ariff et al. (2012), the most suitable technique for *mushakarah* is the *mushakarah mutanaqisah* that has a concept which involves diminishment of partnership. It means that the partnership is not perpetual. The repayment of the capital by the entrepreneur reduces capital provider's total capital ratio and thus increases the entrepreneur's capital ratio until he becomes sole proprietor of business. The duration of repayment depends on the pre agreed period between both parties. This form of mechanism is mostly suitable for the existing business that needs additional capital for expansion.

There are other forms of *mushakarah* such as *musaqat* and *muzara'ah*. *Mushakarah* is a partnership form in commercial-industrial sector of the economy. Where else, *muzara'ah* is its counterpart in agriculture and *musaqat* in orchard keeping. In these forms of *mushakarah*, the harvest is shared among the equity partners including the micro entrepreneur based on the predetermined ratio in profit sharing. All the principles of *mushakarah* also apply to both of them. However, these forms of partnership do involve high risk due to the need to have both capital and expertise to be directly involved.

Since *mushakarah* ranks lower than debt instruments upon liquidation, it is exposed capital impairment risk where the capital may not be recovered (Haron & Hock, 2007). However, mitigation risk techniques can be adopted through a third party guarantee. For example, Small Medium Enterprise (SME) financing in Malaysia helps to obtain and structure the loss of capital of some or all the partners through active role of Credit Guarantee Corporation (CGC).

4.3 Murabahah

It is a type of Islamic finance transaction which is *Shariah* compliant. The financial institution would acquire and purchase an asset and then sell it to a micro entrepreneur at a fully disclosed profit (Figure 2). The financial institution will retain the ownership of the asset until the repayment is fully settled. This had been introduced in Yemen in 1997 and its response was very encouraging, In 1999, there were over 1,000 borrowers actively involved in this type of financial transaction (Dhumale & Sapcanin, 1999). The scheme acquires a group of five entrepreneurs where all entrepreneurs will act as guarantors if anyone of them default the scheme. The financial institution will keep monitoring and the entrepreneurs who have good credit or repayment record will be offered extra loan.

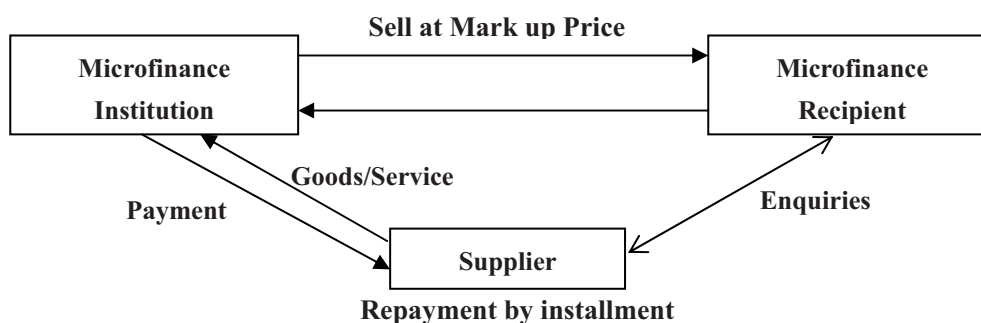


Figure 2. *Murabahah* structure for microfinance

Figure 2 illustrates how *murabahah* concept is applied in a financial transaction. The entrepreneur would enter a sale and repurchase agreement or a memorandum where the entrepreneur would acquire an asset or equipment through a financial institution at a marked up price. The entrepreneur would then pay either a lump sum or in instalments (*bai muajal*) over a predetermined period. To ensure that the contract is valid, a number of *Shariah* principles should be met (Haron and Hock, 2007) at the time of purchase such as; (i) the goods exist and its ownership remains with the bank (ii) the good has commercial value (iii) the goods is not used for *haram* purposes (iv) the goods must be identified and known (v) the goods will be delivered unconditionally after full settlement and (vi) the price is fixed at a marked up price (Safari, Ariff, & Shamsheer, 2014).

Murabahah can be implemented for microfinance purposes and can be exemplified by using deferred payment sale (*bai' muajal*). However, to reduce the risk borne by the financial institution, a third party guarantee can be requested or a pledge of asset can be acquired. In addition to that, the financial institution can form a payment structure where they can directly debit the payment from the entrepreneur's account, centralize a blacklisting system and apply a non-compounded penalty to deter delinquent entrepreneur. On the other hand, to mitigate risk in a situation where the seller fails to deliver the goods or comply to the specification specified by the entrepreneur, the financial institution can request a performance guarantee from the seller (Safari et al., 2014).

4.4 Ijarah

Ijarah by definition means rent, lease or wage. It is a long-term lease contract which has specified conditions comply with the *Shariah*. Unlike conservative lease contract, the lessor (microfinance institution) not only owns the asset, the lessor also monitors its usage but however, discharge the responsibility in the maintenance of the asset which is not caused by wear and tear. Prior to the execution of *ijarah*, the financial institution will have the possession of the asset and borne the risk associate with the asset.

Ijarah Muntahia Bitamleek is an elaborate lease *ijarah's* concept where at the end of the contract the micro entrepreneur will have the possession of the asset. The asset's ownership will be transferred to the lessee at a predetermined price before the contract is finalized. This kind of micro financing is mostly suitable for the micro entrepreneur who needs to acquire asset or equipment. The financial institution will acquire the assets required by the micro entrepreneur and lease it to the qualified entrepreneur. The particular entrepreneur will pay the lease on a certain schedule for a period of time which at the end of it, the asset will become the entrepreneur. During the period of the lease, the lessee is responsible to safeguard the assets and at the same time, the lessor will monitor the usage.

Similar to any other finances, *ijarah* is also exposed to risk if the lessee unable to fulfil his end of the contract. However, the micro financial institution can request for an advancement of the lease. Alternatively, the micro financial institution can repossess the asset (Haron & Hock, 2007).

4.5 *Qard al-hasan*

“*Qard al-hasan*” or interest free loan is one of the most advanced and suitable tools for microfinance purposes. In principle, “*Qard al-hasan*” is a kind of borrowing of money that lender does not have any expectation from borrower except the receiving the principle. In fact, Muslims would use “*Qard al-hasan*” to help one another when they need financial help in order to please *Allah* (Mirakhor & Iqbal, 2007). The only different between “*Qard al-hasan*” and *sadaqah* is that *sadaqah* is pure charity and the giver does not have any expectation of money but in *qard al-hasan* borrower must return back the principle within the agreed period of time (Mirakhor & Iqbal, 2007).

Qard al-hasan can be used as an instrument to provide fund for micro financing to support small business and start-ups as it is less expensive compared to other source of Islamic finance. The term of repayment can be agreed by instalment in the certain agreed period of time. The only extra charge for *qard al-hasan* is the service charge fee that micro-finance institution is allowed to receive (Mirakhor & Iqbal, 2007).

5. Conclusion

This paper reviews the issue of poverty alleviation from perspective of Islam. Income growth, functional distribution of income and also promoting equal opportunities for all members of society are highly promoted by Islam as positive measures to improve the life of the poor. In addition to that, Islam also enforces means of controlling the ownership of resources and also prevention of malpractices as preventive measures. Finally, the state’s role in improving the quality of life of less fortunate people, *zakat* and *sadaqah* are major methods of correction of the poor’s condition.

This paper also reviews the major *Shariah* compliant contracts that can be used as an underlying model for Islamic Microfinance as *mudarabah*, *Musharakah*, *murabahah*, *Ijarah*, and *qard al-hasan*. Each of these contracts has features that may provide some benefits or impose certain restriction for parties of micro financing contracts. While *mudarabah* and *Musharakah* have the benefit of risk sharing, they demand higher rates from borrower (as a result of sharing parts of profit). *Murabahah* and *Ijarah* are based on the payment of a certain pre-agreed and predetermined instalments, which might be not possible for all borrowers at all times. *Qard al-hasan* demands no interest from borrower, which make it financially non sustainable business model for the financier. However, recent trends show the increasing popularity of this type of contract especially among those micro financiers who have access to public or *zakat* or *sadaqah* funds.

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Impact of Organizational Culture on Knowledge Management Process in Construction

Katun M. Idris¹, Ali K. Nita¹ & Aliagha U. Godwin²

¹ Faculty of Built Environment, Universiti Teknologi Malaysia, Johor, Malaysia

² Faculty of Geoinformation & Real Estate, Universiti Teknologi Malaysia, Johor, Malaysia

Correspondence: Katun M. Idris, Faculty of Built Environment, Universiti Teknologi Malaysia, Johor, Malaysia.
E-mail: idriskt@gmail.com

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Abstract

One of the key global pressures of knowledge management practice is knowledge acquisition, creation, sharing, storing and dissemination. The global business is reflecting a throng of culture, leadership and cultural upbringings which warrant bringing into line consistent alterations in management of knowledge because of diversity of workforce in construction organization. Theoretically, the study predicts the empirical role of culture (managerial learning and trust) with reference to knowledge management process. This paper presents a knowledge management (KM) model that comprises a set of KM hypothesis model and measurement models for understanding and applying these KM models to boost the application of KM in the construction organization. 76 private construction organization was investigated with 323 questionnaire surveys. A hypothesized model of KM process and culture was tested using structural equation modelling approach and a proposed model was therefore developed. Likewise, all fit indices for KM process and factor loadings shows the significant impact of culture on KM process, leading to a thrifty model achievement. The study shows that culture demonstrated 0.73 significant influence on the knowledge management process. The analysis revealed that managerial learning and trust were key factors that impact positively on KM process within the construction organization under investigation.

Keywords: knowledge management process, culture, learning and trust

1. Introduction

Knowledge has become a crucial innovativeness influences of production and an imperative means of modest benefit. Knowledge can be defined as truths, experience, skill and empathetic that one has added, specifically through learning. Al-Gahtani and Ghani (2010) argue that knowledge is a runny combination of organized experience, morals, information and professional insight that provide a framework for integrating latest experience and ideas. Thus, effective knowledge management and incorporation can improve business competitiveness. The importance of the knowledge management process has been linked to various researchers as basic resources for the organizational economic growth. Knowledge management process is regarded as creating, acquiring, transferring, editing and reuse. Alhaji et al. (2013) argued that knowledge management process is a conventional techniques, infrastructure, technical as well as management apparatuses, design headed for creating, transferring, understanding ideas in addition to skill around the construction organizations. Knowledge management process in the construction organization is a logical and integrative method of unifying organizational diverse actions of procuring, generating, sharing, stowing and disseminating individual skill and group of experiences managers to achieve organizational goals (Alekseev, 2010; Sajeve & Jucevicius, 2010). De Angelis (2012) agrees that KM system in construction is seen as a means of establishing and influencing conjoin distinct knowledge resources, peculiar skills, ideas learned and best practices. Forcada et al. (2013) on the other hand, argue that the knowledge associated with passed project's accomplishment and failure, conveniences, clients and products are assets that can yield a long-term and justifiable competitive advantage for construction organization. Companies can improve organizational wisdom through knowledge, procurement, forming, packing and mingle together by transferring knowledge workers and organizational knowledge (Griffith, 2012; Hislop, 2013) which will be enhanced in addition to more improvement and tactical inventions (Huber, 2001). KM process is an operative way to improving reasonable improvement, which comprehend the organizational

performance of project skill and duties at a more affordable time, cost together with the client's satisfaction other than the contestants. Knowledge management is looking as a multi-dimensional constructs with different indicators (Hutchings & Michailova, 2004; Lang, 2001). Thus, the study identifies the latent constructs as acquisition, creating, sharing, storing and reuse with culture as one of the environmental factors of knowledge management.

1.1 Research Background

Globally, one of the pressures in knowledge management process is knowledge documentation, creation, sharing, modernization and inventing of talent (Graham et al., 2007). The economic competition has swapped from current years due to incentive of globalization, the explosion of knowhow skill, obtainability of evidence in addition to organizational change (Dalkir, 2013). Generally, the organizational economy is christened as a knowledge economy, where organizations acquires, create, modernizes and engrossed on investigation and other systems of the knowledge management process for effectiveness and efficiency (Hartnell et al., 2011). Nonaka (1994) the other hand argues that, in the source of economy where the only certainty is not guaranteed, the lasting complete advantages are adoption of knowledge management process. Knowledge management is a strategy, appraisal and application of both communal and technology progressions to enhance the solicitation of skill, in the combined curiosity of the palisade holders (Islam et al., 2011). Kaur (2014) argues that management of knowledge is information –management, linking groups to groups and group to ideas which then generate complete benefit. Knowledge management is a social assets management workout than an expertise based profession, how individuals can be encouraged, finest utilized their natural talent, ideas and enhances imagination by using the technological state of mind. Various academician has focused on specific processes and activities within knowledge management. Graham, et al. (2007) discusses four critical stages of management as conception and attainment, knowledge transmission, knowledge clarification and application to oblige organizational goal. On the other hand, Forcada, et al. (2013) has drew knowledge formation, knowledge attainment, knowledge distribution and openness to knowledge as the main component of managing knowledge practices. Gold et al. (2001) prove that effectiveness of knowledge management process is as a consequence of knowledge substructures, i.e. know-how structure, beliefs and information process architectures. Knowledge formation be influenced by separate accomplishment and events over which implied, and obvious knowledge is jointed and pooled for modification of happenings and growth of knowledge.

1.2 Culture

Organizational culture is the collection differences in cultural background of each country necessitate alignment corresponding difference in the type of management practices. Workforce multiplicity in generalized professional imitates a crowd of cultural and racial context (De Angelis, 2012). Accomplishment or disappointment in management of knowledge within organization hinges on culture, an unindustrialized importance of active knowledge management (Yusof & Bakar, 2012). Organizational cultures are referred to as a set of mutual morals that assist organization members comprehend organization operative and managing organization change and review (Imran, 2014). Knowledge management process is entrenched in a societal setting which deeply impact these method by culture (Alekseev, 2010). Various researchers in addition to scholars have confidence in organizational culture and if reinforced and adopted can facilitate the fruitful application of knowledge management technology in addition to processes (Berryman, 2005; Chinowsky & Carrillo, 2007). The study focus on culture with learning and trust as a cultural factor predicting knowledge management.

1.3 Trust

One of the furthestmost unambiguously identified worth for knowledge management is trust. In an environment of trust and safety to embolden modernization, investigation in addition to risk enchanting, so as to invents novel information and use prevailing skills and experiences (Fullan, 2014). Trust is also an expectation that arises within a community of regular, honest and obliging conduct, based on normally shared norms with the other members of the environment or group of society (Griffith, 2012). Wang et al. (2011) argue that trust is considered among people with professional relationship rather than personal relationships. Thus, trust is well-thought-out as an imperative prognosticator of knowledge management.

1.4 Managerial Learning

Learning in the construction domain is the refinement of culture that support and encourage an acquaintance management process and for learning to exist there is a support of technical advancement (Lin et al., 2006). Learning is a degree of prospect, assortment, gratification and inspiration for development in the organization (Leidner & Kayworth, 2006). Organizational learning is indistinguishable volume to transfigure and

communicate the aptitude to smear knowledge in the construction organization, a learning procedure concerning the use of theoretical information to enhance the operational knowledge request competence (Malhotra, 2000). Learning culture opens up prescribed and casual channel of communication within the organization and serves as a conjecture of information management (Dong et al., 2010). Reliable learning culture of an organization is linked toward acquisition, formation, sharing, storing and dissemination (Egbu, 2004).

2. Method of Data Collection

The method of data collection used in the study was achieved with the means of personal contact survey questionnaire. A stratified random sampling procedure was engaged to obtain the required sample size of the population of project managers (PM) under private organizations in the construction industry. 76 construction organization was considered with a total of 500 questionnaires administered to different project managers to inquire how culture impact knowledge management process in their respective organization. 323 questionnaires were returned representing 63.4%, which is above the recommended by (Krejcie and Morgan, 1970) for data collection concerning the organization. From a descriptive data of the respondents PM, 21.5% are professional members of Nigerian Institute of Architectures (NIA), 30.5% are professional members council of registered engineers (COREC), 22% were professional members of Quantity surveyors (NIQS), 12.6%, 10.5% and 2.8% are in a National institution of estate surveyors and Valuers (NIEVS), National institute of building (NIOB) and other professional bodies respectively.

2.1 Hypothesis Development

There is no precise definition of knowledge (Bosch-Sijtsema & Henriksson, 2014). Knowledge is embedded in the cognitive view and reasoning which becomes an essential resource, gaining much attention in research based on unidentified dimensions (Dalkir, 2013; De Angelis, 2012). It has been suggested that knowledge can either be tacit or explicit (Malhotra, 2000). Organizations do not function in a society emptiness, but on the other hand, are influencing through social, cultural framework Maier and Hädrich (2011) thus, the organizational culture is also being painstaking as a form of organizational capital. Organizational culture consists trust, managerial learning that individual within the organization are predictable to distribute and follow. Culture in the organization as a perception is deliberate to be a crucial component in managing administrative modification and reintroduce the category of adhesive which predicament the societal arrangement of the construction organization unruffled. The culture reflects individual willingness to perform an action or behavior (software of the mind). However, for productivity to be achieved in construction, business organization has to amend their culture in order subsist or will be unproductive (Rašula et al., 2012). The author also argues that managerial learning and trust are constructs that impact good effective knowledge management process in the construction organization.

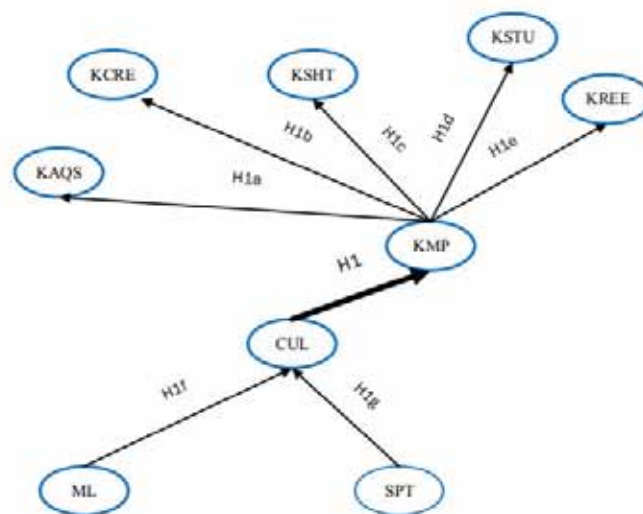


Figure 1. Proposed confirmatory analysis model of culture in knowledge management process
 Note. KAQS= Knowledge Acquisition, KCRE= Creation, KSHT= Sharing, KSTU= Storing, KREE= Reuse,
 ML= Managerial learning, SPT= trust, CUL= Culture.

H1; Culture exhibits significant impact on the knowledge management process.

H1a. KMP can positively impact KAC

H1b. KMP can positively impact KC

H1c. KMP can positively impact KSHT

H1d. KMP can positively impact KSTU

H1e. KMP can positively impact KRE

H1f. ML can positively impact CUL

H1g. SPT can positively impact CUL

3. Analysis and Result

Measuring model, construct were analyzed via confirmatory factor analysis (CFA) as proposed by (Jöreskog & Sörbom, 1993). The entire factor loading exceeded the recommended benchmark of 0.5 value at $p=0.001$. The measures of average variance and reliability were presented in Table 1. The observed normalized χ^2 for the measuring model was 2.771 (CMIN = 2.771, $df= 181$). This result signifies a very good value as recommended by (Byrne, 2013b). The goodness of fit recorded (GFI) recorded 0.869 and (AGFI) adjusted goodness of fit index value is 0.833 which align with the marginal recommended value of ≥ 0.8 (Guo et al., 2009; Hair et al., 2012). Thus, the (CFI) comparative fit index recorded 0.923 that was in line with recommendation of ≥ 0.9 value by (Ullman & Bentler, 2003; Zainudin, 2014). The (RMSEA) root of mean square error of approximation was 0.79 that indicate a reliable value (Byrne, 2013a). These authors postulate that root mean square error of approximately (RMSEA) of ≤ 0.08 indicates strong fit. (Figure 2).

Table 1. Measurement variance analysis and reliability

Variable/ Indicators	Estimate	T-value	Cronbach' Alphas	Average Variance Extracted
Acquisition			0.853	0.662
KAC1	0.82			
KAC2	0.78	14.914		
KAC3	0.84	15.996		
Creation			0.855	0.667
KC1	0.71			
KC2	0.65	10.310		
KC3	0.95	11.099		
Sharing			0.807	0.662
KSHT1	0.79			
KSHT2	0.83	14.097		
KSHT3	0.82	14.022		
Storing			0.807	0.786
KSTU1	0.90			
KSTU2	0.87	20.643		
KSTU3	0.89	21.610		
Reuse			0.799	0.719
KRE1	0.83			
KRE2	0.89	17.671		
KRE3	0.82	16.032		
Managerial Learning				
ML1	0.86			
ML2	0.98	16.747		
ML3	0.76	16.017	0.758	0.759
Trust				
SPT1	0.77			
SPT2	0.85	14.612		
SP3	0.84	14.267	0.871	0.674

Note. KAC= Knowledge Acquisition, KC= Creation, KSHT= Sharing, KSTU= Storing, KRE= Reuse, ML= Managerial learning, SPT= trust CUL= Culture.

Table 1 shows the analysis of the structural model via validity and reliability of the constructs. Convergent validity was achieved as all the calculated average variance extracted all above recommended ≥ 0.6 by (Hair et al., 2006; Zainudin, 2012). Internal reliability shows how reliable the measuring model in measuring the intendant construct as all the Cronbach' s Alpha value calculated are all above ≥ 0.7 recommended by (Hatcher & O'Rourke, 2014; Ullman & Bentler, 2003). Also, all the factor loading were above recommended ≥ 0.6 (Raedeke et al., 2013).

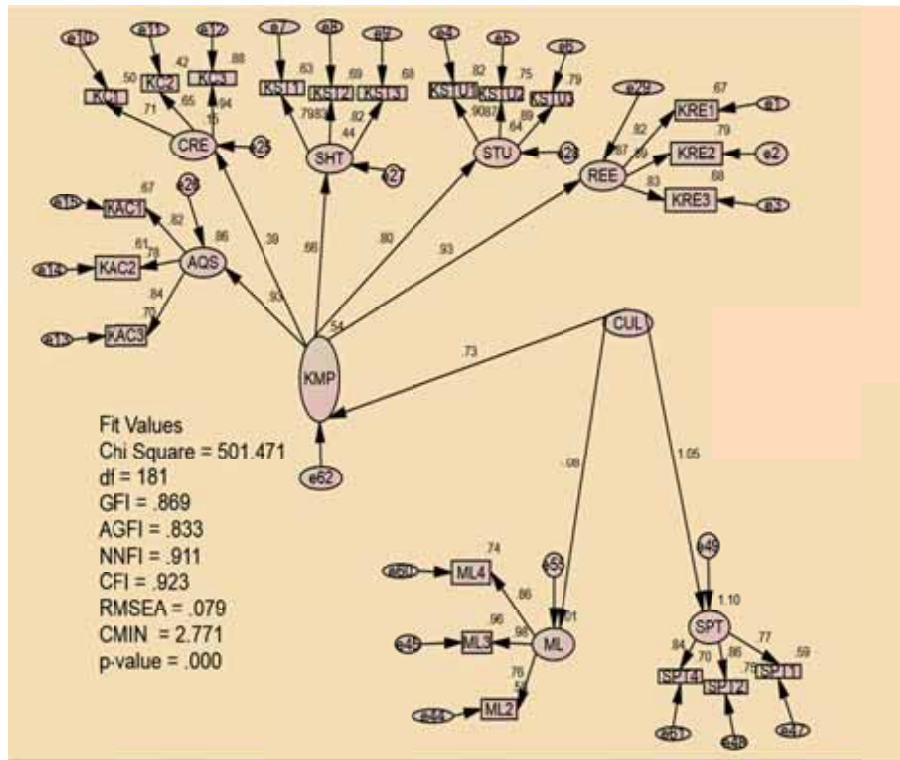


Figure 2. Confirmatory analysis of knowledge management process and culture

Note. KMP= Knowledge Management process, KAC= Knowledge Acquisition, KC= Knowledge Creation, KSHT= Knowledge Sharing, KSTU= Knowledge Storing, KRE= Knowledge Reuse, ML= Management learning SPT= trust, CUL= Culture.

4. Discussion

The impact of culture on knowledge management process was assed via the Hypothesis 1 (H1) with the sub-hypothesis range from H1a, H1b, H1c, H1d, H1e, H1f and H1g (figure 1). The path loading of approximately 0.2 and higher were considered as practically significant loading (Cohen, 2013; Cohen et al., 2011).The analysis of AMOS output of the confirmatory model exhibited strong and reliable path loading (Figure 2). All measuring construct of knowledge management process ranges from 0.93, 0.39, 0.66, 0.80, 0.93 for knowledge acquisition, knowledge creation, knowledge sharing, knowledge storing and knowledge reuse respectively on culture while measuring the construct of managerial learning exhibited a weak relationship of a path loading of -0.8 which was not supported. Trust under culture measure, 1.05 was supported by (Jöreskog, 1999). The main hypothesis (H1) alongside with sub-hypothesis was supported by this analysis. Thus, H1 exhibited a strong path loading of 0.73, it is therefore appropriate to postulate that culture positively impact of the knowledge management process (Figure 2 and Table 2). The impact relationship of culture is associated and demonstrated towards the managerial learning of the construction organization and the level of trust exhibited by their organizations.

Table 1. Summary of the results structural model

Hypothesis	Hypothesized path	Result	path coefficient
H1a	KMP can positively impact KAC	0.93	Supported
H1b	KMP can positively impact KC	0.39	Supported
H1c	KMP can positively impact KSHT	0.66	Supported
H1d	KMP can positively impact KSTU	0.80	Supported
H1e	KMP can positively impact KRE	0.93	Supported
H1f	ML can positively impact CUL	-0.80	Not Supported
H1g	SPT can positively impact CUL	1.05	Supported
H1	Culture can significantly impact the KM process	0.73	Supported

Note. KAC= Knowledge Acquisition, KC= Creation, KSHT= Sharing, KSTU= Storing, KRE= Reuse, ML= Managerial learning, SPT= trust CUL= Culture

5. Conclusions

The study gives understandings in to the impact of organization culture on the knowledge management process in the construction organization. It is imperative to adjudge the utilization of culture on knowledge management process in the construction organization. The finding of the research can help knowledge management canvassers as well as expertise to advance and enhanced thoughtfulness of the starring role of culture inside the knowledge management process. The current study can also be adopted by managers when conniving and evolving approaches, policies and teaching guides. The finding of this study will make available understanding for further research in this area especially in developing countries. Thus, the imminent research can center on the other imperative area of environmental factors as they also affect the knowledge management process.

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An Exploration of Inclusion of Spirituality into the Balanced Scorecard (BSC) to Support Financial Performance: A Review

Fahmi Fadhl Al-Hosaini¹ & Saudah Sofian¹

¹Department of Accounting and Finance, Faculty of Management, Universiti Teknologi Malaysia, 81310 UTM Johor Bahru, Malaysia

Correspondence: Saudah Sofian, Department of Accounting and Finance, Faculty of Management, Universiti Teknologi Malaysia, 81310 UTM Johor Bahru, Malaysia. Tel: 60-19-727-7416. E-mail: Saudah@utm.my

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Abstract

The BSC has been well accepted as a suitable tool for assessing and monitoring financial performance of organisations. Subsequently it has been embraced by organisations as financial and nonfinancial performance indicators that help organizations align their initiatives with the organization's strategy. However, the question of how the BSC can be enhanced to incorporate non-financial performance is still being raised. One of the important non-financial perspectives is the Spirituality. The goal of this paper is to review the recent research on Spirituality as nonfinancial performance indicator for the BSC. In this paper an overview of the BSC and its perspectives is given, providing a justification for the importance of non financial performance measures to overall organizational performance. The novelty of this paper is that through an elaborate discussion, Spirituality is proposed as a potential additional dimension that can enhance the BSC. Subsequently, the enhanced BSC would incorporate spirituality as an important dimension that affects employees as well employers, who are the key drivers of financial performance. Overall, the proposed dimension would strengthens the tool's efficiency and effectiveness.

Keywords: balanced scorecard, spirituality, non-financial perspective, financial performance

1. Introduction

Among the many performance management systems, the BSC is identified as one of those that require further research based on its previous record. It has a proven potential to influence enhancement of organisational performance and growth (Al-Zwyalif, 2012; Chen, Lee, & Mo, 2012; Li, 2011). In line with this, Kaplan (2012) makes important and insightful comments on BSC and strategy implementation while arguing against the usual academic commentaries of some experts on BSC; who often ignore its role in strategy execution.

The BSC was introduced in 1990 by Kaplan and Norton as a systematic tool for performance improvement of organisations, away from the classical methods through the use of measurements and indicators. In contrast to other tools, BSC links strategy of the organisations with their performance and this is usually done beyond determining the traditional financial measurement in the success of organisations. The BSC is based on four perspectives of performance measures, which are financial, customer, internal business processes, and learning and growth (Kaplan & Norton, 1996a; Kaplan & Norton, 1992; Niven, 2005).

It highlights the business processes, determinants of business success, as well as cause and effect relationships in relation to business strategy. It is primarily utilized as a tool to bring about formulation of strategy, its realization as well as its communication. Additionally, it also helps in keeping track of performance and in providing assessment feedback. The BSC system facilitates sustained focus and attention towards strategic initiatives and continuous review.

Besides the above, BSC's researchers have investigated various factors that drive organisational performance. One area that has not been given as much attention is the contribution of non-financial factors to overall organizational performance (Karun & Pilaipan, 2011).

Other studies suggested that spirituality can also play a vital role if it is incorporated in BSC (Fry, Matherly, & Ouimet, 2010; Pratoon & Cheangphaisarn, 2011; Ramli, 2006). Among them, Ramli (2006) developed BSC concepts from Islamic perspective tagged as the Hadhari scorecard. He considers Hadhari scorecard as a

civilisation that promotes both material and the non-material (humane and spiritual) aspects of improvement to the classical Kaplan and Norton (1992) BSC. The author argues that the traditional BSC developed by Kaplan and Norton (1992) failed to execute the desired objectives it was designed for as documented by Kaplan and Norton (1996a). In the latter improvements in the BSC in 2004, Kaplan and Norton still mentioned that what was missing was the ability to communicate the strategy formulated to a larger workforce in organizations and addressing non-financial performance measures.

Moreover, the performance field urges for emphasis on factors such a spirituality which contribute to customer satisfaction and well-being of employees (Kaplan & Norton, 2004; Kaplan & Norton, 1996a; Kaplan & Norton, 1992; Tejada, 2014). From the non-financial measures, the employees' performance with the inclusion of leadership, arise as the core and significant indicator of performance categories (Kaplan & Norton, 2004). The interaction of organizational performance dimensions may be complex, but leaders with strong spirituality qualities generally influence employee performance. This high performance leads to better company success and sustainability (Kaplan & Norton, 2004).

In relation to the above, Fry, Hannah, Noel, and Walumbwa (2011) suggested that Spirituality is an important element that boosts performance. The authors provided two important reasons to justify the significance of spirituality. First, spiritual solutions are sought by the society to address social and business dynamic changes (Cash & Gray, 2000), and second, global changes have led to social spiritual consciousness (Duchon & Plowman, 2005; Inglehart, 1997). This is consistent with Duchon and Plowman (2005) statement which emphasises on focusing on the spirit at work so as not to ignore a basic feature of what is being human. Evidence also exists to support the notion that spirituality activities at the workplace lead to advantageous individual job satisfaction for the employees. It also enhances commitment while delivering enhanced productivity, minimized absenteeism and turnover, and the promotion of greater degrees of organisational performance (Duchon & Plowman, 2005; Elm, 2003; Fry, 2005; Garcia-Zamor, 2003; Giacalone & Jurkiewicz, 2003; Reder, 1982). Therefore this paper reviews the use of the Spirituality as an improvement of the in the BSC to enhance is focus on non-financial performance.

2. The Balanced Scorecard (BSC)

The Balanced Scorecard (BSC) is a useful tool that links strategy with performance with extended measures on how the different levels of the organization contribute to overall success. The notion of BSC is that an organization's strategies and their execution are among the most important factors in performance improvement (Rigby, 2001). The shift from an industrialized economy to information economy has called for a change in how value is determined. The scorecard enables organisations to peruse their financial results while at the same time scrutinizing their development in creating capability in obtaining insubstantial required assets for future development.

Additionally, the BSC offers management the chance to acknowledge not just how insubstantial assets may affect the financial results but also the way performance initiatives may affect the long-term strategic aims of the organisations. Thus, the process of data collection and analysis are vital ingredients, in order to generate the significant and successful impact for the organisation. This is part of the views advanced in Kaplan and Norton (1992) report.

Consequently, if the organization chooses the wrong measures, the significance of data collection may be lost. The BSC handles this issue by a planned dimensions analysis; this is achieved by rectifying influence of inaccurate actions through the introduction of a factor/measurement at any point in time. The BSC is based on the notion that both measures (financial and non-financial) of performance are combined in one ultimate scorecard. Subsequently, the proposition being made in this paper is to incorporate spiritual as another dimension of non financial performance measures so as to enhance its coverage.

2.1 Four Perspectives of Balanced Scorecard

The BSC framework is a tool that reveals the cause and effect scenarios in the strategic management structure for an organization in respect of the four perspectives of BSC (Kaplan & Norton, 2001b): financial, customer, internal process and learning and growth. Part of the implications of these perspectives is the effect of the organizations' internal process as well as learning and growth innovations have on the creation of new services and products that will satisfy the needs of the customers, and enable better and prosperous financial achievements. Thus, the internal structures of an organization have a direct relationship to the outcomes that are being offered to the outside customers (Kaplan, 2004). A brief description of the various perspectives is given in the following sub-sections.

2.1.1 Financial Perspective

The financial perspective is considered as the most important perspective among the others, particularly in relation to key strategy implementation and assessment of organizations' performance. Usually, it occupies the topmost part of the BSC. This is usually actualized through the provisions of the organisations' mission and vision statements and the transformation of financial issues into sustainable goals and minimal cost (Niven, 2011). The cause and effect trend can be seen through the financial index, irrespective of whether they are tangible or intangible. In addition, there should be ways by which the financial perspective can be used for raising the long-term stakeholder values, expanding the market and reducing costs.

The following measures are therefore important in ensuring cash flow, revenue, profitability, return on equity, sales growth, and market share and budget variances. Normally they are considered as lagging indicators (Kaplan & Norton, 2005). To achieve this good assessment of all contributing units the other three perspectives are very crucial.

Furthermore, Kaplan and Norton (2004) encouraged the use of a five-step process as in the activity-based cost management, which remains a challenge in achieving organizations' operational improvements. These steps are "develop the business case, establish priorities, provide cost justification, and track the benefits and measure performance for ongoing improvement." In this way, there exist solutions for the quest of organizations' better performances, by the provisions of links between available resources and activities.

2.1.2 Customer Perspective

According to Kaplan and Norton (1992), there are two measurement standards. First is the "core measure group", which includes customer retention, market share, customer satisfaction, customer acquisition, and customer profitability. The next performance driver guides the organisation to the customer value proposition, and include lead times, quality, attributes of product and quality, image and relationship. It was therefore argued in Kaplan and Norton (2001b), that these will be achievable with the right choice of customers with highest value propositions. These values, according to Niven (2011), can be achieved in any of the following three ways: (i) operational excellence concentrates on reasonable price and quick response, (ii) there are turn around innovate drives by product leadership towards improving both products and services qualities of the organisation, (iii) creating an enabling customer intimacy based on long-term relationship due to vivid understanding of customer needs.

On the other hand, the assessment of nonfinancial measures with customer satisfaction was reported to show the link with future financial performance. In Ittner and Larcker (1998) it is revealed that customer behaviour and financial results are relatively constant over broad ranges of customer satisfaction levels supporting the argument in Kaplan and Norton (1996b). From the afore mentioned discussion, it is clear that there is a potential relationship between customer perspective and financial performance in organisations. Thus, customer perspective is included in this research theoretical review. This paper suggests including spirituality in the BSC framework.

2.1.3 Internal Process Perspective

Kaplan and Norton (2004) stated that organisations should continue to conduct innovation in products, services and internal processes for the creation of more customer value. A process of innovation guided by the needs of customers encapsulates four major processes; identification of the opportunities for new products and services, managing the R&D portfolio, designing and developing new production and service, bringing novel products and services to the market. Hence, the internal process can be referred to as a supply chain which develops services to customers. The institution should keep on adding value to the processes in order to offer better service. The case organisation should conduct four operations; innovation process, quality service process, customer management process, and regulatory and social processes.

Bovet and Martha (2000) argued that the classic supply chain which involves the process of forecasting, purchase, manufacturing, warehousing, and distribution, no longer satisfies the dynamic and versatile market. Value-added activities should start with demand-pull. The customers should be allowed to participate in the design level and provide service. Combining the customers, suppliers and enterprise in what is called the 'value net' can turn into a fast and dynamic system that is required to satisfy needs of customers and sustain the organisation's core competitive advantage. Thus, the internal process measures of the BSC can provide early monitoring of process effectiveness and efficiency. Bearing in mind the above findings, this paper suggests that there is a potential relationship between internal process perspective and financial performance in organizations which in turn calls for attention to be given to non financial performance measures such as spirituality.

2.1.4 Learning and Growth Perspective

Learning and growth are two major features that every organization's strategy should incorporate. There are different varieties of leading indicators and intangible assets that can be used to depict these features. These include (Chuang, 2007): human, information, and organisation capital, culture, alignment, and teamwork. Thus, the organization must adopt a measurement method that they want as opposed to what they can. In Kaplan and Norton (2004), the importance of this perspective is measured through the ability of organisational capital, employees, and knowledge systems on one hand, as well as their importance in communicating value creations to the organisations on the other.

Human capital attempts to emphasize the investment on the employees who are responsible for critical internal processes to achieve an extraordinary level. The information capital backs up the infrastructure and strategic to assist the performance of human capital. The four elements of organisational capital namely culture, alignment, leadership, and teamwork facilitate and transform the behaviour of a successful organisation that is focused on strategy (Kaplan & Norton, 2004).

According to Park and Gagnon (2006), the learning and growth perspective (organization's employees, infrastructures, and environment, and reflects employee satisfaction, motivation, empowerment, and the capabilities of employees and information systems) are argued to facilitate the performance of the other three perspectives. Whereas, the model used by Bento, Regina Bento, and Lourdes Ferreira White (2012) showed the influence of the financial dimension on the other three perspectives, it is always being directly affected by continuous improvements.

In addition, Kaplan and Norton (2001a) considered the learning and growth perspective to be related to the organisations' internal skills and capabilities. Furthermore, the following are parts of the expected possible interactions between this perspective and others: (i) learning and growth perspective's relationship to internal business process; (ii) internal business perspective to customer perspective; (iii) customer perspective to financial perspective; and (iv) employee learning and growth perspective to customer perspective.

According to Glaveli and Karassavidou (2011); Bento et al. (2012), there is evidence in management literature that supports the fact that the learning and growth perspective may lead to better financial results. Likewise, Cohen, Thiraios, and Kandilorou (2008) found that a direct relationship between learning and growth perspective on the financial perspective was established through a study involving 90 Greek companies; as well as a significant and positive relationship between learning and growth perspective and the internal perspective that will eventually affect the customer perspective. Also, in Bento et al. (2012), one of the hypotheses tested between learning and growth perspective with respect to the financial perspective shows that the learning and growth perspective had the weakest direct, positive impact on the financial perspective.

To recapitulate, it is argued that there is a potential relationship between learning and growth perspective and financial performance in organizations. Thus, it is included in this theoretical review, as such in this paper we argue that non financial performance measures, such as spirituality can add value to the BSC tool.

2.2 *The Importance of Spirituality as a New Non-financial Perspective for the BSC*

Spirituality has been identified as a key construct that can influence many core activities of institutions. The spirit of the person is a significant aspect or a driving force that is believed to be an intangible, life affirming force in all human beings. It refers to striving for values and beliefs transcending the physical world. Workplace spirituality is defined as a workplace that recognizes that employees have an inner life that nourishes and is nourished by meaningful work that takes place in the context of the community (Ashmos & Duchon, 2000). Spirituality is based on three important components: inner life, meaningful work, and community (Duchon and Plowman (2005). It can also be described as 'a framework of organizational values evidenced in the culture that promotes employees' experience of transcendence through the work process, facilitating their sense of being connected to others in a way that provides feelings of completeness and joy (Fry et al., 2011).

A review of literature pertaining to the effects of spirituality on improving employees' performances and organizational effectiveness suggested the need to incorporate spirituality in organizations based on the following three different perspectives: (i) spirituality enhances employees' well-being and quality of life; (ii) spirituality provides employees a sense of purpose and meaning at work; (iii) spirituality provides employees a sense of interconnectedness and community. It was concluded that there is a complex paradigm shift in organizational sciences, management theory and practice in the past two decades. The influence of spirituality on employees' performances and organizational effectiveness, as well as organizational productivity or profitability has been considered to be complex in nature (Karakas, 2010). This complexity is also reflected in terms of

definitions of spirituality at work by other researchers. For instance, Fry et al. (2010), considered the incorporation of the spirituality perspective as a necessary driver to employees' well-being, organizational commitment and productivity, corporate social responsibility and, ultimately, financial performance of the organization. Subsequently, spirituality can play an important role in enhancing the performance of organisations which may have been experiencing some problems in performance as indicated earlier.

3. Spirituality Perspectives

According to Fry et al. (2011), the key principle that is described as intangible, life affirming energy in an individual and for that fact, all human beings, is a person's spirit (Anderson, 2000). It underlies striving for values and beliefs that go over physical existence (Maddock & Fulton, 1998). Workplace spirituality according to Ashmos and Duchon (2000) is defined as a workplace that recognizes that employees have an inner life that nourishes and is nourished by meaningful work that takes place in the context of community. Giacalone and Jurkiewicz (2003) defined workplace spirituality as "a framework of organizational values evidenced in the culture that promotes employees' experience of transcendence through the work process, facilitating their sense of being connected to others in a way that provides feelings of completeness and joy". There are also a number of other definitions, e.g. by Giacalone and Jurkiewicz (2003); Duchon and Plowman (2005).

In Karakas (2010), a review of about 140 articles about the effects of spirituality on improving employees' performances and organizational effectiveness was conducted based on the following three different perspectives that were introduced: (i) spirituality enhances employee well-being and quality of life; (ii) spirituality provides employees a sense of purpose and meaning at work; (iii) spirituality provides employees a sense of interconnectedness and community. It was concluded that there is a complex paradigm shift in organizational sciences, management theory and practice in the past two decades according to some researchers, e.g. (Capra, 1996; Conger & Kanungo, 1988; Dooley, 1997; Giacalone & Eylon, 2000; Harman & Hormann, 1990; House & Shamir, 1993; Lewin, 1992; Ray & Rinzler, 1993; Wheatley, 1992).

Thus, this paradigm shift has different effects and accomplishments on the organisations in different ways. For instance, there are flexible work arrangements for employees (Gottlieb, Kelloway, & Barham, 1998) and telecommuting (Kugelmass, 1995) as well increased focus on strategies of empowerment (Conger & Kanungo, 1988). This is done so as to allow employees' better involvement and participation (Cotton, 1993; Hyman & Mason, 1995), in the organisations. Accordingly, Karakas (2010) stated that this paradigm shift is innovative in nature, since it aims at mind-enriching, heart-fulfilling, and spirit-growing for employees, despite being financially rewarding.

Over the years, there have been new trends of thoughts among researchers about this paradigm shift, as well as the effects of spirituality of employees' performance and effectiveness. This is in addition to its being evident in many establishments, e.g. (Ashmos & Duchon, 2000; Burack, 1999; Cavanagh, 1999; Duchon & Plowman, 2005; Fry et al., 2011; Fry et al., 2010; Giacalone & Jurkiewicz, 2003; Gogoi, 2005; Howard, 2002; Konz & Ryan, 1999; Mitroff & Denton, 1999; Tischler, 1999; Wagner-Marsh & Conley, 1999).

There are also authors that referred to it as being a kind of a megatrend or 'a spiritual awakening (Fry et al., 2011; Garcia-Zamor, 2003) that is geared towards enhancing employees' well-being, sustainability and social responsibility without sacrificing performance (Fry et al., 2011). In relation to the above, Fry et al. (2011) investigated the critical link between spiritual leadership and their influence on moral and character development, as well implications the involved. This study portrayed the strong evidence for the background information on workplace spirituality, religion versus spirituality; as well as, spiritual leadership theory, involving: spiritual leading versus spiritual leadership; the emergence and unit level of analysis; and the dimensions of spiritual leadership. Others include spiritual well-being, as well as the mediating role of spiritual well-being.

Fry et al. (2011), in proffering reasons for the question posed thus: there are 'many questions why this interest in spirituality is occurring'. They gave two reasons in their statement, as follows: Firstly, society requires spiritual solutions to handle dynamic changes in society and business (Cash & Gray, 2000). Secondly, the proposition that the global changes have brought a growing social spiritual consciousness (Duchon & Plowman, 2005; Inglehart, 1997). Indeed, Duchon and Plowman (2005) contended the oversight of spirit at work that may translate to overlooking a basic feature of what it is to be a human being.

Thus, these review by these authors revealed an evidence to support the view that programs organised for workplace spirituality not only have beneficial results like increased joy, peace, serenity, satisfaction and commitment in the job, but also offer improved productivity, decreased absenteeism and turnover, and promote higher degrees of organisational performance (Brophy, 2014; Duchon & Plowman, 2005; Elm, 2003; Fry, 2005; Garcia-Zamor, 2003; Giacalone & Jurkiewicz, 2003; Reder, 1982).

In addition, it is also imperative to distinguish spirituality from religion, despite their interconnectivities. According to Fry et al. (2011), religion is described as a theological system of beliefs, ritual, prayers, rites and ceremonies and relevant formalized ideas and practices while spirituality is the qualities of the human spirit including positive psychological concepts including love and compassion, patience, tolerance, forgiveness, contentment, personal responsibility and a harmonious relationship with the surroundings. Besides, spirituality is the seeking for a vision of service to others, through humility (by regarding oneself as an equal, and not a greater individual), through charity or love and through veracity which goes beyond the fundamental truth-telling to use ones capability of seeing things in their actual sense and hence minimising subjective bias. This perspective shows spirituality as necessary for religion but not vice versa. As a result, workplace spirituality can include or exclude religious theory and practice.

In addition, Fry et al. (2010), presented the general model of Spiritual Leadership Balanced Scorecard Business Model to have two types of spiritual leadership that requires:

- 1. An organizational vision**, in which leaders and followers experience a sense of calling so their lives to have purpose, meaning and to make a difference.
- 2. An organizational culture**, based on the values of altruistic love so that leaders and followers have a sense of membership, belonging, feeling understood and appreciated, and to have genuine care, concern, and appreciation for both self and others.

Based on the above discussion, it is interesting to investigate the relationship between the spirituality perspective and the resulting level of financial and non-financial performance in organizations.

4. Relationship between Spirituality and BSC Perspectives

The BSC concepts from an Islamic point of view were developed by Ramli (2006) and were eventually tagged as the *Hadhari* scorecard. According to him, the *Hadhari* scorecard is a civilisation promoting material and non-material elements of improvements to the classical Kaplan and Norton (1992) BSC. He added that the classical BSC does not live up to the objectives created by the authors (Kaplan & Norton, 1996a). The improvements made in 1994, stressed that the missing element in the BSC is its ability to communicate strategy created to a more extensive workforce in the organisation.

In the performance field, an extensive focus is made by addressing the significance of non-financial predictors of financial performance like customer satisfaction, operating/internal measures, quality, leadership, innovation, and employee well-being and growth (Kaplan & Norton, 2004; Kaplan & Norton, 1996a; Kaplan & Norton, 1992). This opens the discussion on other non financial determinants of performance, such as spirituality.

From the non-financial measures, the employees' performance (including leadership) turned out to be the significant indicator of other performance categories (Kaplan & Norton, 2004). Despite the complexity of the inter-linkage of the organisational performance dimensions, generally, leaders influence high degrees of employee performance resulting in superior operations which in turn, results in higher degrees of customer satisfaction. Eventually, customer satisfaction translates to superior financial performance. As employee performance in the organisation, in all levels, is core to the effective and efficient internal operations, customer satisfaction, and eventually financial performance, a focus on employee performance is called for in organisations wishing to be successful (Kaplan & Norton, 2004).

In Karakas (2010), a review on how spirituality supports organizational performance as well as improved employees' performances and organizational effectiveness was carried out. The authors called for the incorporation of spirituality in a positive way in organisations. Furthermore, Fry et al. (2010) considered the incorporation of the spirituality perspective as a necessary driver to employees' well-being, organizational commitment and productivity, CSR and, ultimately, financial performance of the organization.

The reviews in Dent, Higgins, and Wharff (2005); Karakas (2010), showed that there exists two school of thoughts among researchers in relation to the perception of spirituality and organizational performance. Thus, 'spirituality' is being viewed as both anti-materialist (Lips-Wiersma, 2003); and anti-positivist (Dean, Fornaciari, & McGee, 2003). Part of the arguments in these studies is the fact that anti-materialist spirituality aspects necessitates the need for investigate studies that is aimed at establishing their relationship with financial performance (Dean et al., 2003; Dent et al., 2005; Fornaciari & Dean, 2001).

Other studies also highlighted concerns regarding spirituality being utilized as an administrative tool to manage employees (Brown, 2003; Cavanagh & Bandsuch, 2002; Fernando, 2005; Mirvis, 1997). According to these scholars, spirituality should be considered as an end and should not be utilized as a tool of management to maximise financial performance of organisations (Cavanagh & Bandsuch, 2002; Fernando, 2005). In fact, some

other scholars stressed the need for caution when it comes to the potential abuses or misuses of work spirituality (Brown, 2003; Cavanagh & Bandsuch, 2002; Mitroff & Denton, 1999). Contrastingly, some scholars contended that spirituality can be utilised to enhance the performance of the organisation (Ashmos & Duchon, 2000; Fry, 2005; Garcia - Zamor, 2003; Giacalone & Jurkiewicz, 2003); and study dedicated to spirituality should present the links between spirituality and productivity and profitability (Ashmos & Duchon, 2000; Giacalone, Jurkiewicz, & Fry, 2005; Giacalone & Jurkiewicz, 2003). Researchers including Giacalone et al. (2005) called for the empirical and rigorous demonstration of the positive impacts of spirituality on work performance. The primary aim behind this contention is to legitimise the studies in the area of spirituality at work in the context of organisations. It has been recommended that spirituality experiences that are encouraged led to improved performance and profitability of the organisation (Biberman & Whitty, 1997; Biberman, Whitty, & Robbins, 1999; Burack, 1999; Korac-Kakabadse, Kouzmin, & Kakabadse, 2002; Kriger & Hanson, 1999; Neck & Milliman, 1994; Thompson, 2000). In the past decade, increasing research projects have been carried out only to conclude the existence of a positive link between work spirituality and organisational productivity and performance (Bierly III, Kessler, & Christensen, 2000; Delbecq, 1999; Korac-Kakabadse et al., 2002; Mitroff & Denton, 1999). Other studies show that organisations having voluntary spirituality programs report better profits and success (Dehler & Welsh, 1994; Konz & Ryan, 1999; Mitroff & Denton, 1999; Turner, 1999).

Ashmos and Duchon (2000) found that work unit performance is positively related to work unit spirituality. In support of spiritual leadership theory, there are investigations Fry (2003); Fry (2005) that show that (i) work unit spirituality can be linked with the ability of the leaders to allow the worker's sense of meaningful work (meaning/calling) and community (membership); (ii) workplace spirituality is also linked to leader's ability to be concern with unit worker's inner life/spiritual practice; for instance, immersing one's self in nature, prayer, meditation, inspirational literature, yoga, taking part in religious traditions or writing journals which is a core activity in all main spiritual and religious customs; (iii) Spirituality leadership with inner life or spiritual practice are more inclined to develop the other core values of altruistic love and service vision to main stakeholders and the faith to do what is needed for the realization of such a vision; (iv) consequentially, both leaders and followers will share sense of membership, that is based on level of spiritual well-being (SWB) that provides awareness of being understood and appreciated; (v) This implies that visions can be realized once based on faith and inclination to do what are needed; (vi) therefore, producing a sense of meaningful life that has meaning, purpose and can makes differences; (vii) thus justifying the fact that faith enables belief, conviction, trust and action in performing work catered towards achieving visions (Biberman & Tischler, 2008).

In summary, the Spirituality brings forth that faith in the vision of the organisation's vision helps in maintaining the focus of followers on the future directions and generates the desire and positive expectation that drives effort through intrinsic motivation. This motivation cycle built on vision, altruistic love, and faith leads to increased SWB sense (calling and membership) and finally, positive individual and organisational results like commitment and productivity (Fry, 2003), employee life satisfaction, (Biberman & Tischler, 2008; Fry, 2005) and with an effective market strategy, that leads to improved financial performance (Fry & Matherly, 2007; Fry & Matherly, 2006).

5. Discussion and Conclusion

In this paper, we have reviewed the incorporation spirituality into the BSC because an extensive focus is made by addressing the significance of non-financial predictors of financial performance, such as customer satisfaction, operating/internal measures, quality, leadership, innovation, and employee well-being and growth. Spirituality supports organizational performance as well as improved employees' performances and organizational effectiveness. Furthermore, the incorporation of the spirituality perspective may be as a necessary driver to employees' well-being, organizational commitment and productivity and, ultimately, financial performance of the organizations.

This paper presents a discussion on the potential contribution and influence of Spirituality on the BSC Financial Performance of in organisations. These are in line with a new paradigm shift of the effects of spirituality on employees' performance and effectiveness (Duchon & Plowman, 2005; Fry et al., 2011; Fry et al., 2010). These studies have successfully confirmed a spiritual leadership causal model and its measures' for reliability and validity. Their results support a significant positive impact of spiritual leadership upon employee life satisfaction, organisational commitment, productivity and growth in sales (Biberman & Tischler, 2008; Fry & Matherly, 2007; Fry & Matherly, 2006).

The Spirituality tendencies at workplaces therefore make the entire workplace to feel the existence and ordered universe that transcend human capabilities, that must be shared by the whole workforce and not necessarily with

either the management alone or the employees. This is consequential to the behavior when the workforce in an organisation believes in the existence beyond this present form, while fulfilling the calling to life itself. These are tied to the interconnection to a very high power in respect to the relationship with human beings. This is centred on the need for humans to be mutually responsible to others, particularly, when there are dare needs to address such as misery and suffering, based on the conviction that that life is only worthwhile when it is lived in the services for others.

These deductions are also connected to the interconnection with nature and all living things. These are among the strong ties of spirituality with others connectedness and thus justifies the potential contribution to enhancing non financial performance on the BSC.

These connections are with respect to nature and mankind, as well as with other life forms. These are also in line with having the joy of being with all that exists around, as well as other living forms of nature. Consequently, these effects of Spirituality would be translated among the workforce and thereafter to the organisation's Financial- Performance, thereby enhancing the cause and effect relationships in the BSC.

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Career Success Factors of Women in the Public Sector: An Empirical Analysis of the Korean Central Government

Yujin Choi¹

¹ Department of Public Administration, Ewha Womans University, Seoul, South Korea

Correspondence: Yujin Choi, Department of Public Administration, Ewha Womans University, Seoul, South Korea. E-mail: yujinchoi@ewha.ac.kr

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Abstract

The present study examines why some women are more successful in their careers than others. Although considerable research has been conducted on determining factors in women's career success in the private sector, those factors in the public sector remain under-researched. Two main goals of this study are (1) to investigate the factors affecting the career success of women in the public sector and (2) to assess the relative importance of personal factors and situational factors for women's career success. This study empirically tests a comprehensive model of career success that includes both objective and subjective elements using a survey of female public officials in the Korean central government. The results reveal that personal factors are associated more with women's objective career success than situational factors, and situational factors are related more to the subjective career success than personal factors.

Keywords: career success, gender, female public managers, South Korea

1. Introduction

As women's participation in the public sector has increased dramatically over recent decades, issues relating to women's careers have become more important. It is evident that many obstacles continue to inhibit women's career development in the workplace (Tower & Alkadry, 2008). Women working in the upper managerial levels occupy a relatively small proportion of the workforce in most countries (Adler, 1993; Burke, 2005). The majority of decision-making positions in government are still dominated by men (Guy, 1983). South Korea is not an exception to this phenomenon. Despite the increasing prevalence of women in the public sector, the representation of women officials in the managerial grade levels remains low relative to other countries that have joined OECD (Bae, Kim, & Kim, 2000; OECD, 2003). In 2013, women at the managerial levels occupied only 8.7 percent of positions in the Korean central government (MOSPA, 2014).

A considerable number of studies have investigated the question of why the proportion of women in the top managerial levels has remained relatively small, but many of those studies have discussed this issue using the concept of job segregation, the glass ceiling, and pay equity during women's integration process into the workforce (Tower & Alkadry, 2008). To offer another approach, this article deals with women who have managed to break through the barriers and constraints women continue to face. That is, this article is interested in what factors affect career success of women and what core competencies distinguish those successful women. Considering that it takes time to reform the existing human resources system dramatically, it might be meaningful to investigate the competencies of successful women who have already overcome existing barriers or ceilings in the public sector. The lessons from those women may provide real insights for women employees beginning their careers to establish the career model for the future. Although researchers have become increasingly interested in the characteristics of successful career women since the mid-1990s (Kirchmeyer, 1998; Northcutt, 1991), prior research on the determinants of factors of women's career success centered mainly on either the workforce in the private sector or took a case study approach for individual women. Therefore, this article tests empirically what factors contribute to more successful careers for Korean women in the public sector. Specifically, two main goals are explored in this study: (1) to investigate the factors affecting career success of women in the public sector and (2) to assess the relative importance of personal factors and situational factors for women's career success.

The present study is organized as follows. The first part examines the theoretical explanations concerning the concept of career success and determinants for women's career success. The second part deals with the research methods, and the next section shows the data analyses and results. Finally, the implications of the findings and future directions are discussed.

2. Literature Review

Scholars have defined and developed the concept of career success as "the positive work-related outcomes or achievement one has accumulated as a result of one's work experience" (Judge & Bretz, 1994; Judge et al., 1995). Two types of career success have been discussed in the literature: objective and subjective career success (Callanan, 2003; Crozier, 1999). While objective career success refers to objectively observable achievements that can be measured, such as salary, promotion, and status (Jaskolka, Beyer, & Trice, 1985; Judge et al., 1995; Seibert, Kraimer, & Liden, 2001; Wayne et al., 1999), subjective career success has been defined as an individual's feeling of accomplishment and satisfaction with his or her career (Judge et al., 1995; Wayne et al., 1999).

Early research in this area focused on determinants of objective career success, and rarely measured career satisfaction. As the argument that many people who have managerial careers (they are extrinsically successful) are not satisfied with their achievements finds support in the later literature (Korman, Wittig-Berman, & Lang, 1981), however, research has moved towards the use of a set of objective and subjective evaluations of career success (e.g., Gattiker & Larwood, 1988; 1990; Jaskolka, Beyer, & Trice, 1985; Judge & Bretz, 1994; Judge et al., 1995; Kirchmeyer, 1998; Melamed, 1996; Tharenou & Conroy, 1994). Thus, this article uses a comprehensive approach that examines both objective and subjective career success.

Criteria for categorizing the factors to explain career success have varied widely (e.g., Fagenson, 1990; Gattiker & Larwood, 1988; Jaskolka, Beyer, & Trice, 1985; Tharenou & Conroy, 1994; Tharenou, Latimer, & Conroy, 1994). The present research selects a personal-situational approach, based on Fagenson (1990) and Tharenou and Conroy (1994). Concrete factors used in this article are derived from other research offering theoretical and empirical insights into women's career success. The predictors are classified into two sets: 1) personal factors, that include personality, demographic characteristics, and motivation, and 2) situational factors, that include work environment and home environment variables.

2.1 Personal Factors

2.1.1 Personality

Although the argument that personality affects career success at the managerial level has long existed, researchers did not begin to examine the relationship until after the mid-1990s (Seibert, Kraimer, & Liden, 2001). They focused on diverse aspects of personality, not on a single personality trait. For example, Judge and colleagues (1999) and Seibert and colleagues (2001) examined the relationship between overall personality framework and career success using the Big Five Factor model of personality. Goldberg (1990) suggested the Big Five Factor model, which refers to the five major dimensions of personality: neuroticism, extraversion, openness, agreeableness, and conscientiousness. Neuroticism involves "the tendency to exhibit poor emotional adjustment and experience negative affect, including anxiety, depression, hostility, impulsiveness, self-consciousness, and vulnerability." Extraversion involves "the tendency to be sociable, assertive, and experience positive affect, including warmth, gregariousness, excitement seeking." Openness is "the disposition to be imaginative, unconventional, and autonomous." Agreeableness is "the tendency to be trusting, compliant, caring, and gentle." Conscientiousness includes "achievement striving, competence, deliberation, dutifulness, order, and self-discipline" (Boudreau & Boswell, 2001; Costa & McCrae, 1992; White et al., 2004). Previous studies concerning personal characteristics have used these variables as a basic framework. In the literature, depending on empirical contexts, the types of personality influencing career success varied. Although there is research evidence showing three of the Big Five factors (neuroticism, extraversion, and conscientiousness) are influential factors in career success (Judge et al., 1999), the research findings have shown mixed results. Although some research found that neuroticism was negatively related to job satisfaction (e.g., Tokar & Subich, 1997; Seibert et al., 2001), Judge and colleagues (1999) argued there was no significant relationship between them. Extraversion was positively related to both objective and subjective career success (e.g., Tokar & Subich, 1997; Seibert et al., 1999; Judge et al., 1999). Thus, this needs to be clarified in future research.

2.1.2 Demographic Characteristics: Age, Education Level, Work Experience

Regarding the effect of age on career success, the research does not show consistent findings. For example, Gattiker and Lawwood (1988), Jaskolka and colleagues (1985), and Judge and colleagues (1995) argued that age

has a consistent relation with managerial level and salary; on the other hand, Tharenou and Conroy (1994) did not find a significant relation between age and managerial level. Cox and Harguail (1991) pointed out that age was positively related to salary, but it had a negative effect on subjective career success.

Education level is one of the demographic characteristics considered by previous studies of career success and is a strong predictor of managerial level, salary, and promotion (Cox & Harquail, 1991; Jaskolka, Beyer, & Trice, 1985). Drawing on Melamed's (1995b) research findings, education level was positively related to salary and managerial level. Tharenou and Conroy (1994) also found a positive relationship between education level and objective career success. They explained that education provided knowledge or skills to carry out duties in higher ranks. Stewart and Gudykunst (1982) found the same result for the relationship of education and managerial level; however, they also reported that education level, especially for females, had a negative relationship with number of promotions.

Work experience has been viewed as another strong predictor of career success; this relationship was observed for both men and women at the managerial level (Tharenou & Conroy, 1994). Work experience was related positively to objective career success, such as pay and promotion (e.g., Cox & Harquail, 1991; Dreher & Ash, 1990; Whitely, Dougherty, & Dreher, 1991). Although Gattiker and Larwood (1988) found no significant relation between years of work experience and managerial level, they did find that years of work experience had a negative effect on career satisfaction.

2.1.3 Motivation

According to Vroom's expectancy theory of motivation, "people are motivated to put forth effort if they expect that the effort will lead to good performance, and that the effort will be instrumental in attaining valued outcomes" (Wayne et al., 1999). Researchers have tried to apply this theory to predict career success by incorporating motivation factors in their analytical framework. For example, Whitely and colleagues (1991) tested two variables—average number of hours worked per week and expected future income—to measure work motivation and found a positive relationship between these variables and compensation. Judge and Bretz (1994) also reported that the number of hours worked per week was positively related to salary. On the other hand, in Wayne and colleagues' (1991) findings, the desire for mobility was negatively related to career satisfaction even though it was positively related to salary and promotion.

2.2 Situational Factors

2.2.1 Work Environment: Training, Mentoring, Informal Network, and Gender Bias

The first set of situational factors is the work environment. Training helps improve managerial skills and competencies, especially for female managers, because women usually have fewer opportunities than men to gain managerial skills through work experience (Tharenou & Conroy, 1994; Tharenou, Latimer, & Conroy, 1994). Tharenou and colleagues (1994) provided evidence that education increases knowledge, skills, and credibility for performance in top executive positions.

Scholars agree that mentors play a significant role in advancing women and men up their career ladders (Newman, 1993; Kirchmeyer, 1998). A mentor is generally defined as "a higher-ranking, influential individual in your work environment who has advanced experience and knowledge and is committed to providing upward mobility and support in your career" (Ragins, 1989) and a supervisor's attitude as a mentor is one of the strongest variables affecting career success (Adler, 1993; Greenhaus et al. 1990). Wayne and colleagues (1999) criticized prior research that did not include mentoring as a variable. They found significant relationships only for promotion, whereas for salary and career satisfaction, there was no significant effect. Tharenou *et al.* (1994) argued that employees who were supported by supervisors or peers were more satisfied with their organizations, and further, this support positively affected their job performance.

Engagement in an informal network has been considered as another factor that affects women's career success. Most organizations have many informal networks where members share their social interests, such as sports. Discussion and decisions on organizational issues often take place in informal, rather than formal structures. Men easily join these "clubs" or "old boy networks" (Perrewe & Nelson, 2004). Participation in these informal networks gives them chances to build trust and bonding among men and they may receive valuable resources and support with inclusion in such networks (Brass, 1985). However, women tend to be excluded from these informal networks. Research indicated that women do not benefit from informal networks as much as their male colleagues do (Hetty van Emmerik, Euwema, Geschiere, & Schouten, 2006). Canning and Montmarquette (1991) indicated that, depending on gender, informal networks have different impacts on the number of promotions, such that exclusion from informal networks works to the disadvantage of women managers.

Gender bias influencing career success has a strong root in our cultural, educational, and legal system (Adler 1993). Studies on attribution theory showed that a male manager's success can be explained differently from a female manager's success. Individual competencies such as leadership and responsibility are perceived as important factors for men's success, while women's success depends on luck or external factors, such as affirmative action (Heilmen, 1983; Schein, 1978). Because there exists a gender bias that men are more 'appropriate' for managerial positions than women, women managers should demonstrate masculine tendencies and are not expected to 'act feminine' for their career success. As a result, gender bias excludes women from career advancement.

2.2.2 Home Environment

Home environment involves marital status, number of children, and spouse/family support. These factors are known to play important roles in women's career success. Much of women's career success literature found that women experienced considerable role conflicts and had more career interruptions from family demands, such as raising children and domestic work (Kirchmeyer, 1998; Noonan, 2001). A substantial percentage of women are constrained in their career advancement by domestic work or family obligations (Johnson & Duerst-Lahti, 1992). Despite women's participation rate into the workforce increasing dramatically, domestic work continues to be done mainly by women (Noonan, 2001). They face balancing domestic responsibilities with good performance in the workplace (Guy, 2003).

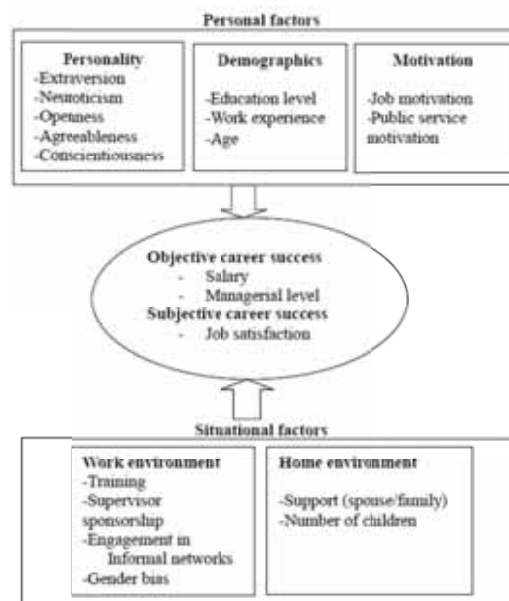


Figure 1. Research model of career success

Marital status has a strong effect on women's promotions, regardless of equal opportunity legislation (Adler, 1993; Melamed, 1995b). White and Cooper (1994) described delayed marriage and a smaller number of children as characteristics of women in higher level positions (as cited in Melamed, 1995a). By the same token, female managers are more likely to be single and have fewer children than male managers (Guttek, 1988; Tharenou & Conroy, 1994; Vertz, 1985), and they also "experience higher divorce rates than men" (Frisco & Williams, 2003). Vertz (1985) found that spousal support plays a significant role in women's career success. Women in advanced positions perceive their spouses as viewing their work as more important than do women in lower-level positions (Vertz, 1985). In contrast to these points of view, some empirical research concluded that home situations, such as marital status or spouse support, had little or no relative importance for job level compared with other factors (Dreher & Ash, 1990; Judge & Bretz, 1994; Judge, Cable, Boudreau, & Bretz, 1995; Melamed, 1996; Tharenou & Conroy, 1994; Whitely, Dougherty, & Dreher, 1991). The present study investigated several important factors that lead to women's career success. Based on these considerations, the following hypotheses were developed.

H1: Situational factors will have stronger effects on women's objective career success than personal factors.

1-1: Situational factors will have stronger effects on women's salary than personal factors.

1-2: Situational factors will have stronger effects on women's managerial levels than personal factors.

H2: Situational factors will have stronger effects on women's subjective career success (i.e., job satisfaction) than personal factors.

Figure 1 shows the analytical framework of career success. The specific variables were hypothesized in terms of several categories. Consistent with Jaskolka, Beyer, and Trice (1985) and Melamed (1995a; 1995b), objective career success was measured with two indicators: salary and job level. Subjective career success was conceptualized as job satisfaction.

3. Research Methods

3.1 Samples and Procedures

This study was conducted using a survey research design in 18 Korean Ministries. Korean civil servants are divided into "career" and "special career (non-career)" civil servants. "Career" civil servants include three service categories: general, special and technical services. General Service represents administrative occupations and it can be classified into nine grades from the highest grade 1 to the lowest grade 9 (Kim, 1997). In this study, survey data was collected from female public officials at the managerial level (grade 1 through grade 5) in general service.

Table 1. The classification of general service

Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6-9
Assistant Minister	Director (General)	Director (Bureau)	Director (Division)	Deputy Director	Officer Staff

Source. Kim (1997)

A convenience sample of 130 female public officials was drawn from employees who were working at a government building in the Central and Gwacheon government complexes (Appendix presents female public officials at the managerial level (grades 1 to 5)). Additionally, I limited subjects to those public employees who had served more than 5 years to ensure those employees had enough work experience to assess their level of career success in the organization (Wanye, Liden, Kraimer, & Graf, 1999). For collecting data, anonymous questionnaires were distributed to 130 female public officials in November, 2004. To increase response rates, I directly visited each department at the government buildings in Seoul (Central) and Gwacheon. Before distributing questionnaires, I explained the goals of the study to respondents and answered questions. Although a total of 110 questionnaires were returned (84.6% response rate), I eliminated questionnaires that showed either a central tendency or whose years of work experience were less than 5 years. Thus, the final response rate was 69.2 percent (90 questionnaires in total). Table 2 shows descriptive statistics of the variables.

Table 2. Descriptive statistics

Variable	Obs	Mean	Std. Dev.	Min	Max
Age	90	37.94	7.58	26	56
Education	81	4.52	0.63	1	5
Yrs of work experience	90	11.78	8.43	3	31
Training	83	5.78	6.58	0	45
Supervisor sponsorship	90	3.48	0.72	1	4.5
Informal network	90	3.28	0.67	1.33	5
Gender bias	89	2.97	0.67	1.8	5
Job motivation	81	2.98	0.69	1	4.75
Public service motivation	89	3.75	0.57	2.25	5
Spouse/family support	64	53.14	25.36	0	100
# of children	61	1.31	0.79	0	3
Neuroticism	90	3.23	0.73	1	5
Extraversion	90	3.61	0.62	2.33	5
Conscientiousness	90	3.89	0.66	3	5
Openness	90	3.49	0.81	2	5
Salary	89	2.18	1.06	1	5
Managerial level	90	4.69	0.55	3	5
Job satisfaction	89	3.23	0.51	1.64	4.71

Cronbach's α was used to test the reliability of the questionnaire, and a principal component factor analysis with Varimax rotation was conducted to test construct validity of independent variables. Through this process, an incorrectly classified variable (agreeableness) was deleted.

3.2 Measures

Variables in the survey were measured using single open-ended questions or single closed response type questions with five-point scales ranging from "strongly disagree" to "strongly agree."

3.2.1 Objective Career Success

Consistent with Jaskolka, Beyer, and Trice (1985) and Melamed (1995a; 1995b), objective career success was measured with two indicators: salary and managerial level. Salary was measured by asking respondents to report annual salary including allowances. Responses were placed in the following categories: 1 = *less than 30 million won*¹, 2 = *30 million-less than 40 million won*, 3 = *40 million won-less than 50 million won*, 4 = *50 million-less than 60 million won*, 5 = *over 60 million won*.

3.2.2 Subjective Career Success

This indicator was conceptualized as job satisfaction. Job satisfaction has been defined as "a positive emotional state resulting from an appraisal of one's job" (Judge, Cable, Boudreau & Bretz, 1995). Job satisfaction was measured with 14 items from a Korean manual for government organization diagnosis². Job satisfaction measurement in the manual consisted of "motivator factors" and "hygiene factors," based on Herzberg's theory. Motivator factors involved compensation, welfare, promotion, and work environment. Hygiene factors involved position and duty, autonomy and achievement by work. Items were evaluated on a 5-point scale with response categories ranging from 1 (strongly unsatisfied) to 5 (strongly satisfied).

3.2.3 Demographic Variables

Education level, age, and years of work experience were measured with single items. The item for measuring education level was "What is your highest educational level?" Response categories were as follows: less than high school diploma, high school diploma, 2-year college degree, 4-year undergraduate degree, master's degree, and Ph.D. degree.

3.2.4 Personality

To measure personality concepts, this article used Goldberg's (1990) Big Five Factor structure, which describes personality as a composition of five factors: neuroticism, extraversion, openness (to experience), agreeableness, and conscientiousness. In this study, a total of 15 items (three items for each trait) were chosen from the Korean version of NEO PI-R (Personally Inventory-Revised), which is a self-reported instrument with 240 items measuring the five factors³. Examples of items are "I emphasize being with others; gregarious (extraversion)," and "I tend to arouse liking and acceptance from others (agreeableness)."

3.2.5 Motivation

Motivation variables include job motivation and public service motivation. To measure these items, previous studies usually tested two indicators such as "hours worked per week" and "desire for upward mobility" (Judge & Bretz, 1994; Wayne, Liden, Kraimer, & Graf, 1999). However, in the present study, job motivation was measured with eight items from a Korean manual for government organization diagnosis (PCGID, 2004) because I expected these items reflected both the uniqueness of the public organization and culture in Korea. The manual used the adapted Situational Motivation Scale (SIMS) (See Guay, Vallerand and Blanchard's (2000) article to get more information about SIMS to measure job motivation. In detail, they assessed intrinsic motivation, external motivation and amotivation). Examples are "I think that this activity is interesting," and "I do this activity but I am not sure if it is worth it." Public service motivation (PSM) was also measured because public employees were the subjects of this study. I asked six questions drawn from Perry's (1996) work using a five-point scale. Items included "I feel people should give back to society more than they get from it," and "I unselfishly contribute to my community."

3.2.6 Work Environment

This category encompassed four variables. First, training time was measured in days per year. It consists of two items: time on internal training courses and time on external training courses. The second indicator was supervisor sponsorship, which was measured with six items from Wayne *et al.* (1999). Example items are "my supervisor has encouraged me to try new ways of behaving in my job," and "my supervisor has enough confidence in me that he/she would defend and justify my decisions even if I was not present to do so." Engagement in informal networks and perceived gender bias were also measured using a five-point scale.

3.2.7 Home Environment

Three measures of home environment were used: spouse/family support and the number of children. Number of children was measured with single item. Spouse/family support was measured by asking respondents the percentage of domestic duties performed by spouse or family. This question was based on Tharenou and Conroy's (1994) study.

4. Data Analysis and Results

Hierarchical multiple regression analyses were conducted to examine statistical explanatory power and the significance of the five groups of independent variables. Through these processes, I analyzed goodness of fit, obtained the degree to which each group of independent variables explained dependent variables, and outlined the relative contribution of independent variables in predicting career success. Often, some of the independent variables are very highly interrelated in a multiple regression model (i.e., multicollinearity). Through checking the variation inflation factor (VIF), I confirmed that multicollinearity was not a problem in the present analyses.

The analyses were conducted at two levels: (1) the impact of variables on career success was assessed, and (2) the relative importance of personal and situational factors in predicting women's career success was estimated. In hierarchical multiple regression, a researcher might decide the entering order of each predictor set based on theoretical or empirical grounds. In the present study, regression analyses, comprising five steps, were run for each dependent variable to test for the incremental variances added by predictor sets. Independent variables were entered sequentially; demographical indicators were entered in step 1, work environment indicators in step 2, motivational indicators in step 3, home environment indicators in step 4, and personality traits in step 5.

Table 3. Hierarchical regression analyses on the determinants of career success

Variable	Salary β	Managerial level β	Job satisfaction β
Step1: Demographics			
Age	.637***	.795***	.040
Education level	.022	.180	-.148
Years of work experience	.142	.186	.289
Change in R^2	.593	.273	.203
Step2: Work environment			
Training	-.164*	.095	.054
Supervisor sponsorship	.193*	.352**	.269*
Informal network	.055	.212	.144
Gender bias	.022	.121	.001
Change in R^2	.045	.011	.233
Step3: Motivation			
Job motivation	.191*	.385***	.132
Public service motivation	-.143	.166	-.072
Change in R^2	.028	.093	.007
Step4: Home environment			
Spouse/family support	.039	-.173	.321***
Number of children	-.056	.303	.073
Change in R^2	.002	.045	.066
Step5: Personality			
Neuroticism	-.231*	-.373**	.192
Extraversion	-.027	.065	.059
Conscientiousness	.110	.364**	.020
Openness	.122	-.470**	.141
Change in R^2	.033	.163	.050
Final R^2	.702	.584	.559
Adjusted R^2	.590	.428	.389
Overall F	6.268***	3.749***	3.296***

* $p < .1$, ** $p < .05$, *** $p < .01$

Notes. a. Based on the result of the factor analysis, item for measuring "agreeableness" was dropped due to poor loadings. b. β =standardized coefficient

The results of three hierarchical regression models predicting career success are shown in Table 3. In this research, when five blocks of independent variables were entered sequentially, the increase of R^2 in each step for dependent variables reached statistical significance. In a hierarchical regression analysis, the significant incremental variance of each predictor set means that each predictor set explains the amount of variance for each dependent variable. For example, when work environment variables were entered as a block, the incremental variance of the predictor set was 4.5 percent ($\Delta R^2 = 0.045$, $p < 0.01$) for salary. That means work environment variables accounted for a 4.5 percent increase in the variance explained in the salary.

The first column in Table 3 shows the relative contribution of the predictor sets in predicting salary. The variance explained by each predictor set suggested that Hypothesis 1-1 was not supported. Personal factors including demographics ($\Delta R^2 = 0.593$, $p < 0.01$), motivation ($\Delta R^2 = 0.028$, $p < 0.01$), and personality ($\Delta R^2 = 0.033$, $p < 0.01$) explained larger amounts of variation in salary than situational factors, including work environment ($\Delta R^2 = 0.045$, $p < 0.01$) and home environment ($\Delta R^2 = 0.002$, $p < 0.01$). The results also indicated that the five variables had a significant impact on salary. I examined the standardized coefficients to assess the relative contribution of the independent variables in predicting salary. The relative order of the variables and beta weights for each variable were as follows: age (0.637), neuroticism (-0.231), supervisor sponsorship (0.193), job motivation (0.191), and training (-0.164).

Hypothesis 1-2 predicted that situational factors were more associated with women's managerial levels than personal factors. The second column in Table 3 presents the incremental variances explained in the managerial level. According to Table 3, personal factors explained the most variation in estimating managerial level. Thus Hypothesis 1-2 was not supported. Additionally, a comparison of the standardized coefficients showed that seven variables followed a relative order of contribution in predicting managerial level: age (0.795), openness (-0.470), job motivation (0.385), neuroticism (-0.373), conscientiousness (0.364), and supervisor sponsorship (0.352).

Hypothesis 2 predicted that situational factors were more associated with women's subjective careers than personal factors. As stated previously, job satisfaction indicators were used in measuring subjective career success. The increase of R^2 by each predictor set was as follows: work environment ($\Delta R^2 = 0.233$, $p < 0.01$), demographics ($\Delta R^2 = 0.203$, $p < 0.01$), home environment ($\Delta R^2 = 0.066$, $p < 0.01$), personality ($\Delta R^2 = 0.05$, $p < 0.01$), and motivation ($\Delta R^2 = 0.007$, $p < 0.01$). Work environment had one of the strongest effects as a situational factor (but not the situational factor as a whole) and demographics were second. The R^2 aggregation of situational factors (0.299) was bigger than that of personal factors (0.260). Thus, overall, Hypothesis 2 was supported by the results.

5. Discussion and Conclusions

The results of the regression analyses revealed the following findings.

First, the study assessed the relative importance of personal and situational factors in explaining women's career success. The results showed that although personal factors had stronger effects on objective career success than situational factors, situational factors had stronger effects on subjective career success than personal factors. These findings differ from those of Tharenou and Conroy (1994), who argued that situational factors explained women's objective career success better than personal traits. While work environment indicators were the strongest determinant of objective career success in their research, the present research showed demographic variables, especially age, strongly predicted Korean women's objective career success in the public sector. The positive relationship of age and salary (or managerial level), naturally results because the Korean government organization (including a classification of civil servants and most personnel management) is still saturated with the factors of a rank system (Yoo & Yim, 2004). Although the Korean government begun to adopt an "open career system" in terms of introduction of competition into the civil service, the result of the study suggests effects of that reform, such as a breakdown of grade-based promotion, have yet to be seen.

Second, the analyses in the study demonstrated the impact of variables on objective career success. The specific findings related to objective career success demonstrated that the following determinants: age, supervisor sponsorship, job motivation and neuroticism, remained commonly significant predictors of objective career success. Home environment was not significantly associated with objective career success. However, the result showed that single women beyond their 30s represented 73 percent of unmarried respondents. In the case of women 35 or older, 15 respondents had no child. This finding, to some degree, appears to support earlier arguments that marriage and parenthood hinder women's careers (Betz & Fitzgerald, 1987; Melamed, 1995a).

Contrary to my expectation, training had a negative relationship with salary. This result reflects the reality that training programs do not provide well for women at the managerial level in Korea. According to statistics about

training for female public officials, 16 training programs in 14 organizations were conducted for female public officials in 2003. However, there were few programs for women at “top” managerial levels because the target of most programs was confined to women at grade five or under (MOGAHA, 2003).

Age, supervisor sponsorship, job motivation, neuroticism, openness, and conscientiousness explained significant amounts of variance at the managerial level. Age was the best predictor of both salary and managerial level. Openness was negative for managerial level, which means female public officials who had more openness remained in lower managerial levels. This result was not consistent with earlier research. Seibert and Kraimer (2001) failed to find a significant relationship between openness and career success (number of promotions and career satisfaction). Eby *et al.* (2003) found significant effects only between openness and perceived career success. One explanation is that the subjects of this study differed from those in previous research. Although earlier research selected firm managers in Western countries, the subjects in this study were public officials in the Korean central government. This finding may reflect the Korean central government’s conservative culture. Thus, additional future research is needed to examine differences of career success determinants between the public and private sector and to consider the role of national culture.

Finally, two significant results (supervisor sponsorship and spouse/family support) were found with job satisfaction, an indicator of subjective career success. Both variables were positively associated with subjective career success. Consistent with Kirchmeyer’s (1998) study, this result suggests that fewer domestic duties at home had positive effects on women’s job satisfaction. As a result, spouse/family support was a significant factor, not on objective career success, but on subjective career success. This consequence can be supported by Gilligan’s (1993) argument. She explained that “for men, the positive impact of family variables on objective career success should translate into positive perceptions of career success. Women’s perceptions of success also may be affected positively by these variables even if their objective success is affected negatively. For women, the accomplishments and rewards from family life may be integrated into a broad view of career success.”

The findings and implications of this study should be interpreted with its limitations borne in mind. As a limitation, this study has potential sampling bias, coming from a convenience sampling method. I limited subjects to female public officials at the managerial level (grade one through grade five) in general service, who worked in the Central and Gwacheon complexes, and who also had served more than 5 years. Thus, the results can be generalized only on a limited basis. Also, because the data used in the analyses were gathered from self-reports, there is the possible risk of common method bias, which is caused by “measuring the dependent and independent variable at the same time by the same person and with the same instrument, without any possibility for cross-verification” (Willem & Buelens, 2007).

Despite these limitations, the current study has several implications. First, by attempting to merge many of the relevant variables in previous studies, this study provides relatively comprehensive evidence regarding the predictors of women’s career success. It is suggestive especially for South Korea, because most studies about female public officials have focused on the decrease of gender biases or glass ceilings; therefore, career success in the public sector remains under-researched in South Korea.

Second, this study can contribute to the development of a women’s career management model by empirically analyzing determinants predicting career success of women managers. Suggesting the criteria for women’s career success is an important step for the development of a new career model (Kirchmeyer, 1998), but prior career success studies have concentrated mainly on developing career success models for men. In a sense, this study suggests a guide for those who make decisions about women’s careers in the public sector and it also provides career preparation strategies for women in the public sector.

Expanding our model to include a broader array of individual factors such as individual strategies or management behaviors would be a worthwhile endeavor in future research. For example, related research examining women career development has shown that leadership and family balance strategies can influence career advancement. Future research could also consider specific career paths of women public officials who achieve career success. It may identify possible career patterns for career advancement and illustrate other organizational resources that have the potential to affect female public officials’ career success.

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Notes

Note 1. 'Won' is the monetary unit of Korea.

Note 2. According to this manual, the Presidential Committee on Government Innovation and Decentralization conducted the organization diagnosis for the Korean central government in 2004.

Note 3. Min, Lee and Chung (1997) standardized the Korean version of NEO-PI-R, which translated Costa and Mcrae (1992)'s NEO-PI-R into Korean.

Appendix

Total number of female officials at the managerial level in the central government

Grade 1	Grade 2	Grade 3	Grade 4	Grade 5
1	6	21	124	487

Source. Internal data from the Civil Service Commission (2004)

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Algorithmization of Ecologo-Economic Risk-Management in Urban Areas

Murzin A. D.¹

¹ Faculty of Management, Southern Federal University, Rostov-on-Don, Russia

Correspondence: Murzin Anton Dmitrievich, Faculty of Management, Southern Federal University, Rostov-on-Don, Russia. Tel: 7-863-299-0672. E-mail: admurzin@yandex.ru

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Abstract

The article is devoted to the development of scientific approach to the problem of rationalizing the mutual influence of natural and economic relations elements which exist within the boundaries of urban (city) environment. The phenomenon of ecological and economic interaction is of particular relevance in terms of sustainable development concept, which determines the necessity of present needs satisfaction without any trouble for the future generations. The level of risk is the main quantitative indicator of the sustainable development degree. The author makes an effort in analysis and management of ecological-economic risk algorithmization. To this aim, the concept of ecological and economic risk is clarified, there is shown the general classification, the standard approach to quantitative risk assessment is considered, the features of analysis and evaluation of the risk level are studied. There is a general algorithm for management of ecological and economic risk, that consists of a number of analysis and assessments. The first block includes the steps of risk identification, or the definition of events that might cause ecological and economic damage of the probability of adverse events, or the possibility of determining the risk situation for a certain period, determining the structure of possible damage, or analysis of the results of adverse events, identifying the distribution system of damage, or the analysis of patterns of spread of the probability of damage to the same objects with similar adverse conditions, risk assessment, or, determination of quantitative characteristics (integral estimates) of risk measure. The second block includes the steps of evaluating the effectiveness of the risk response methods to avoid it, to reduce or transfer risks; the choice of the most appropriate ways to influence the risk, or, the definition of a list of specific control measures, monitoring progress in the implementation of risk control, or monitoring the state of the environment and the potential sources of danger. In conclusion, according to the results of the assessment of environmental and economic risk, it is given an example of management analysis of the territory of Rostov-on-Don.

Keywords: analysis, risk management, ecological and economic risk, urban areas, management algorithm

1. Introduction

The concept of "risk" is usually interpreted in scientific literature as concept of "danger", which means there is an opportunity for negative impact being able to cause any damage or injury (Domgioni, 2014). The concept of damage is usually associated with deterioration, breach of normal operation, or destruction of object. In this context, risk determines the quantitative measure of danger, or, its probability (Wang et al., 2014).

In general case environmental and economic risks are defined as economic losses risks of different level management objects as the result of deterioration of natural-built environment (Veeravatnanond et al., 2012), which might have a slow (evolutionary) or rapid (catastrophic) character (Verdonck, 2003). Almost all the levels of urbanization - place of human life, land of enterprises and organizations, territorial-production and ecological complexes, regions, states, world community are under conditions of ecological and economic risks (Borden).

2. Method

A regular deviation classification of ecological environmental quality from the standard indicators is impractical and difficult because of big nature differences and ambiguous consequences of adverse events multiplicity (Englehardt, 1998). There is only a generalized grouping of environmental violations by impact type allowed (Meng et al., 2011):

- physical: radioactive, heat, noise, vibration, ionizing;
- chemical: carbon-hydrocarbons, synthetic substances (would-tum chemistry, plastics, pesticides), derivatives of sulfur, nitrogen, heavy metals, fluorine compounds, aerosols;
- biological: bacteria and viruses, breach of biological balance;
- mechanical: dumps, destruction of vegetation, disturbance of landscapes and scenery.

"Damage scale" is a term used for economical characteristics of adverse events probability. Quantifying the risk, this approach allows us to apply the tools of economic and mathematical methods and to interpret the magnitude of the risk as a damage expectation defined by a set of possible adverse events (Liu et al., 2011).

Therefore, the indicator of average risk should be used to formalize the interpretation of quantitative risk measures, which takes both characteristics of adverse event - the probability of occurrence and magnitude of the caused damage into account (Anopchenko & Murzin, 2014):

$$R = \sum_{i=1}^n P_i X_i, \quad (1)$$

where R – is the quantitative measure of risk expressed in terms of damage; P_i – is the probability of damage due to adverse events; X_i – is the damage value, expressed in value terms; n – is the number of possible variants of adverse events.

3. Results

Analysis of ecological and economic risk as an element of management is an ordered sequence of researching steps which follow to identifying reliable and objective characteristics of the possible damage (Murzin, 2012), as well as its cutoff activities (Figure 1).

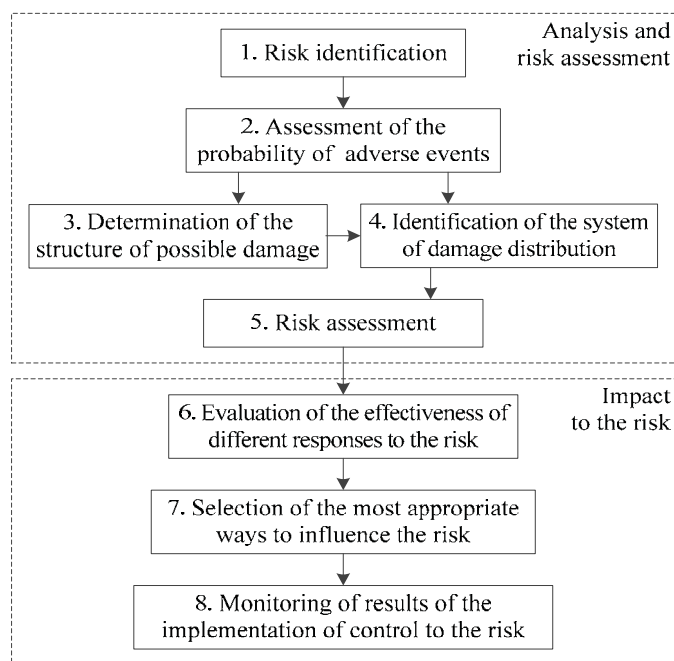


Figure 1. The control algorithm of ecological and economic risks

The structure of the stages of ecological and economic risk management includes two blocks. The aim of the block of stages of analysis and risk assessment is to determine the quantitative indicators which are conformed to different scenarios of adverse events. The block of stages of influence on the risk focuses on identification of specific measures that can cutoff the amount of potential damage and monitor their effects.

1. The main purpose of stage of risk identification is to define adverse events that might be cause of worse environment qualities and cause of economic damage to a territorial subject.

An important purpose of this stage along with the definition of the list of possible events is to watch the cause-and-effect relationships of consequences of such events (Gentile et al., 2001). It is supposed to make a

reasonable conclusion about the possibility of real damage at the stage of risk identification. The damage from adverse events might have mediated forms and manifest itself after a certain period of time.

Risk identification can be based on formal or informal approaches using objective or subjective information. Subjectivism reflects the experience and knowledge of the experts, objective data includes factual information on the consequences in past, results of analytical studies of the causes of damage, natural experiments.

2. The stage of evaluation of the probability of adverse events allows to assess the risk situation for a certain period of time. There are three main groups of methods of estimating the probability of adverse events (Schoppe et al., 2014): statistical methods – which are based on analysis of the statistics of negative events on similar sites of the territory in past; analytical methods – which are based on the study of causal relationships of territorial and production system and allow us to estimate the probability of an unfavorable situation, formed by the combination of a sequence of elementary events; expert methods -they involve the assessment of the probability of events based on the results of a survey of the experts.

3. The stage of determining the structure of possible damage means to study the results of the manifestation of adverse events. Feature display of ecological and economic risks is the possibility of indirect consequences of adverse events, their indirect influence on objects through environmental degradation. The structure of the potential damage can be presented in bulk or value. Natural damage is measured by quantitative characteristics that reflect the physical deterioration or loss of the object's properties:

$$X_{\text{экоп}} = \prod \left(\sum_{i=1}^n \frac{Y_i}{H_i} + 1 \right)^{B_i} - 1, \quad (2)$$

where Y_i - is the load level of components of area (air, water, soil) by the physical pollutants (mg / m^3), the wave fields: noise (dBA), vibration (dBA), electromagnetic (V/m) and ionizing radiation (mR/hr); H_i - is the standard level of load capacity of corresponding figure; B_i - weighting coefficient of the corresponding component of the environment.

$$X_{\text{econ}} = \frac{\sum Y_i}{B}, \quad (3)$$

where Y_i - is the economic damage of pollution of the corresponding component of the environment; B - is the budget of environmental activities of the territory (taxes, environmental payments, and so on).

4. The stage of detection of system of the damage distribution provides a definition of spread of the probability of damage to the objects of the same type with similar adverse events regarding to their strength (Thongsri, 2005). It is not possible to predict reliably the amount of potential damage in each case (Murzin, 2012), therefore, identified at this stage patterns are considered as provisional and are likely to be expressed in the interval (Table 2).

Table 1. The scale of expert estimates of the probability of risk

Quality level	P_i
Critical	0,00 - 0,19
Dangerous	0,20 - 0,36
Allowable	0,37 - 0,62
Acceptable	0,63 - 0,79
Background	0,80 - 1,00

Note. P_i – is the probability of damage due to adverse events.

It is common to use model laws of distribution of damages (exponential, normal, lognormal, and so on) in studies of ecological and economic risks, which are usually with some degree of certainty reflect empirical frequency of dimensions of incurred losses in similar, past situations. This is due to the fact that for each possible case formulation is impractical in practice due to high labor costs.

5. The main aim of the stage of determining the quantitative characteristics of risk measures is the formation of its quantitative indicators (integral values), which can be used for the development of administrative decisions.

The expectation damages can serve as quantitative tools to determine the measure of risk (Formula 1), which reflects the information on the average loss for the analyzed period, objectively incurred in the chosen strategy of behavior. The protect strategy from the effects of adverse situations is selected on the basis of the maximum

acceptable value and the allowable probability of damage occurrence, which is taken as a minimum possibility of damages. So, the allowable level of annual damage probability in case of an accident in an industrial plant is determined by the size of 10^{-5} - 10^{-6} (Shoygu, 1999).

In some areas of the analysis of ecological and economic risks the assessment is not compared to a value form of damage, but is based on the need for events matching which take place in the adjacent areas of life. This way, indicators of risk of environmental pollution can be formed being based on the likelihood of diseases that appear with a constant presence in the area of carcinogenicity or they can be expressed in the form of a general index of sickness rate (Gilmundinov et al., 2013).

Maximum acceptable damage is a sign for measures to protect the environment from polluting effects. The magnitude of damage below a designated level is taken as the natural level of risk, and its reduction does not make any noticeable effect because of the excess of costs of the protective measures comparing to the magnitude of potential losses.

6. The stage of assess of the effectiveness and selection of methods to influence the risk involves the creation of possible actions list, which is divided into several groups (Sereda, 2013): avoiding risks; reducing the probability of an adverse event; reducing caused damage; transfer of risk. Methods of compensation are included in a separate group.

Realizing each of the methods we need to determine the costs which are different in their level. The problem of risk management is to identify and implement the optimal set of methods being able to reduce the total costs caused by environmental pollution, or to obtain the maximum benefit. In general, total costs are defined as the amount of losses caused by adverse events and costs associated with risk.

The goal of management is to reduce the total cost regarding to pure risk (possibility of damage), and is the profit regarding to speculative risk (possibility of benefits). In this case, we should make difference between management that directly implies a decrease in the amount of risk (net risk), and management that has conditions for the existence of risk (speculative risk).

Choosing the management methods to control ecological and economic risks we must take into account economic efficiency as well as the constraints of interaction between the economy and nature, as well as the need for steady environment, and the reasonable protection of the individual against the adverse effects and so on (Lai et al., 2014). Therefore, the policy of risk management should be carried out within the allowable risks for ecosystem. In other words, no cost-optimal solutions might be accepted if they bring the anthropogenic impact on the environment, bigger than its capacity or if there is any risk for human life, even if it makes tangible benefit for society.

The need for taking into account all the restrictions is taken as a base in the structure of risk, which is generally divided into zones (Figure 2):

- Excessive risk (ER), which includes the area of critical loss (CL), and excess profits (EP);
- Critical risk (CR), which includes the area of allowable loss (AL), and wanted profit (WP);
- Permissible risk (PR), which includes the area of the estimated loss (EL) and calculated profit (CP);
- Acceptable risk (AR), which characterizes normal operating.

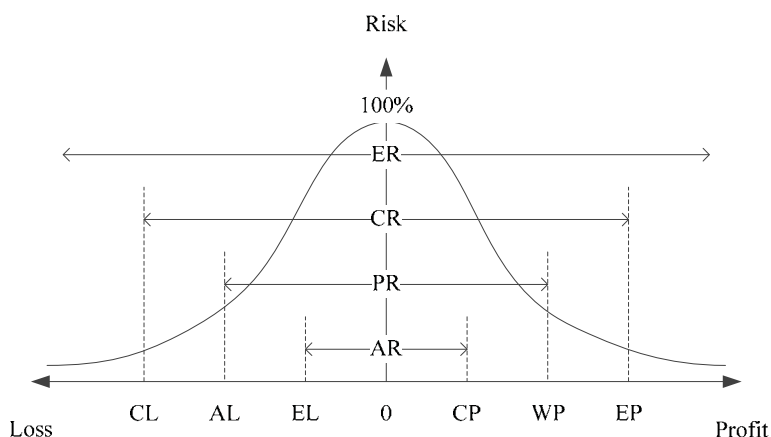


Figure 2. Ecological and economic risk zones

Critical risk zone includes the values of risk which are much greater than its allowable level. There is no practical activity within the boundaries of this zone if protective measures are not able to reduce the level of possible risks to their acceptable values. This zone defines the boundaries of sustainability of the ecosystem in environmental field, in other words, it defines the amount of anthropogenic influence on the environment in which the natural system is able to maintain its basic properties and to assimilate the adverse effects results.

Table 2. Risk indicators on the territory of Rostov-on-Don

Area	Functioning area	R_{ecol}	R_{econ}
Oktyabrsky	<i>Industrial</i> Voened	0,208	0,335
	<i>Living</i> Voened	0,194	0,203
	<i>Industrial</i> Kamenka	0,191	0,235
	<i>Living</i> Sheboldaeva / Lenin	0,206	0,335
	<i>Living</i> Budeonovsk / Mechnikov	0,177	0,252
	<i>Parkland</i>	0,297	0,205
Voroshilovsky	<i>Industrial</i> Autostation SJM	0,217	0,542
	<i>Living</i> SJM	0,188	0,349
	<i>Park</i> SKA	0,344	0,242
	<i>Industrial</i> VertolCity	0,152	0,474
	<i>Living</i> Lenina / Nagibina	0,160	0,160
Pervomaysky	<i>Living</i> Chkalova	0,319	0,440
	<i>Industrial</i> Selmash	0,102	0,980
	<i>Park</i> Ostrovsky	0,358	0,110
	<i>Living</i> Selmash	0,050	0,070
	<i>Living</i> Ordjonikidze	0,139	0,274
	<i>Recreational</i> Ordjonikidze	0,425	0,155
	<i>Industrial</i> Airport	0,184	0,779
Proletarsky	<i>Industrial</i> Empils	0,193	0,336
	<i>Park</i> Teatralny	0,661	0,129
	<i>Living</i> Nahichev Sovetskaya	0,176	0,213
	<i>Recreational</i> Aleksandrova	0,303	0,139
	<i>Living</i> Verhn Aleksandrovka	0,062	0,074
	<i>Living</i> Nijn Aleksandrovka	0,083	0,074
	<i>Industrial</i> Krasny Aksay	0,228	0,350
	<i>Industrial</i> Port	0,183	0,360
Kirovsky	<i>Industrial</i> Sudostroitelny	0,182	0,329
	<i>Living</i> Teatraln Bogatyanovsk	0,025	0,071
	<i>Living</i> Kirovsky Voroshilovsk	0,105	0,071
	<i>Industrial</i> ATP Tekucheva	0,166	0,249
	<i>Recreational</i> Dinamo Stadium	0,164	0,071
Leninsky	<i>Living</i> Beregovaya / Sadovaya	0,089	0,096
	<i>Living</i> Krasnoarmeiskaya	0,101	0,096
	<i>Living</i> Mechnikova / Nansena	0,137	0,096
	<i>Industrial</i> Railway Station Area	0,102	0,297
	<i>Industrial</i> Kirpichny zavod	0,151	0,128
Zheleznodorojny	<i>Living</i> Verhnegnilovskoy	0,071	0,106
	<i>Living</i> Nijnegnilovskoy	0,170	0,206
	<i>Living</i> Krasny gorod	0,290	0,321
	<i>Industrial</i> Railway Station Square	0,103	0,450
	<i>Recreational</i> Botanichesky sad	0,301	0,096
Sovetsky	<i>Industrial</i> Peskova GPZ	0,174	0,371
	<i>Living</i> Kommunistichesky	0,235	0,301
	<i>Recreational</i> Sady	0,470	0,308
	<i>Living</i> Zorge	0,249	0,298
	<i>Living</i> Zmievska	0,390	0,336
	<i>Industrial</i> North-West Industrial Area	0,086	0,200

Note. R_{ecol} – ecological risk assessment; R_{econ} – economic risk assessment.

The zone of permissible risk includes risk values with levels not higher than typical. Risk management activities within the boundaries of the zone bring a significant effect such as total amount of cost savings and fall of the social risk consequences (Marmot, 1998).

Acceptable risk zone includes values of risk indicators with the presence at the level of the background values. The risk reduction becomes uneconomical within the boundaries of this zone because preventive measures do not make much effect, or, there is a possibility for normal functioning (of life) and losses due to the complex of forming factors influence.

7. Stage of the control of results of the risk management process is carried out during environmental monitoring, hazards examination, construct projects, licensing of a certain types of activities, and inspections.

Monitoring is a regular performance of the known program of observations of abiotic and biotic environment, as well as control of its anthropogenic influence. Usually monitoring objects are natural areas, Geosystems, man-made sources.

It is possible to assess the quality of the environment with monitoring, possible to determine the degree of ecological environment and biological objects interference, to set the boundaries for environmental degradation and sources of anthropogenic impact. This way it is information base formed that is needed to evaluate characteristics and sources of the risk.

Environmental monitoring includes measuring of pollution concentrations, strength and duration of physical impacts on the environment, and monitoring of living organisms –which are characterized as biological indicators that respond to environmental degradation, by changing its vital functions or accumulating pollutants. Measuring of pollution concentrations involves evaluating the dose pollutant and its impact on the environment quality. Overall assessment of the environment quality is carried out by the compare results of observation and established standards. If there is a quality deterioration it is a sign of risk emergence.

The variation of operation modes of facilities and the strength of their impact on the environment is involved in the control process of the anthropogenic impact sources. This control is based on comparing the characteristics of current and regulatory work regimes, and real and regulatory limits facilities on the environment. Any deviations from the standard are considered as the risk occurrence (Korableva & Kalimullina, 2014).



Characteristics	Color
Zone of critical risk	Red
Zone of danger risk	Pink
Zone of permissible risk	Orange
Zone of acceptable risk	Yellow
Zone of background risk	Green

Figure 3. Map of the risk assessment territory

Ecological examination is conducted in order to establish the conformity of business environmental standards and regulations. The examination is conducted at the stage of deciding on the possible implementation of economic activity in an ecosystem (Kareiva, 2001). Identified during the environmental review violations of environmental standards and regulations are the basis to classify the project as the category of risk or reject it.

Table 2 represents the results of the process of analysis and assessment of environmental and economic risks by the algorithm according to the current situation in the urbanized areas of the city of Rostov-on-Don.

The results might also be represented in the cartographic form (Figure 3), which helps to visualize the need for environmental protection measures in the zones of the city.

4. Discussion

According to the results of risk assessment, there might be offered a set of control measures that could help to reduce the probability of the adverse impact and economic damage in the city (Table 3).

Table 3. The areas of control action of the ecological and economic risk reduction in areas of Rostov-on-Don

Indicator	Variable parameters	Control actions
R_{ecol}	The concentration of dust, carbon monoxide, nitrogen dioxide, nitric oxide, formaldehyde, phenol, benz pyrene, fluoride and hydrogen chloride	To restrict the quantity of transport in central part of the city, parking organization, to increase the intensity and comfort of public passenger transport
	The concentration of the sulfur oxide, phenol, hydrogen sulphide, ammonia, lead, formaldehyde, dust, and carbon monoxide	to remove of production facilities with environmental protection areas, to form recreational areas
	The concentration of sulfates, nitrites, compounds of copper, zinc, iron, oil, organic compounds	to relocate of production and industrial facilities; to reconstruct and modernize the sewerage system
	The area of polluted land, illegal dumps	to purification landfill foci and prevention of illegal waste dumping
R_{econ}	The land rent, real estate, taxes, deductions in the local budget	Priority of research and production, business, commercial enterprises, service facilities and commercial, business purposes, administrative centers; the transfer of production facilities from environmental protection areas to the outskirts of the city and beyond, the formation of the recreational areas that are profitable to the city budget

5. Conclusions

Thus, this is the most generalized algorithm, which describes the management of ecological and economic risk, that appears in the natural and economic relations in urban areas. This algorithm allows to determine the characteristics of the particular ecological and economic risk and to develop the most effective way to control the impact of sustainable development of urban areas.

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The Concept of “Value” in the Theory of Marketing

Roman Sidorchuk¹

¹ Department of Marketing, Plekhanov Russian University of Economics, Moscow, Russian Federation

Correspondence: Roman Sidorchuk, Department of Marketing, Plekhanov Russian University of Economics, Moscow, Russian Federation. Tel: 8-499-237-9496. E-mail: Sidorchuk.RR@rea.ru

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Abstract

This paper discusses the use of the term of “value” in the framework of marketing. Analysis of the literature led us to the conclusion that it is necessary to consider the term of “value” in the framework of marketing as a separate category of marketing theory, which includes a whole group of concepts. The basis for our findings served as the analysis of the definition of “value” in the disciplines included in the multi-disciplinary marketing database. The paper suggests that the price is not a marketing measure for “value”. In addition, the paper outlines further research aimed at the development and systematization of the concepts included in the category of “value” in marketing.

Keywords: value in marketing, category of marketing, definition of marketing, marketing theory

1. Introduction

Discussion on considering marketing as an independent science has a long history. Specific features of marketing, such as its applied nature, dualism, significant methodological apparatus borrowed from other disciplines come as a barrier when considered as an independent discipline. At the same time, further development of marketing, including the application of its importance as an academic discipline, requires further discussion on the relation of art and science in marketing.

Extensive discussions about marketing as a science started in the 40s of the 20th century, and although major publications were made at 60-70 years, this debate is still going on. (Converse, 1945; Alderson & Cox, 1948, Bartels, 1951; Buzzell, 1964; Taylor, 1965; Hunt, 1976, 1983; O'Shaughnessy & Ryan, 1979; Kotler, 1972; Gummesson, 2002; Golubkov, 2003). Despite a slight decrease the intensity of the discussion, the issues related to marketing science or art continues to occupy minds of researchers. We consider marketing as a science and, as an important aspect; this discussion will focus on discussing the use of the term of “value” in marketing.

2. Literature Review

Some studies show that the analysis of the concept of “value” reveals terminological complexity (Repev, 2010). Especially, we shall highlight the use synonymous concept to both term of “value” and “customer value” in the Russian marketing.

The analysis of the descriptions of the terms in the dictionaries for marketing shows that, for example, the glossary by the American Marketing Association (www.commonlanguage.wikispaces.net) ignores the definition of “value”. The description contains the terms of “Customer Lifetime Value” and “Economic Profit”, which can be treated as one of the names of net operating profit after taxation. In turn, the Russian dictionary of terms for “Marketing”, the term of “value” is identified with the utility and benefits to consumers (Golubkov, 2003).

The paper by Porter, “Competitive Advantage”, offers the methodology of the possible competitive advantages analysis through a chain of benefit when “the company's operations are divided into the strategically important activities in order to examine the costs and the existing and possible means of differentiation”. In this paper, the value also assumes the identity of utility, where the price is its main criterion (Porter, 1985). This approach can be seen in many modern papers (Feller, Shunk, & Callarman, 2006; Nikolaev, 2009; Meshcheriakova, 2010)

In turn, this identity is not unique in the description of the concept of “Marketing 3.0.”. (Kotler, Kartavdzhayya, & Setiawan, 2012) point the term of “value” as the key concept; describe the current state of information technology and social cultural and personal space related to it. However, at the same time, a clear definition of this term is not provided. In fact, the authors refer to only a certain region of the senses for the concept.

Prahlad and Ramaswamy in their paper (2006) also describe the space for creating “value” for the consumer, but avoid its clear definition.

A similar situation is shown in the paper by Throsby (2013). Realizing the obvious importance of the term of “value”, he devotes a whole chapter to it. However, despite the interesting analysis and conclusions made by the author, in the end, he did not formulate own definition of the term of “value”, but only describes the features of this concept in the cultural space.

In turn, the paper by Neganova (2012) describes different approaches to the term of “value”. In this case, in addition to the term of “value” and “customer value” the author cites in this regard some other terms: “customer value”, “value of buyers”, etc. At the same time, in spite of the comparative analysis of different definitions, the author does not lead us to the logical structure and the relationship of these terms.

There are papers (Hakseve, Chaganti, & Cook), considering the value not only through the value for the consumer (“customer value”), but also more broadly, encompassing the ability of a product, service or activity to satisfy the need to provide any utility to a human being, organization, and society. For example, based on models of value creation, in one of the papers by (Ivashkova, 2013), there is an attempt to determine the costs and utilities specific to shareholders, employees, customers, suppliers, and society. At that, the author demonstrates an important feature: the difference in value estimates of various social groups in relation to one product. Some papers consider the concept of value through the applications of loyalty programs (Sidorchuk, 2014) or in the implementation of the marketing function in museums (Sidorchuk & Grineva, 2014).

The above analysis of the literature demonstrates that there is a need in the structuring of terminological apparatus of marketing associated with the term of “value”.

3. Limitations and Methods for the Research

In our study, we are based on the desk research methodology using the content analysis method. At the heart of our discussion is the concept of marketing as a combined interdisciplinary theory. The basis of this theory (marketing), according to Bartels (1976) is on economic, psychological, and sociological theories in all their relationships. At the same time, we believe that it is necessary to consider that marketing is a separate area of knowledge and application of practical methods and conceptual approaches from other disciplines shall not be confused with the area of disciplinary conceptual marketing. In addition, we do not assume in our study to delve into the analysis of value approaches of these subjects, but at the same time, we believe it is necessary to use in the analysis of the provisions of the axiological philosophy theory.

4. Results of the Study

First, it is necessary to make structural clarity between the terms of “value”, “customer value” and others. The basis for the logic of their relationship is the terms of “concept” and “category”. We are based on the definition of the term of “category” as the most general and fundamental concept which is the form and stable organizing thinking principle, i.e. fundamental scientific concept reflecting the most general properties and connection of the reality and cognition (Philosophy: Encyclopedic Dictionary, ed. Ivina, 2004). In turn, the term of “concept” is a common name with a relatively clear content and a relatively well-defined volume.

Values mean a general category, in which, as rightly pointed out in several studies, various directions are possible (Neganova, 2012). In various papers, the value is reduced to norms, ideals, and utility (Dokuchaev, 2006). Thus, we expect to distinguish the following categories: “Values” and “Values in various disciplines”, including marketing (Figure 1).

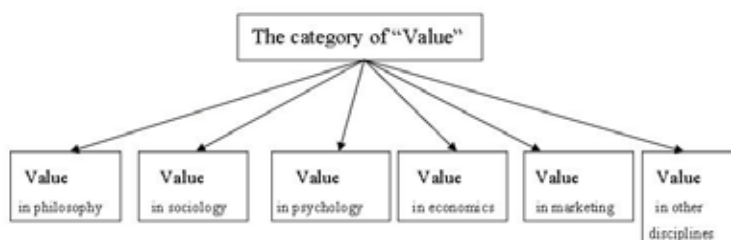


Figure 1. Category Tree named “Values”

Below, we briefly consider the category of “value” for the disciplines related to multidisciplinary database of marketing.

Philosophy often regards value as the “relationship between the representation of the subject on the valued object and the object itself” (Philosophy: Encyclopedic Dictionary, ed. Ivina, 2004). However, the interpretation of the term is not limited to the above, which allows considering it as a category.

From the point of view of psychology, the category of “value” is based on the psychological nature of a human being and can be viewed from the standpoint of determining the notion of “understood value”, “value, as a form of social relations” and bringing these positions with the motivation (Leontiev, 2003). Interpretation of the “understood value”, which corresponds to a certain extent to the concepts of “opinion” and “belief”, does not have the self-motivating force. The concept of “value” as a form of social relations, that is a kind of structuring function of the individual's conduct, does not have the motivating force as well. In our opinion, marketing is interested in approach combining these two approaches, bringing them closer to the motivating force. In general, such diversity in the definition of “value” allows it to be considered in psychology as a separate category.

In turn, in the sociology, the term of “value” is usually considered in the framework of a social group. One definition of the term of “value” treats it as “any item that has empirical content, available to members of the social group, as well as value, due to which it is or may be subject to action” (Thomas & Znaniecki, 1976). In contrast to the above definitions for philosophy and psychology, sociology puts the value as if “taken out” beyond the individual framework.

In economics, the “value” is identified with utility. The basis is the following prerequisite - people choose the goods and services assessed at the highest level. Scientific theory here is the concept of marginal utility. At that, Samuelson (1997) notes that the utility – “is not feelings, available for measurement, but a scientific concept”. It is believed that with the gradual saturation of the needs of a subject, the utility of goods or services falls. It is also assumed that with the growth of goods consumption (at constant consumption volume of all others), the total value received by the consumer is increasing even more slowly. In addition, the main measure of the utility is price. Despite the fact that in our opinion, the economic theory is the main for marketing, we do not assume for the definitions of “value” and “customer value” for a more in-depth analysis of the theory of marginal utility and its ordinal and cardinal (quantitative) directions and proceed directly to the category of “value in marketing”.

Initially, it shall be noted that there is a difficulty in using a linguistic term of “value” in marketing. In the English literature, the term of “value” often means “cost” or “value-added cost” that makes some terminological confusion. Therefore, “a number of English-speaking authors propose to use the term of added value agent in marketing, focusing on the values of the subjective factor” (Golubkov, 2012).

In the early papers on marketing, the term of “value” in the sense that distinguishes it from the “price” is practically non-existent. This follows, for example, from the analysis of the paper by Bartels (1976). Table 1 shows the definition of the value in the marketing literature.

Table 1. Definition of the term of “value” in the framework of marketing

Authors	Definition
Schechter, 1984	Value means all factors that make up the overall shopping experience: quantitative and qualitative, subjective and objective
Lambin, 1996	A more practical alternative is the concept of “perceived value of the goods to the buyer”, based on full knowledge and understanding of the end-use of the product
Doyle, 2001	Value is a consumer's assessment of the ability of a product or service to meet their needs
Gordon, 2001	Value of the buyers is determined according to the average annual value of the buyers in the category under which each of them falls, to the projected lifetime of the customers as the buyers and to projected changes in the volume of their purchases over time. Value may be viewed in relation to the characteristic features of the following two categories: a) signs describing the functions that goods carry; b) emotional and other non-functional features covered by a trademark
Gamble, Stone, Woodcock, 2002	The first element of consumer value is the monetary aspect; the second element is the additional cost of the consumer to receive the benefits that interest them; the third element is the value that the consumer receives in exchange for the money paid
Winer, Lehmann, 2004	From a consumer perspective, this is the value of the goods, or the consumer value, i.e. how valuable this product is for the consumer.

Authors	Definition
	Economic value for the consumer (EVC) is a pure value in monetary terms (savings) obtained by the use of certain goods (often - new) instead of the corresponding substitute (the one that is currently in use). EVC is the difference between the values of the total direct costs of using the two competing products. Consumer value (value) is the cost of a product or service to the consumer in monetary terms
Webster, 2005	The key point in the strategy of positioning is what we call the proposition of the value. This concept describes the way in which the company delivers value to its target customers. However, it is important to remember that the value is determined by the customers, so the perception of it changes according to their needs, the nature of the decision-making process on the purchase (and, more importantly, in accordance with the composition of members of the buying process), and competitive offerings.
Kotler, 2006	Keller, The value reflects the perceived tangible and intangible benefits and costs of the buyer; it can be represented as a combination of quality, service, and price (CVT – “customer value triad”)
Payne, 2007	The value obtained by the client is a set of benefits that he/she takes from the main product or service of the company. Consumer value is the result of maximum value to the customer with the deployment of updated strategies to attract and retain customers and using effective distribution channels management. Shareholder value is made up of a favourable rate of return on invested capital
Grönroos, 2007	The value is considered as the main object of exchange. The value is the result of evaluation by the buyer with the seller
Neganova, 2012	Products and services have value, which is created by the company based on consumer demand outside markets, and markets exchange that value between the producer and the consumer. In this regard, the marketing specialists and managers are focused on the formation of an effective value chain, logistics, product quality control, etc.

With the advent of the value chain model by Porter (1985), the term of “value” in the sense of “customer value” started its avalanche spread in the literature. At the same time, it caused some criticism in the use of the term. Thus, Ramsay writes: “What kind of chain did Porter mean? Personally, I have no any idea. All these talks of the value chain are misleading”. Then “The value seems quite an abstract phenomenon, and therefore it is impossible to deliver or to offer or to receive or to describe using verbs which are used for handling concrete things. Consequently, the value cannot be passed from department to department... Imagine a company that sells the product, but there is a competitor with the best offer. Our sales are falling severely. It turns out that their products had a “value” before, but then lost it”. (Ramsay, 2005). Repev (2010) agrees with this point of view: “A practical marketing specialist is unlikely to apply such concepts as “deliver value”, “customer’s value”, “value proposition”, “value design”. Such criticism of using the term “value” is true. The problem with using the term of “value” is clearly observed, for example, in the field of culture and culturally based products (Sidorchuk & Grineva, 2014)

5. Conclusions

The above considerations allow us to draw the following conclusions: The current uncertainty in the use of the term of “value” due to the fact that the severity of the definition of “concept” is replaced by polysemy of “category”. This leads to ambiguities in the use of the term of “value” as appropriate or personal interpretation, irrespective of the content of the marketing theory and its multidisciplinary base. In addition, there is a tendency, when the term of “value” is widely used in studies on marketing, but researchers just rely on one or another definition, using it as an operational one and analyse its conceptual importance in the theory of marketing. At the same time, the above-shown analysis of papers allows us to suggest that if the economic theory of the “value” category identification with effectiveness is justified, and the price may be a measure of this effectiveness, this issue is quite different from the point of view of marketing. According Lamben, “... a company can no longer remain insensitive to the demands of social responsibility”. (Lamben, 1996) In its turn, the paper by Nikishkin (2012) demonstrated that the analysis of entrepreneurial activity in the world for a long period showed that at average life cycle of an enterprise of 10–20 years, the longer life cycle is peculiar with enterprises oriented at humanistic values. Further

arguments put the question: how can one say about the usefulness of tobacco, alcohol with the point of view of social responsibility? In addition, there are goods and services, which value for individuals, social groups, or society can be infinitely large, while the price has a definite size. For example, the price (cost) of many paintings is defined in their insurance policies, while their value to society commensurate with the amount entered. Here again we come back to the above-mentioned paper by Throsby (2013). He writes: "It can be argued that market prices are at best an imperfect indicator for values behind them". Further: "...prices do not reflect the additional consumer pleasure experienced when purchasing a product". In this regard, we see that the theory of marketing "value" shall be considered as a category, which includes a whole range of concepts (e.g., "consumer value", "customer's value", etc.).

Therefore, based on the idea of "value" as a category of marketing, it can be determined as follows: the value (in marketing) is the perfect model of obtaining satisfaction from the result (the process) the exchange of goods and services to individual consumers, social groups, companies or associations, which determines their stable basic life orientation and motivational setting. It shall be noted that we distinguish between the terms of "value in marketing" and "marketing value".

Our formulated definition of the category of "value" in marketing will allow for the systematization of the conceptual apparatus of terms related to this category. We see the prospect of further work not only in the development of theoretical definitions, but also in the field and desk research aimed at understanding the patterns and the allocation of obtaining satisfaction indicators, determining the stability of basic life guidance and motivation to set different groups of consumers, companies and society as a whole.

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The Impact of Patient to Nurse Ratio on Quality of Care and Patient Safety in the Medical and Surgical Wards in Malaysian Private Hospitals: A Cross-sectional Study

Mu'taman Jarrar¹, Hamzah Abdul Rahman¹ & Abdul Shukor Shamsudin¹

¹ College of Business, Universiti Utara Malaysia, Kedah, Malaysia

Correspondence: Mu'taman Jarrar, RN, MHS, College of Business, Universiti Utara Malaysia, PO Box 36 2D Sisiran, Kedah, Malaysia. Tel: 60-112-894-4581. E-mail: mutaman.jarrar@yahoo.com

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Abstract

Background and objective: Nursing shortage and inadequate hospital nursing jeopardized quality of care and patient safety. This study aims to predict the impact of patient to nurse ratio on quality of care and patient safety in medical and surgical wards in Malaysian private hospitals.

Methods: Cross-sectional data collected by questionnaire from 652 nurses working in the medical and surgical wards in 12 private hospitals participated in the study. Stratified simple random sampling performed to invite small size (less than 100 beds), medium size (100-199 beds) and large size (over than 200) hospitals' nurse to participate in the study, which allow also nurses from all shift to participate in the study from the participated hospitals.

Results: Nurses with higher ratio of patients have greater negative association on quality of care and patient safety. However, this negative association significantly associated with patient safety, whereas insignificantly associated with quality of care.

Conclusions: Staffing level inconsistently associated with quality of care and patient safety, so there is at least one intervening process factor mitigate the negative impact of nursing shortage on quality of care in Malaysian hospitals. However, nurses delivering care for 11-15 patients and nurses delivering care for more than 15 patients had significant negative impact on both quality of care and patient safety at a $p < 0.05$ significance level compared with those caring for less than 5 patients.

Keywords: patient to nurse ratio, nurse adequacy, hospital size, staffing level, quality of care, patient safety

1. Introduction

To 'Err Is Human' report by an Institute of Medicine (IOM), stated that 98,000 deaths occurred annually as result of medical errors in United States (IOM, 2000). Adverse events occurred for 17% of all admitted patients in Australia (Wilson et al., 1995). In European countries there are inadequate hospital nursing to fulfill the rising demand in the health care facilities which in turn associated negatively with quality of care and patient safety (Hinno, Partanen, & Vehviläinen-Julkunen, 2011). However, in Malaysia increasing demand and cost of care with lack of resources threaten the performance of Malaysian health system (Country health plan MOH, 2011). Whereas, the mismatch between patient flow and staffing level lead to increase workload which in turn threatens the performance of care (Boyer et al., 2012). Furthermore, according to the Annual Report of Ministry of Health (MOH) Malaysia (2011) the performance of nurses working in private hospitals lower than nurses working in public hospitals (MOH, 2011). Thus, the main purpose of the study is to explore the effect of staffing adequacy on quality of care and patient safety in Malaysian private hospitals.

Adequate staffing is important to sustain quality of patient care (Aiken, Clarke, & Sloane, 2002; Needleman, Buerhaus, Mattke, Stewart, & Zelevinsky, 2002; Newhouse, Himmelfarb, & Morlock, 2013). Study conducted in 12 European country and US found that, better working environment and low patient to nurse ratio improve quality of care, patient safety and patient satisfaction (Aiken et al., 2012). Furthermore, higher nursing ratio in the department increase their time spending with patients which in turn affect the outcome of patients care (Brooten, Youngblut, Kutcher, & Bobo, 2004). Thus, adequate staffing level is required to improve quality of

patient care (Newhouse et al., 2013). However, one study conducted in China found that high patient nurse ratio negatively associated with quality of care and job outcome but not associated with patient care outcome (You et al., 2013). This, finding raise the interest of investigating the impact of patient to nurse ratio in one more East Asian country like Malaysia. However, , it is difficult to identify the causal relationship between high workload and quality of patient care, and should consider patients and providers related factors which affecting the treatment process and outcome (Hillner, Smith, & Desch, 2000). Thus, data was obtained from nurses in the medical and surgical wards of the private hospitals in Malaysia to determine the impact of staffing adequacy on quality of patient care and patient safety in order to control patient related factors affecting the outcomes. Furthermore, medical and surgical wards were chosen because they deliver multidisciplinary level of care: medical cardiology, oncology, gastroenterology, nephrology, urology, orthopedics, and ear, nose and throat treatment (Coetzee, Klopper, Ellis, & Aiken, 2013). It can be concluded that the main purpose of the study is to investigate the impact of patient to nurse ratio on quality of care and patient safety in medical and surgical wards in Malaysian private hospitals.

2. Method

2.1 Design

A cross-sectional survey conducted at individual nurse level of analysis of nurses working in the medical and surgical wards in Malaysian private hospitals.

2.2 Sampling

Stratified simple random sampling performed to collect data from nurses working in the medical and surgical wards. A total 652 nurses working in the medical and surgical wards in 12 private hospitals participated in the study. The stratified random sampling offers more homogeneity within the stratum and higher heterogeneity among group of strata which produce a “mirror image of the population” (Sekaran & Bougie, 2010). The simple random sampling of each stratum ensure each hospital and nurse have an equal chance to be chosen randomly (Sekaran & Bougie, 2010). The inclusion criteria of hospitals are those hospitals registered in the Association of Private Hospitals of Malaysia. While the inclusion criteria of nurses are those nurses’ licensed and registered by the MOH Malaysia and delivering direct inpatient care in the medical and surgical wards. According to the current nursing literature number of beds used to evaluate the hospital size to small size (less than 100 beds), medium size (100-199 beds) and large size (over than 200) hospitals (Gok & Sezen, 2013; Lee & Yang, 2009).

2.3 Operationalization and Measurement

Quality of care according to the IOM is “the degree to which health services for individuals and populations increase the likelihood of desired health outcomes and are consistent with current professional knowledge” (IOM, 2000). The outcome quality reflects the end result of interventions and treatment of the caring (Harvey, 2004). The outcome quality had two dependent variables of the study: quality of care and patient safety. Items used of measuring these variables are internationally validated (Aiken et al., 2012; Coetzee et al., 2013; Van Bogaert, Clarke, Vermeyen, Meulemans, & Van de Heyning, 2009).

The quality of patient care was measured by asking the nurses to grade the overall quality of care in the last shift and in the last year (Van Bogaert, Meulemans, Clarke, Vermeyen, & Van de Heyning, 2009). Furthermore, nurses were asked whether they will recommend the hospital to their friends and family if they need hospital care or as good place to work (Coetzee et al., 2013).

Patient safety in the study refers to prevent any potential harm or adverse events for hospitalized patient (Groene et al., 2010). The adverse events are unexpected patient harm or negative consequences related to patient hospitalization other than his disease process (Weingart et al., 2011), and this also called hospital acquired conditions. For instance, adverse events could be hospital acquired infection which also called nosocomial infection. In addition, pressure ulcer, patient fall, medication errors and readmission also considered as adverse events (Weingart et al., 2011; Welton, 2008). According to the current nursing literature the common events in the medical and surgical wards are: nosocomial infection, patient falls, medication error and patient and family complaints (Laschinger & Leiter, 2006; Van Bogaert et al., 2014). One item from the Agency for Healthcare Research and Quality survey of patient safety used to rate the overall patient safety in their unit using five point Likert scale (Aiken et al., 2012; Coetzee et al., 2013; You et al., 2013). The second measure of patient safety of this study is the adverse events which include: nosocomial infection, pressure ulcer, patient fall, medication errors, readmission and patient and family complaints (Laschinger & Leiter, 2006; Van Bogaert et al., 2014; Weingart et al., 2011). Thus, nurses were asked to report their degree of agreement of the overall rating of patient safety and their rating of the frequency of the adverse events.

The patient-nurse ratio was calculated by asking the nurses to indicate how many patients directly assigned under his care on last shift (Aiken et al., 2012; Coetzee et al., 2013; You et al., 2013), and the number of patient was chosen from four categories: less than 5 patients, 5-10 patients, 11-15 patients and over than 15 patients. The lower ratio indicate more favorable nursing staffing (Aiken et al., 2012).

Back-To-Back translation is performed to make sure that questionnaire free of mistakes, wrong wording or changing in the meaning. Furthermore, questionnaire translation to the local language (Bahasa Melayu) by local expert and then back translation by another expert to ensure the conceptual and vocabulary equivalence of the questionnaire items (Sekaran, 2003).

2.4 Data Analysis

Multiple regression analysis performed using the SPSS software version 21.0 to investigate the impact of patient to nurse ratio on quality of care and patient safety at significance level $p < 0.05$. A pilot study conducted to test the internal consistency in order to check the instrument adequacy and the soundness of questionnaire by measuring Cronbach's alpha coefficient. The Cronbach's alpha coefficient of the quality of care and patient safety was 0.75 and 0.85 respectively, which were above the recommended level of Cronbach's alpha coefficient 0.70 (Pallant, 2011; Sekaran & Bougie, 2010).

3. Results

A total 1055 of registered nurses working on the medical and surgical wards in the 12 participating hospitals were invited to participate in the study. A total 807 questionnaires were returned back, so 76.4% is the total response rate of participant nurses in the study. However, 155 respondents were excluded from the study because they not met the inclusion criteria (nurses not working in the medical and surgical wards), and others have fixed response to of all questionnaire items, or left it blank. Thus, the usable respondents remained are 652 to proceed in data analysis, representing 61.8% response rate.

The demographical characteristics as shown indicated that 99.0% of nurses participated in the study were Malaysian, and 97.6% of nurses were female. Furthermore, the Malay nurses have the higher proportion of participants in the study 60.0%, while 21.6% Chinese, 14.2% Indian and 2.2% others (the others included Thais and Filipinos nurses). Most of the nurses were between the age 25 and 30 years 43.7%. The majority of respondents hold diploma 84.6% while 10.3% had bachelor degree in nursing and 5.1% other (the others included nurses had associate degree of nursing or higher education). In term of job title the majority of nurses were staff nurses 90.4%, while only 6.2% are assistant nurses and 3.4% nurses others (the others included the community nurses, in-charge nurse) and all of them delivering direct inpatient care. The status of employment of nurses in the study were 98.1% full time while 1.9% were part time nurses. The majority of nurses were working in large size hospitals 72.2%, while 16.5% working in medium size hospitals and 11.3% working in small size hospitals.

The patient-nurse ratio show that 37.0% of nurses working in Malaysian private hospitals provided care for more than 15 patients under their care in one shift, whereas 24.0% caring for 11-15 patients, 31.2% caring for 5-10 patients and 7.7% caring for less than 5 patients, under their assignment in the last shift they worked. Furthermore, 23.3% nurses participated in the study working in the medical ward, 26.1% in the surgical ward, 7.4% in the general ward, 31.9% in the multidisciplinary ward and 11.3% others (the others refer to endoscopy, oncology, cardiology and cardiothoracic wards that nurses provide direct inpatient care), and all of these wards deliver a multidisciplinary level of care.

The patient-nurse ratio construct included four categories, thus $j - 1$ dummy variables to capture all information for each category compared with the reference group (Cohen, Cohen, West, & Aiken, 2003; Hardy, 1993; West, Aiken, & Krull, 1996). The reference group should be the group which is expected to score highest or lowest in relation with the dependent variable (Cohen et al., 2003; Hardy, 1993; West et al., 1996). Moreover, the reference group, should be well defined in order to clearly interpret the regression result, and should not be "others category" (Cohen et al., 2003; Hardy, 1993; West et al., 1996). Thus, the reference group in the study was nurses caring with less than 5 patients.

Multiple regression analysis of the effect of patient to nurse ratio on the outcomes of care were explored two regression models. The first model explored the effect of patient to nurse ratio on quality of care, whereas the second regression model was explored the effect of patient to nurse ratio on patient safety.

3.1 Model 1: Patient to Nurse Ratio and Quality of Care

Patient to nurse ratio dimension included three dummy variables. Table 1 provided the result of multiple regression analysis of its impact on quality of care in order to test the hypothesis:

The alternative hypothesis H1: Patient to nurse ratio is associated with quality of care.

The null hypothesis H1₀: Patient to nurse ratio is not associated with quality of care.

Table 1. Regression result of patient to nurse ratio on quality of care

Variables	Unstandardized Coefficients B	Std. Error	Standardized Coefficients β	t	Sig.
(Constant)	3.90	0.08		46.46	0.00
Less than 5 patients (R)					
5-10 patients	-0.12	0.09	-0.10	-1.27	0.20
11-15 patients	-0.21*	0.10	-0.16	-2.13	0.03
over 15 patients	-0.22*	0.09	-0.19	-2.38	0.02
R ²	0.01				
F value	2.61				
Significance of F value	0.05				

Significant level: ***: p<0.001; **: p<0.01; *: p<0.05. (R): Reference group.

The result of the regression analysis as shown in Table 1 revealed that F = 2.61 and P value = 0.05 indicated that the study failed to reject the null hypothesis H1₀. So, the relationship of patient nurse ratio on quality of care is not significant. The R² indicated that nurse to patient ratio variable predict 0.01 of variances in quality of care and not significant at level p<0.05. However, the unstandardized coefficient of the three dummy variables indicated that increasing patient to nurse ratio is negatively associated with quality of care, and by increasing number of patients assigned under each nurse this negative impact is increasing -0.12, -0.21, and -0.22 respectively. Furthermore, nurses delivering care for 11-15 patients (B=-0.21, t=-2.13, p=0.03) and over than 15 patients (B=-0.22, t=-2.38, p=0.02) have significant negative impact on quality of care at a p<0.05 significance level compared with those caring with less than 5 patients.

3.2 Model 1: Patient to Nurse Ratio and Patient Safety

Table 2 provided the result of multiple regression analysis of its impact on patient safety in order to test the hypothesis:

The alternative hypothesis H2: Patient to nurse ratio is associated with patient safety.

The null hypothesis H2₀: Patient to nurse ratio is not associated with patient safety.

Table 2. Regression result of patient to nurse ratio on patient safety

Variables	Unstandardized Coefficients B	Std. Error	Standardized Coefficients β	t	Sig.
(Constant)	3.80	0.09		43.46	0.00
Less than 5 patients (R)					
5-10 patients	-0.18	0.10	-0.14	-1.81	0.07
11-15 patients	-0.25*	0.10	-0.18	-2.44	0.02
over 15 patients	-0.26**	0.10	-0.21	-2.66	0.01
R ²	0.01				
F value	2.73*				
Significance of F value	0.04				

Significant level: ***: p<0.001; **: p<0.01; *: p<0.05. (R): Reference group.

The result of the regression analysis as shown in Table 2 revealed that F = 2.73 and P value = 0.04 indicated that the study reject the null hypothesis H2₀. So, the relationship of patient nurse ratio on patient safety is significant. The R² indicate that nurse to patient ratio variable predict 0.01 of variances in patient safety and significant at level p<0.05. Moreover, the unstandardized coefficient of the three dummy variables indicated that increasing patient to nurse ratio is negatively associated with patient safety, and by increasing number of patients assigned under each nurse this negative impact is increasing -0.18, -0.25, and -0.26 respectively. Furthermore, nurses delivering care for 11-15 patients (B=-0.25, t=-2.44, p=0.02) and over than 15 patients (B=-0.26, t=-2.66, p=0.01)

have significant negative impact on patient safety at a $p < 0.05$ significance level compared with those caring with less than 5 patients among nurses working in medical and surgical wards in Malaysian private hospitals. Thus, it can be concluded that the hypothesis H2 supported, while H1 not supported.

4. Discussion

Regression analysis of the effect of patient to nurse ratio as shown in both Table 1 and Table 2 indicated insignificant impact on quality of care and significant negative impact on patient safety at $p < 0.05$ significance level, respectively. These findings inconsistent with the previous studies (Aiken et al., 2012; Boyer et al., 2012; Brooten et al., 2004; Coetzee et al., 2013). Boyer et al. (2012) found that mismatch between patient flow and staffing level lead to increase workload which in turn lowers the outcomes of care. In addition, one study conducted in 12 European country and in US found that, low patient to nurse ratio enhance quality of care, patient safety and patient satisfaction (Aiken et al., 2012). Thus, adequate staffing is required to improve quality of patient care (Aiken et al., 2002; Needleman et al., 2002; Newhouse et al., 2013). However, a study conducted in China found that high patient to nurse ratio negatively associated with quality of care and job outcome but not associated with patient care outcome (You et al., 2013). Furthermore, other studies found inconsistent relationship between patient to nurse ratio and the outcomes (Needleman et al., 2002). These inconsistent findings supported this study finding and show the importance to investigate an intervening variable with opposite sign suppressing the relationship of patient to nurse ratio on quality of care.

High patient to nurse ratio indicate unfavorable nursing staffing affecting the outcomes (Aiken et al., 2012), and this finding is consistent with the present study. The unstandardized beta coefficient reported in Table 1 revealed that increasing patient to nurse ratio is negatively associated with quality of care, and by increasing number of patients assigned under each nurse this negative impact is increasing -0.12, -0.21, and -0.22 respectively. Similarly, it is negatively associated with patient safety, and by increasing number of patients assigned under each nurse this negative impact is increasing -0.18, -0.25, and -0.26 respectively. Furthermore, nurses delivering care for 11-15 patients and nurses delivering care for over than 15 patients have significant negative impact on both quality of care and patient safety at a $p < 0.05$ significance level compared with those caring with less than 5 patients. Thus, assigning more than 10 patients under one nurse is threatening quality of care and patient safety in the medical and surgical wards in Malaysian private hospitals. However, it is difficult to identify the causal relationship between high hospital volume and quality of patient care, and should consider patients and providers related factors, this affect the treatment process and outcome (Hillner et al., 2000). The present study controlled the variances of the patient related factors affecting the outcomes. Future research suggested will be control the process factors affecting the outcomes of care. For instance, nursing task oriented and patient and family involvement in care mitigate the negative impact of nursing shortage (You et al., 2013). Moreover, low patient to nurse ratio in the ward increases the time spent with patients which in turn affect the outcome of patients care (Brooten et al., 2004). Thus, the strong argument for future research is to explore the effect of patient centeredness on the relationship of nursing shortage on quality of care and patient safety in Malaysian private hospitals.

5. Conclusion

Inadequate staffing, nursing shortage and high patient to nurse ratio can jeopardize quality of care and patient safety in the medical and surgical wards in Malaysian private hospitals. However, there is at least one process factor with positive sign mitigate this negative impact of nursing shortage on quality of care in Malaysian private hospitals. The R^2 of the regression result indicated that only 1% of variances of quality and patient safety explained by the nurse to patient ratio. Thus, the authors proposed focus on process intervening factors affecting the outcomes of care as a remedy of improving quality of care and patient safety.

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Systematic Management Mode of the State-Run Silk-Weaving Industry of the Song Dynasty

Xin Cai¹

¹ College of Fashion & Art Design, Donghua University, Shanghai, China

Correspondence: Xin Cai, College of Fashion & Art Design, Donghua University, Shanghai, China. E-mail: vivixincai@sina.com

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Abstract

Based on abundant documents evidences, this paper analyzes the systematic management mode of the state-run silk-weaving industry in China of the Song dynasty. The obvious systematic characteristics can be described as distribution, division and operation. The state-run silk-weaving industry is widely distributed in the capital city and the areas where sericulture and silk weaving are already highly developed. It is clearly divided into weaving, dyeing, embroidering, clothing producing and silk articles manufacturing. The state-run silk-weaving industry had the privilege to employ highly skillful craftsmen. The supervisors, designated by the government, controlled the manufacturing process and the quality and quantity of the products. The study shows that, on the basis of thousands of years accumulation, the state-run silk-weaving industry of the Song dynasty presented the all-round development in ancient China, offering a reference for the Yuan, the Ming and the Qing dynasty.

Keywords: management mode, the Song dynasty, the state-run silk-weaving industry, systematic

1. Introduction

The state-run silk-weaving industry in the Song dynasty produced specialized noncommercial silk fabric livelihoods for the state and the ruling class. Highly centralized feudal autocratic empire pushed systematic management mode in this industry. A series of state-run weaving organizations for different divisions were set up in the capital city as well as local places by the central government. These organizations, were supervised and abolished by the central government. The local governments set up the same organizations as well. Different scales of state-run weaving organizations were widely spread in Hebei, Shandong, Zhejiang, Sichuan and other silk producing areas at the beginning of the Song. According to the diverse requirements of the state and consumers, the government set up workshops producing varieties of silk fabrics, and specialized agencies engaging in weaving, dyeing, sewing, embroidery, and silk articles manufacturing. They issued instructions concerning the number of staff and quotas of output to these plants.

Compared with the Tang dynasty, the state-run weaving industry in the Song was advanced in distribution, division of labor and the management system owing to the advancements in agriculture, transportation, trade and textile technology. In order to guarantee the materials supply in the capital city, canal transportation (*cao-yun*) was particularly well developed in the Song, which led to the prosperity of handicraft industry in different cities. Chinese traditional feudal natural economy made weaving industry separate from farming completely in the Song. The harvest of agricultural products promoted the development of commodity economy. All these contributed to the surplus of raw materials to be sold and labor to be hired in the nongovernmental market. The appearance of the Treadle-Operated Silk Reeling frame (*jiao-ta sao-che*), the adoption of the method of warping on frame (*zhou-jia zheng-jing fa*) and the creation of the String-Heddle Patterning loom (*shu-zong ti-hua-ji*) achieved higher production efficiency and better product quality.

2. Distribution of State-Run Silk-Weaving Industry of the Song

The state-run silk weaving organizations were mainly spread in the capital city, Hebei, Shandong, Zhejiang, Sichuan and other areas where sericulture and silk industry were highly developed.

2.1 Silk-Weaving Plants in the Capital Cities Established by the Central Government

In the Northern Song, a series of weaving, dyeing, embroidery, manufacturing state-run weaving plants were already established in the capital city Bianjing (modern Kaifeng). Along with the moving south process of the

court, most plants also moved to Lin'an (modern Hangzhou). In 1131, the Bureau of Weaving and Sewing (*ling-jin yuan*) and the Bureau of Fine Crafts (*wen-si yuan*) still existed (Song, during, A. D. 1796-1820). The textile historian, Professor Yuan Xuanping thinks that the state-run dyeing plants were likely to have existed until Emperor Gaozong's Shaoxing reign period (A.D.1131~1162) (Xuanping & Feng, 2009).

2.2 Silk-Weaving Plants outside the Capital Cities Established by the Central Government

The state-run silk-weaving plants set up by the central government were widely distributed outside the capital. The plants in the Western Capital (modern Luoyang), Ordinary Prefectures of Zhen, Ding, Qing, Yi and Zi mainly produced polychrome compound warp-faced tabby or twill (*jin*), tabby with pattern in twill (*qi*), *lu-tai* (silk fabric with pattern like deer fetus, usually made by clamp-resist dyeing) and *tou-bei* (probably one kind of silk fabric has similar appearances on face and back). There were the Offices of Gauze Weaving (*zhi-luo wu*) in the Superior Prefecture of Jiangning and the Ordinary Prefecture of Run, the Workshop of Damask (*ling-qi chang*) in the Ordinary Prefecture of Zi, while office in the Ordinary Prefecture of Bo purchased plain silk gauze with crepe (*zhou-sha*) and office in the Superior Prefecture of Daming wove silk tabby with crepe (*zhou-hu*). The Ordinary Prefectures of Qing, Qi, Yun, Pu, Zi, Wei, Yi, Mi, Deng, Lai, Heng, Yong, Quan purchased sparsely woven silk (*ping-shi*).....used for clothing and granting rewards at the Chinese Lunar New Year (Tuo, et al. A. D. 1346). There are the same contents and more specific records in General history of institutions and critical examination of documents (Wenxian tongkao, Vol. 20, p. 195). Though there was no specific time for the quotation, it should be records relevant to the state-run textile organizations from 1018 to 1059, according to the analysis of historian Xu Dongsheng specialized in the study of the Song (Dongsheng, 2012). Among the organizations mentioned, there were some mills producing silks, and some offices taking charge of silk products collection and purchase for governments. Bureau of purchase (*shi-mai yuan*) in the Ordinary Prefecture of Yi wove refined silk twill (*shu-se ling*), and the Ordinary Prefectures of Peng, Jin, Han, Qiong, Shu, Mei, Ling, Jian, Sui, Zi, Rong, Pu, and the Military Prefecture of Huai'an wove all sizes of plain weave silks, *qizheng* (probably one kind of silk fabric with *qizheng* pattern), wefts backed silk twill (*hua-ling*) (Duanlin, A. D. 1314). In the Northern Song, the central government set up state-run silk-weaving plants in Hebei, Shandong, Zhejiang, Sichuan and other areas, while in the Southern Song, the plants were mainly set up in Sichuan and Zhejiang areas. These plants produced different kinds of silk products, mostly local specialties. There were specific information about such plants' abolition in historical documents. The Office of Damask Weaving (*zhi-ling wu*) in the Ordinary Prefecture of Hu was abolished in 982 (Song, during, A.D.1796-1820). The Office of Weaving and Sewing (*ling-jin wu*) in the Ordinary Prefecture of Tan was abolished in 993 (Duanlin, A. D. 1314). The imperial edict concerning the establishment of contexture chamber in the Ordinary Prefecture of Hang was issued in 995 (Song, during A. D. 1796-1820). The Office of Gauze Weaving (*zhi-luo wu*) in the Ordinary Prefecture of Chang was abolished in 999 (Song, during A. D. 1796-1820).

2.3 Silk-Weaving Plants outside the Capital Cities Established by the Local Governments

Outside the capital city, *Jin* Institute of the Superior Prefecture of Chengdu (Chengdu *jin-yuan*) was the most important state-run silk-weaving plant and it was the single most significant plant set up by local governments. Lv Dafang started to build *Jin* Institute in the east of prefectural government (Zhu, the Yuan dynasty). In the Southern Song, the intension on the border of the north minorities' regimes and the Song gave rise to conflicts. Later, the Song lost a series of wars, and only half of the country territory remained. In order to buy horses conveniently to strengthen military and defend the nation, the General office of trade in horse and tea (*du-da ti-ju cha-ma-si*), the agency originally in charge of exchanging tea into horses began weaving polychrome compound warp-faced tabby or twill, damask, bedding, with which, it could get horses for barter in the Ordinary Prefecture of Li. These silk products were produced in the plants in Yingtian Temple, Northern Temple (*bei chan-si*), Luyuan Temple. In 1168, *Jin* Institute in General office of trade in horse and tea and the Superior Prefecture of Chengdu were combined into a larger state-run silk-weaving unit producing high quality silk products (Zhu, the Yuan dynasty). Though these products circulated through the means of exchange, they still could not be regarded as commodities in the true sense due to the reason that the exchange income was only for national defense.

During the reign of Emperor Zhenzong, governmental Bureau of Dyeing (*guan ran yuan*) once was set in Chengdu (Ke, the Southern Song dynasty). Because of insufficient detailed records, it's hard to figure out what state-run silk-weaving plant it was affiliated with.

3. Division of State-Run Silk-Weaving Industry of the Song

Local silk products were the main products of the state-run silk-weaving plants distributed in different areas. These areas produced silk twill (*ling*), silk gauze (*luo*), polychrome compound warp-faced tabby or twill (*jin*),

tabby with pattern in twill (*qi*), plain weave silk (*juan*), plain silk gauze or silk open tabby (*sha*), sparsely woven silk (*shi*), according to the division of abundant fabrics in the Song.

3.1 Division of State-Run Silk-Weaving Industry of the Northern Song

Not only garments, but also silk products were produced in the state-run silk-weaving plants set up by the central government in the capital. In general, we can learn of the basic facts of the state-run silk-weaving industry chain at that time through the process silk product production and the division of products type. Some of the plants were engaged in dyeing, embroidery, apparel and other parts, and others were engaged in manufacturing emperor's home textiles, imperial edict (*guan-gao*), official certificate for monk or nun (*du-die*), and silk products for other special purposes. The following table 1 illustrates the basic information of each plant.

Table 1. Basic Information of State-run Silk-weaving Plants in the Northern Song

Names of plants	Founding Time	Responsibilities
The Office of Weaving and Sewing (<i>ling-jin wu</i>)/Inner Palace Weaving Office (<i>nei ling yuan</i>) (Song, during A. D. 1796-1820)	A. D. 966 (Song, during A. D. 1796-1820)	Weaving exquisite silk, sewing, making embroidery for carriages and accessories (Duanlin, A. D. 1314)
The Bureau of Apparel (<i>cai-zao yuan</i>) (Song, during A. D. 1796-1820)	A. D. 966 (Song, during A. D. 1796-1820)	Tailoring clothes for the use by state, initially (Song, during A. D. 1796-1820)
The Bureau of Apparel (<i>cai-zao yuan</i>) (Song, during A. D. 1796-1820)	A. D. 1010 (Song, during A. D. 1796-1820)	Patrolling, managing government property (Song, during A. D. 1796-1820)
The Bureau of Apparel (<i>cai-zao yuan</i>) (Song, during A. D. 1796-1820)	A. D. 1012 (Song, during A. D. 1796-1820)	Undertaking home textile and embroidery (Song, during A. D. 1796-1820)
The Bureau of Fine Crafts (<i>wen-si yuan</i>) (Song, during A. D. 1796-1820)	A. D. 979 (Song, during A. D. 1796-1820)	Controlling things for carriages, sedan chairs, royal seal, ritual apparatus and costumes; the lower department managed production of <i>ling</i> , <i>jin</i> , and weaved imperial edict (<i>guan-gao</i>) and official permit to become a monk (nun) and join a monastery (<i>du-die</i>) (Song, during A. D. 1796-1820)
The East Bureau of Dyeing for Inner Palace (<i>dong nei ran yuan</i>) (Song, during A. D. 1796-1820)	A. D. 978 (Song, during A. D. 1796-1820)	Dyeing silk, string, leather (Song, during A. D. 1796-1820)
The West Bureau of Dyeing for Inner Palace (<i>xi nei ran yuan</i>) (Song, during A. D. 1796-1820)	A. D. 978 (Song, during A. D. 1796-1820)	Dyeing silk, string, leather (Song, during A. D. 1796-1820)
The West Bureau of Dyeing (<i>xi ran-se yuan</i>) (Song, during A. D. 1796-1820)	A. D. 977 (Song, during A. D. 1796-1820)	Controlling dye for dyeing plants (<i>ran-yuan</i>) (Song, during A. D. 1796-1820)
The Rear Park Workshop Western Capital Workshop (<i>hou-yuan zuo xi zuo</i>) (Song, during A. D. 1796-1820)	Earlier than A. D. 1000 (Song, during A. D. 1796-1820)	Manufacturing the forbidden clothing textiles (Song, during A. D. 1796-1820)
The Office of Embroidery (<i>wen-xiu yuan</i>) (Song, during A. D. 1796-1820)	A. D. 1104 (Song, during A. D. 1796-1820)	Weaving and making embroidery for royal carriages, clothing and sacrificial ceremony (Duanlin, A. D. 1314)

The Bureau of Apparel (*cai-zao yuan*) was once in a short time in charge of patrolling during the process of transforming from manufacturing clothes to manufacture home textiles and embroidery. The job of manufacturing clothes and accessories was mostly undertaken by the Bureau of Fine Crafts (*wen-si yuan*). The plants took charge of manufacturing clothing and home textiles were not explicitly separated by the government until the Southern Song.

The Office of Embroidery (*wen-xiu yuan*), a department specialized in embroidery, was set up late. In the process of making embroidery, the tools needed were simple and small. Having no needs to gather the workers together, the Office of Embroidery just provided samples to them. Perhaps this is the technical reason that explain why the Office of Embroidery was set up late.

3.2 Division of State-Run Silk-Weaving Industry of the Southern Song

After moving the capital to Lin'an, there were many state-run silk-weaving plants in the capital city (Pingsheng & Jinfang, 2014). The division of the state-run silk-weaving plants became clearer. For instance, on the basis of the Bureau of Apparel (*cai-zao yuan*), the clothing and home textiles departments were separated, so the Office of Emperor's Costume (*yu-fu suo*) and the Office of Emperor's Home Textiles (*guo-yu suo*) were established. Take the Bureau of Fine Crafts (*wen-si yuan*) for example, many workshops once affiliated with it became independent and were upgraded and renamed (Zimu, A. D. 1274). One of them was the Workshop of Silk Shoes (*si-xie zuo*), and it was renamed as the Bureau of Silk shoes (*si-xie ju*) in Emperor Gaozong reign period (A. D. 1127-1162), specializing in providing royal silk shoes (You, during A. D. 1195-1200). Other workshops were the Office of Silk (*si-bo suo*), the Office of Girdle (*yao-dai suo*), the Office of Weaving and Dyeing (*zhi-ran suo*), etc (You, during A. D. 1195-1200).

4. Personnel Management of State-Run Silk-Weaving Industry of the Song

The state-run plant workers in the Song were mainly hired craftsmen (*mu-jiang*), who were hired to sell their labor and got paid, and they had personal freedom nominally. Compared with other handicraft industry workshops, state-run silk-weaving plants only employed hired craftsmen (*mu-jiang*) obeying the strict personnel quota. Some of them even had more workers than shipyards. During Emperor Gaozong's Shaoxing reign period (A. D. 1131-1162) in the Southern Song, each shipyard in the Ordinary Prefectures of Hong, Ji and Gan only had 200 workers including labors and soldiers (Song, during A. D. 1796-1820). After Emperor Xiaozong's Qiandao reign period (A. D. 1165-1173), the total number of shipping craftsmen was only 280 (Cong, 1169&E, during A. D. 1241-1251), far less than that of Contexture Chamber (*zhi-shi*) in the Ordinary Prefecture of Hang of Emperor Huizong reign period (A. D. 1100-1126) (Yufeng, 2012). When the Bureau of Embroidery (*wen-xiu yuan*) was founded, there were 300 workers, and the number of workers in *Jin* Institute of the Superior Prefecture of Chengdu (Chengdu *jin-yuan*) in the Southern Song was more than 1000.

4.1 Sources of Craftsmen

Some outstanding craftsmen were selected from the commoners. During the establishment of the Bureau of Embroidery (*wen-xiu yuan*), three hundred experienced embroiderers, were recruited by the governments from all regions as workers (Song, during A. D. 1796-1820), many of them were military craftsman (*jun-jiang*). Before the formal establishment of *Jin* Institute of the Superior Prefecture of Chengdu (Chengdu *jin-yuan*), the previous institute was required to provide a certain number of *Jin* to the Royal Court, so *Jin* Institute paid materials and salary in advance to family workshops, but their products were unsatisfactory and the quantity was inadequate. Later on, *Jin* Institute began to appoint military craftsman (*jun-jiang*) to fulfill this task. And it finally chose military craftsman (*jun-jiang*) because their work turned out to be much more exquisite and they used less materials than the former workers (Song, during A. D. 1796-1820). There were mainly imperial guard (*jin-jun*) for combating and national army (*xiang-jun*) as laborers among the large number of troops in the Song. In national army (*xiang-jun*), there were justifiable craftsmen. Although the military systems were different between the Northern Song and Southern Song, it occurred during both dynasties that imperial guard (*jin-jun*) were engaged in silk-weaving industry, and the total number of soldiers was huge and the working time was extremely long. During Emperor Qinzong's Jingkang reign period (A. D. 1125-1127) in the Northern Song (Song, during A. D. 1796-1820) and during Gaozong's Shaoxing reign period (A. D. 1131-1162) in the Southern Song (Xinchuan, ca.1261), it was disclosed that the managers of imperial guard (*jin-jun*) had stopped the military training and turned the troop into craftsmen to produce exquisite silk products, which was illegal, but it was commonly seen and existed for a long time. Ultimately, the excellent working skills and easy management, made the military craftsman (*jun-jiang*) ideal workers.

4.2 Labor Intensity of Craftsmen

Craftsmen in the state-run silk-weaving plants worked efficiently. Eighty military craftsman (*jun-jiang*) wove *Jin* made of sufficient materials and by the finest method (*da-liao xi-fa jin*) and *tou-bei* (probably one kind of silk fabric has similar appearances on face and back) over 730 bolts, and it was on record (Tao, during A. D. 1029-1102). Based on that historical document about *Jin* Institute of the Superior Prefecture of Chengdu (Chengdu *jin-yuan*), the following analysis and deduction could be made: The study assumes annual output of *Jin* Institute of the Superior Prefecture of Chengdu (Chengdu *jin-yuan*) in the Song was 736 bolts, and the total length of *Jin* was $8 \times 736 = 5888$ meters (during Emperor Gaozong's Shaoxing reign period (A. D. 1131-1162), one bolt of *Jin* was 8 meters long) (Song, during A. D. 1796-1820).

The average length of *Jin* wove by one military craftsman (*jun-jiang*) for one year was $5888/0.8 = 73.6$ meters.

The average length of *Jin* wove by one military craftsman (*jun-jiang*) for one day was $73.6/365 = 0.2$ meters.

Today, in most cases, one skillful weaver can weave 0.12 meter of *Jin* using traditional loom 8 hours in one day (depending on the technique of making different motifs) (the author was informed the data from a practice research in Shu brocade Institute, Chengdu, Sichuan, China, in the spring of 2007).

4.3 Remuneration for Craftsmen

The production efficiency of textile craftsmen in the Song is nearly 1.7 times that of nowadays' artisans, and they were paid decently by the government. The salary was on the higher level in the whole state-run handicraft industry, higher than that of those who worked for mint or worked in the construction field. In 971, the fourth year of Emperor Taizu's Kaibao reign period (A. D. 968-976), female workers of the Bureau of Weaving and Sewing (*ling-jin yuan*) were paid 2 *dan* (there was a series of units of volume in ancient China, 10 *sheng* equal 1 *dou* and 10 *dou* equal to 1 *dan*) grain, and 6 *dou* rice bean per month (Song, during, A. D. 1796-1820), that was about 8.6 *sheng* of food per day, while the workers who worked for mint in every Superior Prefecture and Ordinary Prefecture were only paid by 193 *wen* (a unit of currency in ancient China) and 2 *sheng* of rice per day (Song, during A. D. 1796-1820). The workers building walls were paid by 350 *wen* and 2.5 *sheng* of rice per day in the Superior Prefecture of Lin'an during Emperor Gaozong's Shaoxing reign period (A. D. 1131-1162) (Song, during A. D. 1796-1820). In the Southern Song, when the purchase power of money had shrunk a lot owing to inflation, the salary paid by means of foods was comparable. Comparatively speaking, it was quite good that textile workers could get so much food every day, which reflected the fact that the ruling class attached great importance to the state-run silk-weaving industry and their great need for exquisite silk products.

5. Manufacturing Supervision of the State-Run Silk-Weaving Industry of the Song

In the state-run silk-weaving plants, there were staff members specializing in supervising and assisting producing. There were officers, functionaries and workers who played different roles and took different responsibilities. In 999, one administrative official, one Sanban Envoy and 17 beadles in the East Dye House (*dong ran-se ku*) were designated to supervise and assist the producing process in the plant (Song, during A. D. 1796-1820). In 1187, there were lay offs in both upper and lower departments. For the lower department, consumption note taker (*ku-jing si*), materials tabulator (*hua-liao si*), entrance guard (*men-si*), materials weigher (*chen-zi*), storage inspector (*ku-zi*) were involved (Song, during A. D. 1796-1820). At the beginning of *Jin* Institute's establishment, the membership system called *hu-tou* was adopted, it was to add managerial personnel between the officers and craftsmen. In the year of 971 (the fourth year of Emperor Taizu's Kaibao reign period (A. D. 968-976)), the membership system was abolished due to its redundant numbers, highly salary and irresponsibility which became barriers to production. And after that, production was stimulated by officers managing craftsmen directly and the increased payments (Song, during A. D. 1796-1820).

5.1 Materials Control

The government guaranteed the application and use of materials of these plants. In 1187, (the fourteenth year of Emperor Xiaozong's Chunxi reign period (A. D. 1174-1189)), the Bureau of Fine Crafts (*wen-si yuan*) made a budget of materials consumption and annual output of weaving 1800 bolts (*pi*) of *ling* one year needs silk over 35000 *liang* (ounce). The Ministry of Revenue (*hu-bu*) would provide 15000 or 20000 *liang* (ounce) raw silk. When it came to ceremonies or the award from the emperor for merits and honor, additional raw silk could be applied (Song, during A. D. 1796-1820). The Ministry of Revenue (*hu-bu*) in feudal China also took necessary methods in case of the materials' loss, waste, even use for other purposes. In the third Chinese lunar month of 971 (the fourth year of Emperor Taizu's Kaibao reign period (A. D. 968-976)), the Bureau of Weaving and Sewing (*ling-jin yuan*) asked craftsmen to dye the silk on the spot, reducing 0.5 Kg dye per bolt to inspect the usage of dye. If they found that the color was brighter than before, they registered the dye consumption

according to season and reported it to the central government to count the quantity of receipt and consumption every year (Song, during A. D. 1796-1820). The registration was recorded as a list of everything that happened, i.e, in the eleventh Chinese lunar month of 1018, monthly record of the Bureau of Weaving and Sewing (*ling-jin yuan*), the exact starting time and ending time, exact number, size and weight of products and other details were carefully recorded (Song, during A. D. 1796-1820). Meanwhile, the necessary labor time of all productions were explicitly stipulated. The Office of Gauze Weaving (*zhi-luo wu*) in the Ordinary Prefecture of Run, as mentioned before, clarified that every twelve days, one craftsman should finish one bolt (*pi*) of gauze (Song, during A. D. 1796-1820).

5.2 Output Control

The state-run handicraft industry in the Song had specific provision on profits, output, and quality, according to the plan. The profits of state-run silk-weaving plant purely belonged to the government, accordingly, the provision was much stricter. The production plan and product structure could be adjusted according to the requirement of the state. In the first lunar month of 1027, the Secretariat- Chancellery (*zhong-shu men-xia*) reported to the emperor that in the Ordinary Prefectures of Yi, Zi in the Circuit of Xichuan, the total annual output of ling of raw, refined, yellow, white, and different sizes, and figured silk open tabby (*hua-sha*) would be the same, and polychrome compound warp-faced tabby or twill (*jin*), tabby with pattern in twill (*qi*), *lu-tai* (silk fabric with pattern like deer fetus, usually made by clamp-resist dyeing), *tou-bei duan-zi* (probably one kind of satin has similar appearances on face and back), *qizheng* (probably one kind of silk fabric with pattern entitled *qizheng*) reduced by half. They reduced the annual production plan and produced ordinary products in the hope of meeting the need of the state at that time (Song, during A. D. 1796-1820). In the fifth lunar month of 1135, because of the lack of craftsmen in the Bureau of Fine Crafts (*wen-si yuan*), the materials of *ling* for imperial edict and official permit for monks or nuns and join a monastery (*guan-gao du-die ling*) for those whose official rank were under four was altered. When the materials were quite scarce, the Ministry of Works in feudal China (*gong-bu*) would ask the local Fiscal Offices to arrange weaving, increasing 20000 bolts (*pi*) in addition to 100000 bolts (*pi*), and deliver it inch by inch and it would be carried out in autumn (Song, during A. D. 1796-1820) It's an example of delivering product arrangement to the local plants according to the state needs. *Jin* Institute of the Superior Prefecture of Chengdu (Chengdu *jin-yuan*) was designated an annual task of *Jin* for tribute, *Jin* for imperial edict (*guan-gao jin*), padded jackets for civil officials' and military officers (*chen-liao ao-zi*), and Guang-xi *Jin* altogether 690 bolts (*pi*) in the Northern Song, after the Battle of Dujiang, that number was raised nine times (Zhu, the Yuan dynasty). The government assigned the task to such official workshops with an annual output one year in advance.

5.3 Quality Control

The state-run silk-weaving plants were strict with products. They usually had formulaic style, so that the ruling class could identify identities according to the styles and colors of garments. From textiles for carriages, clothes to sacrifice offerings, all of them were in certain styles respectively (Song, during A. D. 1796-1820). The supervision organizations set up by the central government was efficient. In 1026, the imperial edict was written to ban the illegal producing of diverse pattern fabrics and styles of emperor's clothes samples in the Bureau of Weaving and Sewing (*ling-jin yuan*). Severe punishment would be imposed on (Song, during A. D. 1796-1820). Because of the advantage in manpower and resources, the products were of the best quality. So they were marked as a symbol of reaching high quality standard, and preventing fake as well. There was *Made by the Bureau of Fine Crafts* (*wen-si yuan*) on imperial edict for civil officials and military officers (*gao-shen*) and official permit for monks or nuns and join a monastery (*du-die*) (Song, during A. D. 1796-1820).

6. Historical Status of the State-Run Silk-Weaving Industry of the Song

The Song dynasty is an important period in the development of Chinese state-run silk-weaving industry. Systematization in distribution, division, and institutional system, had made a historic breakthrough. Actually, its achievements benefited from the prosperity of nongovernmental silk weaving industry. In the Northern Song, in a certain year, the nongovernmental output of plain weave silk had reached 5382709 bolts (*pi*), silk wadding, hand knitting yarn had reached 13852797 *liang* (ounce) (Song, during A. D. 1796-1820). In the Song, nongovernmental silk-weaving industry developed exponentially, and the number of family workshops all over the country reached at least 100000 (Xia, 2009). A conclusion based on reports in The treaties on the nine regions during the Yuanfeng (A. D. 1078-1085) period (*Yuanfeng jiuyu zhi*) is that there were 128 prefectures produced silk. The state-run silk-weaving plant had preferential access to raw materials and they hired skillful craftsmen as their employees to manufacture high-grade silk articles.

The Contexture Chamber, Dye Chamber and local official plants for apparel were set up in Chinese state-run silk-weaving industry from the Han dynasty. In the Tang, they developed the Bureau of Weaving and Dyeing (*zhi-ran shu*), the Bureau of Handicrafts (*shang-gong ju*), the Bureau of the Concubine Palace (*ye-ting ju*) for the royal, and the Workshop of Weaving and Sewing (*ling-jin fang*) for the commoner. The workshop of Weaving and Sewing (*zhi-ren zuo*), the Workshop for Manufacturing Figured Ribbon (*zu-shou zuo*), the Workshop of Manufacturing String (*chou-xian zuo*), the Workshop of Refining and Dyeing (*lian-ran zuo*), including the Bureau of Weaving and Dyeing (*zhi-ran shu*), had a certain degree of labor division, and among them the workshop of Weaving and Sewing (*zhi-ren zuo*) took the responsibility of producing sparsely woven silk (*shi*), plain silk gauze or silk open tabby (*sha*), silk gauze (*luo*), polychrome compound warp-faced tabby or twill (*jin*), tabby with pattern in twill (*qi*), etc. The state-run silk-weaving industry in the Tang could barely expand the capacity of its layout. In the Song, the arrangement was balanced, making full use of regional resource, providing a reference for state-run silk-weaving plants' distribution in the Yuan and the Ming dynasty. In terms of affiliation, there were plants founded by the central and the local governments. The local governments were in charge of the local plants, which also provided a reference for the Yuan and the Ming dynasty state-run silk-weaving plant establishment. In the Yuan, the central government set up plants in charge of weaving exquisite silk featuring emperor's motifs, golden brocade (*Nasisher*) and other royal fabrics in the capital, like the Office of Manufacturing Royal Silk (*shan-gong si*), Huns' northern capital Bureau (*Beshbalyq-ju*), etc. Meanwhile, the central government set up many plants of weaving and dyeing in the northern inland areas, the local governments set up agencies of weaving and dyeing according to their own conditions. In the Ming, there were six plants of weaving and dyeing set up by the central government. Twenty three agencies of weaving and dyeing set up by the local governments and spread over seven provinces. The former six plants only could be seen in the two capitals, Nanjing and Beijing, which was different from other dynasties (Jinmin, 1990).

The employment system adopted in the state-run manufacturing industry run thoroughly in the silk industry. Compared with labor craftsmen who did shift work (*fan-jiang*) in the Tang, hired craftsmen (*mu-jiang*) owned personal freedom legally, which was a historic progress. Although the institution system of census register of craftsmen (*jiang-ji*) was once carried out in the Yuan and the Ming dynasty, it was progressively developed and fixed in the Qing, which made Chinese ancient handicraft production corvee era come to an end. In this long process, the practice of employing craftsmen by the state-run silk-weaving industry in the Song made undeniable contributions.

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Development of Images-Symbols in the Russian Language (Linguoculturological Aspect)

Tatyana Juvenalevna Schuklina¹

¹ Department of the Russian Language and Methods of Teaching, Kazan (Privolzhsk) Federal University, Russian Federation

Correspondence: Tatyana Juvenalevna Schuklina, Department of the Russian Language and Methods of Teaching, Kazan (Privolzhsk) Federal University, Kremlyovskaya Street, 18, 420008, Kazan, Russian Federation. E-mail: tatiana21@myrambler.ru

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Abstract

The article is devoted to linguistic images-symbols as national-specific elements of the Russian language reflecting the peculiar character of the national (Russian) culture, special aspects of national way of thinking and interpretation of the surrounding world. The dependence of images-symbols evolving in the Russian language on the specifics of each historical period in the development of Russian language cultural community is exposed on the grounds of the study being undertaken. It has been established that functioning of images-symbols with the emotive-estimating nature having imaginative-symbolic sense appeared to be the consequence of religious symbolism deprivation in syntagmatic combinations of the ancient syncretism epoch as a result of decomposition in syncretic thinking of a man within the Epichristian period, of change in socio-cultural situation in Ancient Russia, i.e. the rejection of the Church Slavonic nature of language and the implantation of laic principle into the community of medieval-era.

Keywords: linguistic images-symbols, imaginative-symbolic system, socio-cultural situation, syntagmatic combinations, national way of thinking, national culture

1. Introduction

In the study of language at the end of XX- early XXI centuries, the period of the common process of knowledge anthropologization, having overtaken all fields of scientific cognition, the explicit urge to comprehend linguistic phenomena through the prism of a human being is clearly seen. Both in foreign (Danesi, 2008; Gao, 2006; Jourdan, 2006; Kovceses, 2006) and Russian (Karabulatova et al., 2013; Kolesov, 2006; Fattakhova & Kulkova, 2014; Bochina & Miftakhova, 2014; Erofeeva, 2014; Wierzbicka, 1996) linguistics the language is considered as not only a means of communication but as the storage of information about the history, cultural experience and the folk-bearer of language's perception of environment which this nation hands down from generation to generation.

The given article is devoted to considering one of the linguistic and culture-bearing phenomenon reflecting mental and cultural peculiarities of the Russian folk, i.e. imaginative-symbolic system of the Russian language. The object of the study is to look more closely at such words-images as *chasha* (cup), *plod* (fruit), *svet* (light) representing the essential fragments of Russian language vision of the world. The work mission is to determine the nature of the linguistic images-symbols semantic content in view of Russian language cultural community development. The analysis performed is of concern both in theoretical (from the standpoint of specifying scientific notations for language expressing of Russian culture ideas shaping the national linguistic stereotypes in the perception and comprehension of reality) and in practical aspects (from the viewpoint of this work utilization at conducting the college course in cultural linguistics and Lexicology of the Russian language for not only Russian speaking students but for Russian studying foreigners as well, since the description of the imaginative-symbolic system of the language necessarily involves its linguistic-cultural and ethnic-linguistical components).

2. Transformation of the Images-Symbols' Semantic Content in the Russian Language

The study of asynchronous Russian written artifacts revealed that the evolution of the Russian language imaginative system dates back to high antiquity and is stipulated by the specific character of each historical period in the development of Russian cultural community.

2.1 Images-Symbols in the Ancient Russian Language

Many of the “contemporary” images-symbols lying at the heart of Russian phraseological units keep traces of the ancient visions of the world. They ascend to antiquity, to the epoch of the ancient syncretism and possess the “mythological roots” found in early Russian texts connected with the ecclesiastic-bookish tradition. Each language unit of such text bore a symbolic meaning and had a double character: its “outer meaning” masqueraded another “cryptic” sense. The symbolic scheme of reality was bespoken by the dual character of the human thinking in the Epichristian era. This way of thinking was embodied in the common and principal juxtaposition of “sacral – laic” and was stipulated by the attempts to find in “the temporal” and “of the earth earthy” things and natural phenomena, in the events of the human life and historical events, the symbols and signs of the “eternal”, “supertemporal”, “spiritual” and “divine (Likhachev, 1987; Kamchatnov, 1998).

The “words” containing in Old Russian texts and denoting various realities such as *chasha* (cup), *plod* (fruit), *svet* (light) represented theologic images-symbols borrowed from Biblical Byzantine authentic manuscripts. They were sacralized and bore the impress of early religious Christian ideas of the world’s dual nature, the notions that were incarnated in contraposition of objects in the quality of symbols and the objects understood in the usual non-sacral sense and which performed moralizing and didactic function.

The religious symbolism manifested itself in syntagmatic combinations of these “words” with oppositely connected “words” being associated with correlative notions of sky-ground, good-evil, truth-lies, Christianity-unorthodoxy or godlessness. To explicit these ideological contrapositions such “words” were widely used as *svetly – tyomny* (light-dark), *bely – chorny* (white-black), *dobriy – zloy* (good-evil), *sladkiy – gorkiy* (sweet- bitter), *lyogkiy – tyazhkiy* (easy-hard), etc. (Schuklina, 2014, pp. 638-639). The “words” *svetly*, *sladkiy*, *lyogkiy* were associated with everything positive, divine, holy and truly but *tyomny*, *gorkiy*, *tyazhkiy* were similar to everything negative, godless and vicious.

So, the image of fruit either sweet or bitter emblemized the spiritual character of a man: his purity, moral eminence, obedience to God, immaculacy and, appropriately, his viciousness or depravity. For instance, *si zhe med v krovnyach polagaet i sledovaet nabyatshemu plod sladok i ne oran* (XIII words, 1875, sh. 82 ob). *Med* (meaning christian teaching, christian veracities) sanctifies a man and his soul (symbol - *plod*, i.e. fruit). Such spiritual perfection (everything best and bright) is associated with *sladkiy*, hence, *plod sladok* (the fruit is sweet).

The interpretation of symbolic content of the following syntagms: *koren moi gorek no plod moi sladok* (Merilo Pravednoe, 1961, sh. 9 ob); *nakazanie korenie imeet gorko, a plod sladok* (Drevnyaya russkaya pchela, 1893, sh.55) is based upon antithesis contradistinction. Man’s intellectual development is inherent in acquiring true knowledge and perception of the divine truth that is attained through sufferings and self-torture but brings blessing and spiritual amelioration for man.

The fate of man suffering a disaster was compared with the image of cup but saintly life of man following in the way of the Master – *sladkaya chasha zhizni* with sweet cup of life (*sladkaya chasha zhizni*). For example, *Povezh nam rabam tvoim...otkudu ispi pamyat budushchaya zhizni sladkuyu chashu, otkudu vkusi i vide yako Gospod?* (Slovo o zakone i blagodati, 1893, sh. 70). Such an approach to the image of cup dates back to the time of Christ’s life and death when he took tortures upon oneself for the love of mankind and all outdoor.

In confessional literature of XI – XIV centuries the use of syntagms in “words” *svet* (light), *svechenie* (irradiance), *siyanie* (shining) was of particularly frequent occurrence. Ancient man held holy fire and light in veneration, everything associated with them was covered with odor of sanctity. But this light was sanctified not only because it was the gift of God. The light in itself is a divine creature living. The light as the representation of something good, as the generalization of something desired has always been contraposed to darkness incarnating everything evil and inimical. This contraposition of light and darkness carried over to the Russian earth from Biblical Byzantine authentic manuscripts was also religious-symbolical: Christianity as a new teaching and everything associated with it was similized to light whereas the darkness was measured up against heathenism, unorthodoxy, godlessness: knowledge is light, ignorance is darkness. Their contrast was still more emphasized by the correlation of “words” being coupled with them: *beliy* (white), *sladkiy* (sweet), *zlaty svet* (golden light), i.e. Christian teaching improving a man spiritually, purifying him and giving moral eminence and salvation in a spirit, and *chornaya gorkaya tma* (evil bitter darkness), i.e. unchristianlike teaching or ungodliness

bringing about despiritualization, viciousness or depravity. Like as follows: *Sikh molitvami sladkym siyaniem i nas prosvetite* (Sluzhebnye minei, 1886, sh. 50), where *sladkoe siyanie* is a spiritual light, christian doctrine, *prosvetite* means “spiritually ameliorate and make more morally eminent”. In syntagmatic association piece *Reche paky svetily sladky imam bozhiya dary predlezhyashcha bratie v mirskiya mesto gorkiya zhldi* the formula *svetily sladky* (the state of spiritual purity and holiness) in the quality of the gifts of God are contraposed to *gorkym* (vicious mundane) pleasures (*zhldi*) of the mortal life.

2.2 Images-Symbols in the Russian Language of the Medieval Era

In the Middle Ages with a view to changes in social and cultural situation of Russia, i.e. the turn of the tide in the way, the standard and the state of life, with disintegration of syncretical way of thinking and its further development in the human society, deliverance from theology of previous centuries and bringing to the existence the laic principle of community, with elevation of national and cultural identity level it can be observed that desacralization of all spheres of man’s life and his surroundings took place. The fact that the things and notions bearing the religious and symbolic-generalized sense in the ancient world have become objectivized is obvious (Schuklina, 2012, p. 48).

Such language units as *plod* (fruit), *svet* (light), *chasha* (cup) having functioned in the traditional Old Russian texts represented theologic images-symbols and having possessed abstractedly high sacral sense lost their ecclesiastic-symbolic colouring in the Medieval era. From its inception the ideological contraposition: *sladky svet* (sweet light) – *gorkaya tma* (bitter darkness) was understood as the contrast of something “pure, holy, saintly and divine” and, correspondingly, “dark, vicious, virtueless and diabolical”. This ideology borrowed from Biblical Byzantine authentic sources through the use of Old Church Slavonic bookish language is converted in the form of something “good, joyful, safe and positive” from the one hand and “evil, inimical, violent and negative”, - from the other hand. The given contraposition appears to be found in many medieval texts connected with the historical events of that period. In the passage “...sveta vo tmu prelagati ne tshchusya i sladkoe gorkoe ne prozyvayu, A se li ubo svet, ili sladko, ezhe rabom vladeti? A se li tma i gorko ezhe ot boga dannomu gosudaryu vladeti...se li ubo gorko i tma, yako ot zlykh predstati i blagaya tvoriti? No se est sladko i svet...sam ne razumevaya, chto sladko i svet, i chto gorko i tma, i inykh pouchaet. I ne se sladko i svet, yako blagikh prestati i zlaya tvoriti mezhdousobnymi branmi i samovolstvom. Vsem yavlenna sut, yako nest svet, no tma i nest gorko” (The first message of tsar Ioann Vasilievich, 1914, sh. 49, 68) the image of boyars-enemies is presented which is founded on contradistinction of something “good and positive” expressed in words *sladkiy* and *svet* and of “bad and negative” concentrated in words *gorkiy* and *tma*.

In literary monuments of XV- XVII the image of cup gained further development. The Biblical image of cup incarnating man’s fate and being presented by Metropolitan Ilarion as early as in XI century was widely used in military narratives of XVII: *Zane smertnyuyu gorkuyu chashu khotya ispiti* (Tolkovaya, 1892, p. 12).

The image of cup-fate (*gorkoy*) in the historical narratives of XVII century is embodied the tragic destiny of the whole country, the whole nation. For example, in “The Story of the Kazanian Tsardom” the fate of the kazaners beaten by the Russian troops is depicted as follows: *Priidosha bo k nam gosti nemalya I nalivayut nam piti gorkuyu chashu smertnyuyu, eyu zhe my inogda chaste cherpakhom im, ot nikh zhe nyne sami taya zhe gorkiya pitiya smertnya nevoleyu ispivaem* (The Story of the Kazanian Tsardom, 1903, sh. 155).

In counterpart with the image of cup-fate, deathly or Divine cup, the image of chasha-battle, death in the combat, on the fight field (like chasha - battle-feast, wedding, in folk-poetic symbolism): *no i pache vozgoresya gnev i yazva na lyudi, i chasha napoeniya gorchaishaya polyni priugotovasya, siirech ostreishii mech na vyi vsekh obesisyaya ...* (New story of the glorious Russian Tsardom, 1891, sh. 296 ob).

2.3 Images-Symbols in the Russian Language of Our Time

At the present stage of the Russian language development as a result of desacralization of the images-symbols’ semantic content their semantic renovation and re-thinking have come to pass. In modern Russian language the metaphorical image of the cup of sorrow is occurred widely. *Chasha* is used as the symbol of destiny, lot, being usually hard and unhappy. Variations of this image are diverse but in a generalized sense we can say that *chasha zhizni* (cup of life) is a measure of life granted to a man, his earthy fortune, his life journey by the way of suffer and joy.

The image of fruit (*ploda*) symbolizes the profitableness of any learning (but not merely Christ's teaching) though the process of being taught is hard indeed: *koren uchenia gorek, no plod sladok* (the radix of learning is bitter but the fruit is sweet).

The image-symbol having become perpetuated in the consciousness of the contemporary Russian man as nomination of light has been materialized into such words as goodness, eternity, purity, revelation, loftiness and life itself. Light impersonates the source of joy and pleasure. So, in the proverb *uchenie – svet, a neuchenie – tma* (knowledge is light, ignorance is darkness), *svet* (light) – is knowledge making man possible to deeply perceive the beauty of life, to have more opportunities, whereas *tma* (darkness) is the life of ignorant people, normally dull and uncheerful, passing in poverty and hard work (Birikh, 1999).

3. Results

(1). The images-symbols functioning in the Russian language represent national-specific units of the language reflecting the identity of national (Russian) culture, the peculiar features of the national thinking and world's vision.

(2). The Russian language imaginative system keeps the traces of the concepts behind the ancient internal representations of the world. Many of the “contemporary” images-symbols date back to the epoch of the old times' syncretism and have mythological roots being found in Old Russian texts connected with the tradition of Old Church Slavonic books.

(3). The development of the Russian language images-symbols is conditioned by the special features of each historical period in the evolution of the Russian culture linguistic community.

(4). The Russian language imaginative system having possessed a religious symbolism as early as in the epoch of ancient syncretism had been desacralized by the period of Middle Ages and acquired the other – more “real” content. The language does not simply preserve “anachronisms” of mythological representations but semantically renovates and re-thinks them. The effect of pushing aside Old Church Slavonic and further establishing laic language appeared to be the deprivation of religious symbolism by syntagmatic combinations and their acquiring the artistic- symbolical sense. At the present stage of the Russian language development they keep functioning as the images-symbols of the emotive- estimating nature possessing artistic meaning and esthetical significance.

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Differentiation Practices among the English Teachers at PERMATApintar National Gifted and Talented Center

Mohd Hasrul Kamarulzaman¹, Hazita Azman² & Azizah Mohd Zahidi¹

¹ PERMATApintar National Gifted and Talented Center, Universiti Kebangsaan Malaysia, Selangor, Malaysia

² Faculty of Social Sciences and Humanities, Universiti Kebangsaan Malaysia, Selangor, Malaysia

Correspondence: Mohd Hasrul Kamarulzaman, PERMATApintar National Gifted and Talented Center, Universiti Kebangsaan Malaysia, Bangi 43650 Selangor, Malaysia. E-mail: mohdhasrul_kz@yahoo.com

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Abstract

PERMATApintar National Gifted and Talented Center is Malaysia's very own school for Malaysian gifted and talented students, established since 2011. The center provides differentiated teaching and learning across all academic subjects that require teachers to modify lessons according to learners' learning preferences. However, initial implementation of differentiation raised challenges faced by the teachers. Specifically, this study explored the practice of differentiation in ESL classroom among the English teachers at PERMATApintar and its effects on the English language learning of Malaysian gifted and talented students. Three English teachers participated in this qualitative study exploring their experience in providing differentiated lessons for the gifted and talented students. This study found out the English language performance of the gifted and talented students was not as expected even though differentiated ESL lessons were provided. This study also revealed that English teachers faced challenges in preparing and implementing differentiated teaching and learning, and that a guideline for preparing a differentiated lesson for ESL classroom is needed for a better implementation of differentiated teaching and learning among the gifted and talented students. Further studies should investigate the more appropriate differentiated classroom strategies in the teaching of English language that suit the Malaysian gifted and talented students, and develop a differentiation procedure especially for the gifted and talented students in Malaysia.

Keywords: differentiation, differentiated instruction, differentiated learning, gifted and talented students, ESL

1. Introduction

Through its education system, Malaysia determines to provide the school students with the necessary knowledge and skills for the 21st century by ensuring that every student receive "opportunity to fulfil their potential", through promoting "proficiency in at least... English language", providing "special care" to "groups with needs", and strengthening the pedagogy (Ministry of Education, pp. 4-10). This conceptual education vision features, among others, the inclusion of gifted education (Ministry of Education, pp. 4-15) and the implementation of differentiated instruction in the teaching of English language (Ministry of Education, pp. 4-10). Both features are present at Pusat PERMATApintar Negara, UKM (PERMATApintar). The year 2011 has seen Malaysia, through PERMATApintar, paving its very road in gifted education after having received the first batch of gifted and talented students.

PERMATApintar provides differentiated learning to the gifted and talented students. The education program of PERMATApintar is based on the national education curriculum, which consists of various subjects such as Malay language, English language, History, Islamic Education, Chemistry, Physics, and Biology. The curriculum is differentiated, i.e., requires teachers to prepare lessons by tailoring the national curriculum according to the gifted students' learning preferences. Differentiation compliments Gardner's (1983) multiple intelligence theory that individuals vary in terms of how they learn and think. Gardner (1983) initially proposed that there are at least seven intelligences within an individual that influence his or her learning; and, these intelligences vary from one individual learner to another. By differentiating lessons, teachers develop strategies and materials based on the students' preferred modes of learning hence ensuring that every student receives appropriate opportunity in learning.

Differentiation is also supported by Vygotsky's (1978) zone of proximal development reflects teachers' modification of curriculum elements according to learners' learning preferences by providing students with different levels of support and different levels of challenges that would stimulate growth in their learning.

Even though differentiation is widely practiced; however, Savage (2011) stated that scholarly literature pertaining to the impacts of differentiation on gifted students is very much lacking. In addition, Launder (2011) revealed that studies examining the effects of differentiation on learners are limited.

Nonetheless, the existing studies revealed that teachers did not see the need to differentiate their lessons, while Schumm and Vaughn (1995) found out teachers believed that differentiation is unrealistic and not the focus of their main job. Another study revealed that teachers have failed in differentiating their lessons due to their inability to treat gifted and talented students as different individuals (Reis et al., 2004). This was because teachers were not prepared to apply differentiated strategies simply because they have not been using them in any sustainable manner (Reis et al., 2004). At PERMATApintar, the teachers have reiterated the similar, as they faced challenges in implementing differentiation in their teaching. An investigation into their experience of differentiating instruction as well as its effects of students' learning would contribute to better implementation of differentiated learning at PERMATApintar, and would benefit both the teachers and the gifted students.

2. Literature Review

In gifted education, pedagogical differentiation provides choices in learning for gifted students. Through differentiation, lessons are tailored and varied according to the gifted students' learning preferences. In Malaysia, PERMATApintar National Gifted and Talented Center (PERMATApintar) is the only school that provides differentiated learning experience to Malaysian gifted and talented students. The impacts of such learning experience has yet to be established; thus, this study explored the practice of differentiation among the teachers at PERMATApintar, and the effects of differentiation on the gifted students' achievement, focusing on English language subject.

2.1 Differentiation

Differentiation refers to teachers' instructional approach in teaching through modification of curriculum elements (content, process, product, environment) according to learners' learning preference (readiness, interest, learning style, gender, age). Differentiation came out of the belief that every individual learner varies in the way they learn (Anderson, 2007). Tomlinson (2001) states that differentiation requires teachers to provide variation in learning avenues in terms of acquiring knowledge or information through teaching materials and assessment measures that are developed based on learners' preferences. Differentiation, thus, is a proactive teaching and learning approach that caters for the differences that exist among learners, in which teachers match appropriate content, process, and product with the learners' current levels of readiness, interest, and preferred mode of learning.

Therefore, teachers can differentiate, modify, or tailor the content, process, and product of a particular curriculum through appropriate instructional strategies, or tasks, developed based on their students' current levels of readiness, interest, and learning profiles. Differentiation has been practiced widely in the United States serving not only the gifted and talented students, but also the mixed ability students from public schools.

2.2 The Impacts of Differentiation

Many studies have been conducted examining the effects of pedagogical differentiation on students' learning. Most of the studies on differentiation investigated the instructional strategies applied, and the impacts on the students as well as the teachers.

2.2.1 Instructional Strategies

Among other instructional strategies used for pedagogical differentiation include collaborative teaching and cooperative learning, flexible grouping, ability grouping, and independent study, and tiered tasks or activities. While York-Barr et al. (2007) found out that collaborative teaching is useful for English language learners, Lavadenz and Armas (2008) revealed that English language learners were found to be engaged as they involved in cooperative learning that provides them with meaningful conversation activities. Mixed results were found with regards to tiered tasks. Chen (2007) and Kobelin (2009) stated that tiered performance tasks were beneficial for English language learners, and convenient to implement. However, Letalova (2008) stated that tiered assignment was not as effective. Gault (2009) supported that tiered approach nonetheless provides variation for students to choose for their preferred modes of learning. The studies that focus on grouping strategies such as flexible grouping, ability grouping, and independent study revealed that these contributed to positive learning, as students were engaged and challenged in the classroom (Bondley, 2011; Palmer & Maag, 2010).

2.2.2 Differentiation on Learner's Motivation and Achievement

Gibson (2005) stated that differentiation contributes to positive impact on students' growth. This is because through differentiation teachers provide social-like activities that challenge the learners and allow them to manage their own learning and hence become more motivated (Anderson, 2007; York-Barr et al., 2007; Bailey & Williams-Black, 2008). In addition, through differentiation, learners were found to become more independent, competent, and increased their self-image (Lavadenz & Armas, 2008; Valiende & Koutselini, 2009). Despite positive impacts on the learners' motivation in learning, studies on the impact of differentiation on learners' academic achievement revealed inconsistent results. Savage (2011) stated that differentiated instruction might not be the only factor contributing to students' academic performance. In a previous study, Miller (2007) found significant negative correlation between differentiation and academic achievement. Other studies (Gault, 2009; Gorman, 2011; Valiende & Koutselini, 2009) however, found out that differentiation leads to improved academic achievement. Recently, Tramonto (2013) revealed that the practice of differentiation increased students' achievement.

2.2.3 Teachers' Perspectives on Differentiation

Even though some studies have indicated positive outcomes of differentiation on students' learning, it is not without challenges as faced by teachers. VanTassel-Baska (2005) stated that not all teachers believed in the advantages came out of differentiating their lessons. According to her, teachers have yet to understand that each learner differs from one another in terms of how they see things, how they learn and absorb information from around them (VanTassel-Baska & Stambaugh, 2005). Tomlinson et al. (2003) stated teachers need to have high motivation and determination in practicing differentiation. This is because differentiation seems to be daunting and time consuming. Reis et al. (2004) found out in a study that lessons were not actually differentiated and students were not appropriately challenged. Robison (2004) stated that this is because of limited time and the absence of established differentiated techniques. Hertberg-Davis (2009) mentioned that differentiation is unsuccessful because of the rigors involved. Differentiation requires time, training, planning and long-term commitment from everyone (McQuarrie & McRae, 2010). Failure to provide structured planning and preparation may increase teachers' workload and thus they will become stressful (Bondley, 2011).

3. Methodology

Qualitative method was employed to investigate the differentiation practice of English teachers in the teaching and learning of English language, and its effects on the gifted students' learning. The study was conducted during the second semester of 2014 academic year, i.e. from June to October. The interview was scheduled in advance at the time and location agreed by both researcher and interviewees. Semi-structured interviews – with open-ended questions – were conducted on three English teachers in order to gauge their insights based on their experience in differentiating their lessons in the teaching of English language at PERMATApintar. Semi-structured interview was chosen due to its flexibility in terms of the options for further questioning of a particular interviewee's response. A list of pre-determined open-ended questions were organized, including additional questions emerging from the interview sessions. The questions are as shown in the following.

1. What is your perception having implemented differentiation in the teaching of English language?
2. What do you think of the effects of differentiation in your students' English language learning?
3. How do you think differentiation can be better implemented?

3.1 Participants and Data Collection Procedure

The participants for this study were three female English teachers of PERMATApintar. Two of them graduated with Bachelor of Education in Teaching of English as a Second language (TESL), and one with Bachelor of English Language and Literature. They had received initial trainings on differentiation. The interviews involved face to face interview procedure. Based on the interview protocol, the participants were briefed on the aim of the interview as well as the interview procedures. The participants were also informed that the interview session would be tape-recorded.

Table 1. Participants background data

Participants	Qualification	Teaching Experience	Differentiation training
Female English Teacher (Nilon)	B. Ed Tesl	> 10 years	About three times
Female English Teacher (Afif)	BELL	< 3 years	About three times
Female English Teacher (Dya)	B. Ed Tesl	> 5 years	None

Table 1 displays the background information of the English teachers participated in this study. In order to ensure the participants to be as anonymous as possible, they were labeled with pseudonyms. All of them are female and the only English teachers at PERMATApintar. The participants had received some trainings on differentiation while one had never received any. The interview questions, as well as the analysis, gauged the experience of the English teachers in providing differentiated lessons for the gifted students, and the effects of differentiation on the gifted students' English language learning.

3.2 Data Analysis

In order to analyse the data gathered during the interview, researcher must interpret what was actually revealed, and categorize them into themes or codes (Creswell, 2007). The themes, or codes, should be of any phrases that were consistent as gathered from all the participants (Kvale, 2007). In order to ensure validity of the analysis, the researchers of this study conducted follow up interviews mainly to ensure the interpretation of the data consistent with every interviewee's data.

In the analysis, the researchers looked into the experience of the English teachers in applying differentiation for their English language classroom. Specifically, this study explored the perspectives of the English teachers towards differentiation, and their views towards the effects of differentiation on the gifted students' language learning.

4. Findings and Discussion

Differentiation involves aligning learners' learning preferences in accordance with curriculum elements. Through differentiation, teachers modify their lessons based on the students' current levels of readiness, interests, or their learning profile e.g. learning styles. Specifically, teacher can differentiate the curriculum elements (i.e. content, process, product, environment) based on the background information of their students (i.e. readiness, interests, learning profile). Indeed, this displays the scopes that teachers have to cover in preparing a single differentiated lesson.

During the interview sessions, the English teachers were asked about their general thoughts on having used differentiation in their teaching. Despite having different teaching background and experience (see Table 1), the answers gathered from the English teachers were rather similar to some extent. The teachers provided both positive and negative answers towards differentiation.

One of the positive answers stated "It contributes a lot to the students... it is very student-centered." An example of a negative answer was "But I had to do a lot of things, I spent more time on preparing a lesson. But there was never enough time because we had other important things to do too." It can be interpreted that the teachers revealed differentiation as beneficial to the students; however, it became challenging because of insufficient time due to other related teaching tasks. The teachers were asked further about in what way differentiation contributes to the students. One of the teachers said, "As a teacher for these gifted students, I have to attend to their needs, so in teaching I have to know what they want, what they like for English lesson, so this makes them become more involved, not bored, because they tell us what they want to do." When they were probed about "other important things" that they mentioned, this refers to their involvement with meetings and discussions pertaining to the programs organized by PERMATApintar. When they were asked about "not/never enough time", the teachers stated that they were struggling in coming up with strategies, or tasks, and materials for their lessons. One of them said, "It's difficult to find what material will suit them." This is supported by Hertberg-Davis (2009) who mentioned that differentiation is unsuccessful because of the rigors involved. In addition, Bondley (2011) stated without proper planning, teachers' workload may be increased and led them to become stressful.

The teachers then were asked to describe the effects of differentiation on the gifted students' language learning. One of the teachers mentioned, "The students enjoyed their time during class." Another teacher said, "Some students seem to be engaged in their work, but there are few who seem less interested, perhaps I should have let them go for self-learning." The teachers then were asked about the students' English language examination result after experiencing their differentiated lessons. Palmer and Maag (2010) stated differentiation contributes to positive learning because learners are engaged and challenged in the classroom.

One of them stated, "Not all of the students perform well in the exam, only few, most were average." Another teacher said, "In general, some of them can speak English, but their test results were okay." The other teacher said, "Their English results were fair, they may be gifted and talented, so it could be better." This might be due to the absence of established differentiated techniques as time was limited for the teachers to produce the appropriate ones (Robison, 2004). Thus, the lessons might not actually be differentiated or were not appropriately challenged for the learners (Reis et al., 2004).

In the final stage of the interview, the teachers were asked to explain how could differentiated teaching for English language at PERMATApintar be better implemented. One teacher insisted, “We need to be skilful... through trainings... it would be really helpful if we had a module.” When the teacher was asked to elaborate on “... if we had some guides”, she meant to say that great amount of time would be saved if they had ample trainings and reference on differentiating their lessons. Another teacher said, “The preparation for teaching would be easier if we could choose from existing materials, or tasks.” The teacher explained that she could prepare more lessons at one time if she did not have to spend time brainstorming for activities, and developing materials for the activities. The other teacher said, “Perhaps we could have our own template to differentiate.” When her answer was probed further, she explained that she preferred to have a step-by-step method to produce the differentiated lessons.

It is clear from here that the problem was on the teachers’ difficulty in preparing their lessons, thus, might also contribute to the average achievement of the gifted students in English language as revealed by the teachers in the interview. This might be due to the time constraints, as differentiation involves rigorous tasks (Hertberg-Davis, 2009). The teachers suggested that it would be easier to have a standard procedure in differentiating a lesson as well as a prescribed list of strategies and materials especially for English language teaching and learning.

5. Implication for Practice and Future Research

Differentiated teaching has been deemed appropriate for advanced students such as gifted and talented students. This study revealed differentiated learning as experienced by the English teachers at PERMATApintar. In the English language classroom, some gifted students have benefitted from differentiated learning, but some might need other instructional strategies. This is why, as mentioned above, differentiation requires time, training, planning and long-term commitment from everyone (McQuarrie & McRae, 2010). Thus, failure to provide proper planning may increase teachers’ workload and thus they will become stressful (Bondley, 2011).

The present study indicated that differentiation indeed is daunting and time consuming. Thus, teachers are required to have high motivation and commitment to implement differentiation (Tomlinson et al., 2003). As such, teachers really need to understand and embrace the fact that each learner differs from one another especially on how they see things, how they learn and absorb information from around them (VanTassel-Baska & Stambaugh, 2005). Differentiation thus poses challenges in English language teaching in terms of insufficient time to design strategies and develop materials for the gifted students. The teachers indicated that designing appropriate strategies for the gifted students was the most difficult part as they were struggling within limited time to brainstorm and select appropriate strategies and relevant materials. Differentiation is indeed necessary and has become relevant in today’s pedagogical spectrum. Current researches have revealed many perspectives that described increase in students’ motivation and achievement. However, a more empirical study exploring the association between differentiation and motivation as well achievement, would be more beneficial in the teaching and learning of English language.

Administrators alike should take note that more can be done in order to ensure appropriate implementation of differentiated learning. One of these could be developing a guideline, or a schema, of differentiation that would guide teachers to produce consistent lesson plans systematically. Teachers should also work together in producing a pool of teaching strategies that are specific for their learners’ context, and suit according to learners’ learning preferences, especially their levels of proficiency. Having a list of prescribed teaching strategies and materials designed based on the learners’ learning preference would be very convenient for the teachers.

Further studies pertaining to differentiation for English language teaching and learning, especially at PERMATApintar, should investigate the optimal ways, such as a guideline, that would guide teachers to differentiate instruction for English language teaching and learning, as well as look into instructional strategies and materials that are appropriate for the gifted students in the teaching and learning of English language.

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