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International Journal of Information, Business and Management

CONTENTS

1 **PUBLISHER, EDITOR IN CHIEF, MANAGING EDITOR AND EDITORIAL BOARD**

2 **KNOWLEDGE MANAGEMENT, EMPLOYEE SATISFACTION, EMPLOYEES LOYALTY AND JOB PERFORMANCE: A PROPOSED STUDY**
TRAN THIEU PHUONG, NGUYEN THI LE HA

3 **FACTORS INFLUENCING ONLINE TRUST AND REPEAT PURCHASE INTENTION: A STUDY OF AFGHAN CONSUMERS**
RAHMAN SHAH, BARY JAN, IHSANULLAH MANSOOR JABARKHAIL

4 **DESIGN AND ANALYSIS OF AN IMAGE ENCRYPTION USING DIGITAL SIGNATURE**
OBINNA CYRIL ONYEDEKE,IHEDIOHA UCHECHI. M, EMMANUEL C OSINEM, ATANDA AMINAT OLUCH, OGBENE NNAEMEKA EMEKA, NNAMDI JOHNSOM EZEORA, MATTHEW DANIEL E, EGBUGO COLLINS T,

5 **EMOTIONAL LABOUR AND BURNOUT SYNDROME AMONG NIGERIAN POLITICIANS**
HILLARY O. ODOR, JOSEPHINE N MARTINS-EMESOM, KINGSLEY C UGBECHIE

6 **AUTHENTIC LEADERSHIP EFFECTS ON JOB SATISFACTION AND ORGANIZATIONAL COMMITMENT: MEDIATING ROLE OF LEADER MEMBER EXCHANGE**
ZULFIQAR AHMAD IQBAL, MOAZAM ALI, RABBIA ZAFAR, QANDEEL HASSAN, LALA RUKH

7 **REGRESSION MODELS TO IDENTIFY THE DETERMINANTS OF INFLATION IN ETHIOPIA**
GEMECHU BEKANA

8 **EFFECTS OF DEVELOPMENT-INDUCED DISLOCATION ON SOCIOECONOMIC OF RURAL COMMUNITIES: THE CASE OF NASHE-FINCAA DAM PROJECT, ETHIOPIA**
GEMECHU BEKANA FUFA

9 **MANAGING LOCAL RESOURCES & CHALLENGES FOR INTERNATIONAL COMPANIES**
D. ARESTI, E. FRAGOULI

10 **CSR PRACTICES OF ISLAMIC BANKS IN BANGLADESH: A COMPARATIVE STUDY**
A.K.M MAHFUJ ULLAH

11 **WORKFORCE PLANNING AS A WAY OF LEADING TO DEVELOPMENT OF HUMAN RESOURCES**
RADHIKA KAPUR

12 **IMPORTANCE OF RECRUITMENT AND SELECTION IN LEADING TO PROGRESSION OF THE ORGANIZATION**
RADHIKA KAPUR

13 **DESIGN AND IMPLEMENTATION OF A MALWARE DETECTION SYSTEM ON SMARTPHONES**
ATANDA AMINAT OLUCHI, OBI ADAOBI MARIA, ANYAORAH CHUKWUKA CHARLES, IDOKO NNAMDI A, UDECHUKWU

ISSN 2076-9202

PRECIOUS EMEKA, ANUSIOBI CHINENYE LOVELINE, ASOGWA SAMUEL

14 **IMPACT OF THRIVING ON ORGANIZATIONAL CITIZENSHIP BEHAVIOR; WHILE MEDIATING ROLE OF INTRINSIC MOTIVATION AND WORK ENGAGEMENT**

LALA RUKH

15 **AN INSIGHT INTO THE DETERMINANTS ON THE CURRENCY VOLATILITY IN DEVELOPED VS DEVELOPING COUNTRIES- AN EMPIRICAL ANALYSIS**

DR. SURAJ. E. S, PARTH THAKKAR, NITHA.K.P

16 **IMPACT OF TRAINING ON EMPLOYEES RETENTION, PROFESSIONALISM AND SELF-EFFICIENCY**

AFAQ AHMED, MUHAMMAD ATIF MIR KHAN, ZIA AHMAD, SABA AHMAD

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KNOWLEDGE MANAGEMENT, EMPLOYEE SATISFACTION, EMPLOYEES LOYALTY AND JOB PERFORMANCE: A PROPOSED STUDY

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Abstract

Knowledge currently is the strategic method to determine the organizational ability to take the opportunities and obtain a sustainable competitive advantage. The study attempts to design a study on the relationship between knowledge management, employee satisfaction, employee loyalty and job performance in small and medium enterprises in Ho Chi Minh City, Vietnam. In the study, knowledge management is measured by seven dimensions including knowledge acquisition, knowledge sharing, knowledge creation, knowledge retention, knowledge codification, personalization and social networks. Questionnaire survey is used to gather the necessary data on knowledge management practices in small and medium enterprises in Ho Chi Minh City. Both SPSS and AMOS are employed to process the collected data in order to explore if there are relationships between the studied variables.

Keywords: Knowledge Management, Employee Satisfaction, Employee Loyalty, Job Performance.

Introduction

Background of the Study

In the intensive environment of business, one of the competitive advantages of the company which can compete with the competitors is how to gain and sustain its human resources. It is easy to conclude that the long-term performance of a company decides the success of the whole one. Thereby, the quantity of labor-capital has been more important in terms of contributing effort for the organization, which leads the functional stage to be more critical (Brown & Venkatesh, 2005; Galanaki, 2002; Parry & Tyson, 2008; Singh & Finn, 2003). For retaining and maintaining the labor-capital, one of the measurements that are usually applied is job satisfaction. To evaluate it, there are many factors which are defined and researched as employees feel about their jobs positively or negatively (Locke, 1969; Odom et al., 1990; Spector & O'Connell, 1994) based on the employee motivation, organizational commitment, and performance quality and quantity. Otherwise, from the employee's perceptive, except for the external items of the organizational environment, employees have emphasized their human intelligence. This is analyzed via their skills, knowledge, attitude, competency, and motivation; and how employees apply these skills to make efforts and contribute benefits to the organization (Crook et al., 2011; Schultz, 1961). However, the knowledge-based item is tacit and partly individual, hence it causes the management problem to manage and codify.

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In the current concept of globalization, due to the increase in the workload and technology, the demands and challenges with the external environments are shown by an unpredictable and complex competitive environment. Therefore, the knowledge requirement is a need to create, maintain, and share within generations which is important. This proposes the edge of competitive advantages to face to the others. Knowledge is defined as a factor to measure and analyze the job, based on the framework of Mercer consulting service (Mercer, 2016). This means the knowledge-based view could be considered as a powerful resource in creating job success. Obviously, the outcomes of success as efficiency in operations, higher-rated innovation, better service, and ability to foresight the trends and patterns in the emerging market (Singh & Sharma, 2011). As the developing market, authors reviewed the effectiveness of knowledge management process to apply in mostly academic sectors, which could buid the base for professional foundation performing in the personal behaviors in order to give the better service to clients, here are students (Ho et al., 2013; Ngoc-Tan & Gregar, 2018)

In detail, the knowledge management process also influences job satisfaction, which is illustrated by providing energizing and continuous support to the employees within the environment that help to motivate the individual and empower them the create a piece of new knowledge and share this internally with their supervisors and their subordinates. This will have an impact to improve the employees' job satisfaction that will lead to organizational success and retain the employee on their jobs. Understand the importance of this factor, more companies generate the strategies via purchasing the system to control, maintain the daily working process, store, and share this when newcomers enter the company. Furthermore, there is no doubt that employees are valuable assets of each company. In the current situation, more and more complexity is existing in daily operation. The loyalty and performance is vital and consider as the tools to measure the success of each organization. While the loyalty shows the attachment or commitment of personal with the organization as the results of increasing satisfaction, performance is considered as the physical behavior to behave their satisfaction into the action. Therefore, the more satisfaction rate increases, the more outcome employees contribute to the organizations.

In this paper, it would contribute the role of knowledge management in the field of SMEs- small and medium enterprises. Based on the report of institution, it is said that within all the Vietnamese enterprises, SMEs were still accounted for the highest rate, nearly 99 percent. Morever, it contributed 40 pecent of GDP growth and 50 percent of employment (Das, 2017). However, with the limitation in the finance and the market with the high volume of competitors, each SMEs have to face the challenge of utilizing the knowledge sources, and the reduce the turnover rate. To deal with these challenges, it is important to realize that leverage the knowledge sources could make the knowledge intensive environment, and this is the attractive organization to recruit and satisfy the talents.

With the aims to develop the operation of SMEs, there was some impirical researches done to figure out the impacts of knowledge management operation with the SMEs success in both foreign and domestic. Each of research contributed the seperate findings for the future development, for example the impact of knowledge practices in SMEs success (Pham & Nguyen, 2017), the influence of knowledge management on the innovation performance within SMEs in Lam Dong province (Pham & Hieu, 2018). To review again the effect of knowledge management, this paper is conducted to analyze the effects of knowledge management

ISSN 2076-9202

divided in process and approaches to the employees satisfaction, loyalty and job performance in SMEs located in Ho Chi Minh City- one of the most developing city of Vietnam.

Problem Statement

Anrancha Gonzalez who is the director of international trade center said that characteristics of SMEs is energized, creative and adaptive to the changable market and innovation of the technology. In the world, SMEs has also contributed most for the economic growth and also support to deal the society issue-unemployment (Gonzalez, 2018). And in Vietnam, SMEs account for 96.7 percent of the total number of enterprises in Vietnam. SMEs now play the role to contribute for the economy enhancement and creating job for soceity. Nevertherless, in the circumstance of limitation in the access of knowledge management, SMEs are considered as leakage in access the knowledge management, which could give the the effective sources for emplimenting in their job. In addtion, the job turnover rate is also under the control because it is directly drive the success of business.

As Nunes and his team reported, there were some issues in knowledge perceive, knowledge use and knowledge represent in Yorkshire SMEs. As the result, it analyzed that the perceive of knowledge management in the managerial level is not at the priority because they did not appriciate the cruicial role of this item (Nunes et al., 2006). This made the waterfall effect inside an organization, and thus, it was a lack of utilizing value of knowledge in competition with the others by both managers and employees. After that, knowledge management is considered to be more cruicial and implement in the internal environment, however it required the time and finance to develop it better. In addition, the researchers commited that knowledge management could prevent the knowledge leakage in the business where the turnover rate traditionally depended on the knowledgable employees by the knowledge management strategy had been implementaed to guide individual to transfer their experience, skills to the employees who were fullfil in that position to ensure the job and tasks could be finished well (Nunes et al., 2006).

Furthermore, it is agreed that knowledge acquisition was one of the significant steps. This supported each person to organize and structure the reports and databases inside the business via documents, meeting or webpage, as the result, the knowledge could be captured and apply in the organizational process. On the other hand, it is hard to manage both implicit and explicit knowledge. In detial, most of the processes were focusing on translating the implicit into explicit knowledge, which required the high rate of clearness, reasonale and acception from the employees. However, it was the barrier in the SMEs due to its difficulties in availability of knowledge sharing and dissementation. In SMEs, there was complex to plan for the systematic of learning meeting (Nunes et al., 2006). Especially in Vietnam, the concept of knowledge management in SMEs are still new. There was a little procedures or paper conducted to mention and explain about this term to businesses. A few audiences aware about this due to several workshops, traning course and sharing meeting since the start of the year 2000, however, the plan for knowledge management process begin at the limited stage. Until 2008, Vietnam had not changed siginifcantly in the knowledge economy comparing to the other countries in the same region, and the economy-based, especially SMEs, had not realized the importance of knowledge retention (Vu, 2008). In 2021, Vietnam was at 104th ranking in the competition of Knowledge Economy Ranking according to the report of World Bank, this showed the fact that, Vietnam was stil falling behind in the achievement of economy-based environment (Bank, 2012).

ISSN 2076-9202

In the researching topic, employee satisfaction is the concern of many authors due to its direct impacts on the outcomes. More researchers studied about job satisfaction via the job design, leadership, working environment or the managers. The knowledge management influences on the job satisfaction due to its availability and capability to give the source of information whenever the employees need. However, there was a few papers done in this topic. While electric wire and cable group in Taiwan was explored by Lee and Chang in 2007, this showed the consequence that there was a positive association between knowledge management and satisfaction of employees (Lee & Chang, 2007). Then, Singh and Sharma highlighted the same results when analyzing the connection between knowledge management and employees satisfaction in the Indian telecommunication industries (Singh & Sharma, 2011). In addition, Almahamid and his colleagues found the factor of knowledge sharing was the item influencing the employee's satisfaction most (Almahamid et al., 2010). Differently, Koseoglu et al. (2010) gave the study which did not demonstrate the same result. The correlation of knowledge management (including knowledge sharing and knowledge transfering) did not make employees at luxury hotels in Turkey satisfied enough. To sum up, this is insufficient and inconclusive to give the statement that knowledge management could enhance the employees' satisfaction.

Another concern of organization is how to manage and reduce the turnover rate, because it costs the time and finance to replace the vacancy by recruiting and training the new hires. An estimation of Johnson et al. has stated that this cost could range to around 50 percent of the worker's annual salary (Johnson et al., 2000). This damages the process of each organization due to when a person leave, the company does not only lose an intellectual capital, it also some relationships of that person who getting during the working process. One of the worst results is that the competitors gain those value assets (Stovel & Bontis, 2002). Thus, the employee loyalty become more critical. The relationship of employees satisfaction and employees loyalty has been demonstrated previously. Some stated that the more employees satisfied with their job, the more they would stay and make effort for the companies. When the level of satisfaction raise, employees are willing to commit the organizational goals and attach with the working environment, and vice versa, if this level decrease, each individual would be tired and stressfull whenever working, they would seek for the better place (Durkin, 2007; Turkyilmaz et al., 2011). However, the others argue about how those concepts could explain for each other while the job satisfaction describes the attitude in the present time, the loyalty level shows the plan and motion for the longer term. Hence, some of researches show the weak connection between these variables (Pandey & Khare, 2012). Futhuremore, to analyze the relationship of job satisfaction and loyalty in term of knowledge management, there are scant evidences, which leads to the gap in the understand of knowledge management's benefits.

Besides, the performance of business is the best outcome to show its success and competitive advantage. Knowledge management has been investigated to give the comment in improving the performance. For example, Kianto et al. (2016) recommeneded that the relationship of knowledge management via employee satisfaction, and job performance however, it was assumption in his researches. The behavior of employees when they are satisfied could be more productivity and creativity. A survey of University of Warwick stated that when people get the high level of satisfaction, the productivity would rise up to 12 percent more, and vice versa, the productivity would be reduce by 10 percent less if they are

ISSN 2076-9202

disatisfied (Columnist, 2017). However, the link between knowledge management, employee satisfaction and job performance has not been still unclear. Thus, because of those mentioned reasons, this paper is complete to highlight the relationship of knowledge management with employees satisfaction, employees loyalty and job performance, especially in the SMEs in Ho Chi Minh City.

Research Objectives

The current study aims to reach the following objectives

- To figure out which factor related to knowledge management affects employee satisfaction, employee loyalty and job performance in SMEs in Ho Chi Minh City.
- To highlight how these factors impact the staff's satisfaction and employee's performance.
- To define the key items of knowledge management influencing employee satisfaction and job performance most.

Literature Review

Knowledge Management Practices

Knowledge, in general, currently is the strategic method to determine the organizational ability to take the opportunities and obtain a sustainable competitive advantage. According to Von Krogh (1998), knowledge management is the process of how to identify and take advantage of cumulative knowledge available in an organization, industry, and market to help the organizational performance (knowledge management contains the knowledge process, whose phases are knowledge formation, sharing, acquisition, transferring, and applicating, combining with infrastructures, capabilities, and executive activities (Gold et al., 2001; Lee & Choi, 2003).

It is currently described as knowledge management as the driver competitive advantage but when the economy changes, it could make the knowledge change increasingly. The harder way to obtain the human capital, form proprietary knowledge brings difficulty to share and replicate it in the organizational environment (Drucker, 2006; Prusak & Matson, 2006). Knowledge management is understood by Chen in 2006, as the process of converting knowledge into performance and share to other generation to retain and update. The other paper was researched conducted by Chou and Lin (2002) to figure that knowledge management is the chain from collection, storage, and dissemination of the available knowledge. In another perception, knowledge management was described as the process of finding important knowledge and experience required for problems solution. Several steps of this process would be included dynamic learning, strategy planning, decision making, and then selecting, organizing, disseminating, and transferring knowledge (Gupta et al., 2000). Although all different definitions of knowledge management state several meanings, they also play a significant role in business effectiveness since the uncertain changes in the economy and the cycle of the faster cycle of knowledge processes and approaches could capitalize the benefits from its application.

Knowledge Management Processes

Get, M., & Terziovski, M. explained in the concept that knowledge management processes were a chain to reach the resources, learn the new skills as well as experience, and then utilized it in the work performance with the consequences as the customer value (Gloet & Terziovski, 2004). The process of knowledge management included knowledge creation, knowledge acquisition, knowledge sharing and

ISSN 2076-9202

retention. These phases are indicated the process in four distinguishable types individually.

Knowledge Management Approaches

Knowledge management approaches are different depending on the core value and structure of organizations. This could vary from informally (social media) and formally (personalization and codification) (Powell & Ambrosini, 2012). Many researching papers explain the conflict of how employees reach the resources of information- fundamental sources of knowledge, it could be from the outside tools, or whether it either comes from the co-workers, employers or their personalization.

Employee Satisfaction

As the remarkable considering item, employee satisfaction was discussed by many experts in some areas of leadership, operation, psychology and behavior (Saleem et al., 2010). This item was explained and characterized as an emotional condition arising from work experience.

Employee satisfaction plays an important part in the performance of a company. Several forms of research have been carried out to boost the work satisfaction level from the staff in diversified industries such as the academic sector, hospitality, public sector, the non-profit sector, naval sector, and automotive sector (Tan & Waheed, 2011). In general, previous studies have typically showed that employee satisfaction is correlated with earnings, occupation stress, company, bureaucratic administration, empowerment, personal development, accomplishment, relationship with others, overall working environment (Tan & Waheed, 2011). However, Kianto et al. (2016) stated that employee satisfaction level is also affected by other factors related to knowledge management perspective. More importantly, after analyzing the relationship, the company could generate the working strategies to improve the knowledge management process and motivate employee not only perform better but also provide customers with better qualified services, which lead to enhance the customer's experience and customer satisfaction.

Employee Loyalty

Employee loyalty based on the view of Allen and Grisaffe is the psychological motion of willingness to stay at the organization where they work (Allen & Grisaffe, 2001). Mathieu and Zajac (1990) defined that loyalty mostly depended on the belief of employees about the organization goals and values that motivated the strong retain the menbership within the organization. While the job satisfaction reflects the effective respond of employees toward their job, the employee loyalty is the behavior to attach with the whole organization. When disatifaction level was raised, the more employees would recede the job, seek for the new one, as the result, the turnover rate would be increasing to cause the problem for the company (Soler, 2000).

Job Performance

Job performance is the actions and behaviors that employees do toward their job, which is related to the organizational goals (Campbell et al., 1990). This is defined as the behaviors more than the outcomes got because based on these people could think of the easiest way to achieve the targets and objectives (Murphy & Kroeker, 1988). Job performance is one of the interesting items that each company would like to measure since it could directly affect the productivity and effectiveness of operation (Hunter & Hunter, 1984). In this research, the performance of employees would be identified according to job satisfaction led by separated elements of knowledge management.

ISSN 2076-9202

Small and Medium Enterprises (SMEs)

SMEs stand for small and medium enterprises which contribute significantly to the economic growth in Vietnam. There are some measurements to evaluate the model of SMEs such as volume of assets, volumes of fixed assets, turnover rate and operating capital. However, to have the information of tunnover and capital, it is quite sensitive therefore, the valid measurements could be analyzed is the number of employees (Burgess et al., 2009).

In Vietnam context, the SMEs usually have less than 10 employees, these are the very small enterprises. And from 10 to 50 employees and the capital is not over 10 billion VND, the enterprises are small. When the number of employees is from 50 to 100 and the capital from 10 to 50 billion VND, the size of enterprise would be at medium.

Hypothesis Development

Knowledge Acquisition and Job Satisfaction

Knowledge acquisition is considered as the beginning step of this process. It is the practice of the corporation to collect, gather the available information from different sources (Kianto et al., 2016). For Alavi and Leidner, this process concentrated on the application of know-how, infromation creation, mobilization and dispensation (Alavi & Leidner, 2001). The other description of knowledge acquisition was written by Meihami and Meihami in 2014, the effectiveness of capturing knowledge was also gained by the organization and management of the knowledge. The more well-organized data was stored, the more simply employees access the resources (Meihami & Meihami, 2014). With the diversified sources from the external environment such as competitors, market and collaborative arrangement play the vital role to give the necessary and updated information, knowledge about all type of organizations (Cohen & Levinthal, 1990; Zahra & George, 2002). Thus, the acquisition stage is more difficult in today's society.

Especially in the human resource field, the knowledge, experience, and skills are formed based on the multi-dimensional aspect. People do not only connect to the internal knowledgable sources but also outside ones. It is critical in the current globalization, employees need to know the knowledge from domestic countries and update the knowledge from foreign countries via facilitation and among employees to recruit and develop the labor force to adapt to the environment of a multinational organization. Hence, the practice of knowledge acquisition should be more seriously considered. The managers should create more conditions, and provide enough devices to optimize the chance of individual knowledge accession with the given context to drive job satisfaction and then employee’s behavior.

On the basis of the above discussion, the following hypothesis is developed.

Hypothesis 1: Knowledge Acquisition (KA) has a positive association with job satisfaction in SMEs in Ho Chi Minh City

Knowledge Sharing and Job Satisfaction

Knowledge could be retained throughout via the step of sharing with the human experience and interaction in society. Sometimes, the knowledge might be nuanced and one of the most comfortable and easiest way to communicate is by face-to-face contact (Nonaka & Takeuchi, 1995; Ståhle & Grönroos, 2000). This is an essential phase in implicit knowledge sharing. For this reason, the organization should motivate and inspire more face-to-face discussion or sharing time to the learning experience, and build the knowledge

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sharing culture within the working place (K Dalkir, 2005; Nonaka & Takeuchi, 1995). Knowledge sharing could be formed from informal communication, brainstorming, coaching, and mentoring (de Jong & Roelofs, 2000).

Knowledge sharing plays the important role in learning and developing because it shows the willingness of each individual who either supplies and demands to get the new capability and experiences (Bock & Kim, 2002; Lichtenthaler & Ernst, 2006). The knowledge sharing among staff usually contains the unique and personal, which is concluded via the observation and working years. Therefore, the company should encourage employees from any level to share and receive the knowledge either it is general or technical (Rehman et al., 2014). Nature of knowledge, motivation to share, the opportunity to share, and experience of the working surroundings were the categories inside the behavior of sharing and was divided by researcher Ipe (Ipe, 2003). Taking into consideration, employees satisfy with their job via knowledge sharing because it makes the enjoyment, happiness when supporting others, and self-efficacy. Moreover, the technological devices help the employee now to obtain the knowledge convenience and perhaps, create a sharing atmosphere in the organization (Cabrera et al., 2006; Kim & Lee, 2006).

By these reasons, the high rate level of satisfaction could be made from knowledge sharing, which is encouraged inside the organization. The below hypothesis is suggested.

Hypothesis 2: Knowledge Sharing (KS) has a positive association with job satisfaction in SMEs in Ho Chi Minh City.

Knowledge Creation and Job Satisfaction

Knowledge creation is characterized as the ability to formulate new and useful ideas as well as a solution for the business situation with the concern of different aspects. Some processes that could be involved are technology, production, and management (Nonaka & Takeuchi, 1995; Teece et al., 1997). This is the key item to sustain the performance at the workplace because the knowledge could be formed when the organization and members suffer the change or innovation as well as learning from each other (Eisenhardt & Martin, 2000; Nonaka & Takeuchi, 1995).

When the organization requires innovation, development, and improving the process of the new skills, the knowledge is generated. The outcome is to build potential and self-transcending knowledge to motivate and capture the new insights into different levels inside the corporation (Scharmer, 2001).

The practices of knowledge creation is able to let people produce an alternative for existing knowledge (Brix, 2014). By following the methodology deliberately, the alternative is driven to get the goal-setting (Kao et al., 2011). When the new knowledge is available and awarded, they would reorganize it to be more understandable (O'Connor & Rice, 2013). This process enriches the company's intellectual repositories, by this, the companies could store and reapply it as the learning process to transfer the process successfully (Argote, 2012).

Thereby, people could be more comfortable with the process of knowledge creation that gives them the idea of altering the knowledge and adjusting the change if it happens. The next hypothesis is proposed.

Hypothesis 3: Knowledge Creation (KC) has a positive association with job satisfaction in SMEs in Ho Chi Minh City.

Knowledge Retention and Job Satisfaction

ISSN 2076-9202

After a long period of working, some expert knowledge workers leave the company, this makes the knowledge is not continuous. Most of the knowledge management concept is only focusing on the knowledge subject, not the knowledge person (K Dalkir, 2005). To limit this limitation, Kianto developed the hypothesis of knowledge retention, which reported a group of activities of managing the turnover of employees and related losses of professional knowledge (Kianto et al., 2016). The knowledge coming from an expert could be lost if they leave the organizations for the reasons from their personal or company.

There is a huge volume of knowledge, which should be transferred before the expert leaves. The challenge is how to re-hire or allocate the newcomers to retain similar knowledge efficiently. However, most people are afraid of this transfer, firstly because it is a huge volume. Secondly, it is abstract. Thus, the need for this process is to integrate the emotional aspect to let people believe in the knowledge transferring successfully (Liebowitz, 2011).

The knowledge retention is not applied only when staff retires, it has to be capitalized, utilized, and operated well even before the retirement of an expert. It is believed that knowledge is continuously sharing among employees, even it is shown in written or non-written documents, via offline or online sharing discussion. Inside the organization, the successful operation is to utilize and generate its professional expertise into the organization's asset (Choo, 1996). The hypothesis is developed as below:

Hypothesis 4: Knowledge Retention (KR) has a positive association with job satisfaction in SMEs in Ho Chi Minh City

Knowledge Codification and Job Satisfaction

The knowledge is needed to be codified and reuse for a similar situation as well as storage. Knowledge codification requires practices to specifically codify implicit knowledge, store it in documents, and update knowledge for those in the organization (de Jong & Roelofs, 2000).

Currently, the added value of conveniences from communication and digital tool, flatforms, and the system is more than the pass. Hence, employees could be equipped and encouraged to facilitate, access, codified, and transfer the sources of the available database into the knowledge. The more employee codifies knowledge from abstract to understandable, the more they satisfy and generating a better outcome (Kimiz Dalkir, 2005). Thus the fifth hypothesis is examined as:

Hypothesis 5: Knowledge Codification (KCO) has a positive association with job satisfaction in SMEs in Ho Chi Minh City.

Personalization and Job Satisfaction

Whereas knowledge codification is the way to document staff knowledge as well as a collection into the system to maintain and develop the big-sized knowledge sources from age to age, considering as the formalization of social networks, personalization approach is neither contact the ideal people nor consult the personalization tools to get needed knowledge directly. With the advantages from knowledge sharing, personalization tool ultilized the interpersnoal scommulication to facilitate the value of knowledge delivery and imporove the output quality. Hence, the staff could productively solve the unique problem if it comes to the organization. Obeidat’s statement concluded that personalization provides innovative practices to employees, thus they feel happy and successful toward their jobs (Obeidat & Abdallah, 2014). The sixth hypothesis is depicted as:

ISSN 2076-9202

Hypothesis 6**:** Personalization (PE) has a positive association with job satisfaction in SMEs in Ho Chi Minh City.

Social Networks and Job Satisfaction

In 2012, Powell and Ambrosini perceived that social networks had its own effectiveness but limitation, which had not created innovation inside the working place. By definition, the social network could help staff get the information and knowledge by contacting directly the providers within their team or subunit accross the organization, it almost depends on their present knowledge memory (Powell & Ambrosini, 2012). An arugement was that people usually build their social networks based on what they already know, if perhaps they information providers is outside of the organization, this would cause the barrier for the employees if they contact to get knowledge. This paper analyzes this item to answer whether it affect positively or negatively. The seventh hypothesis is presented as follows.

Hypothesis 7: Social Networks (SN) have a positive association with job satisfaction in SMEs in Ho Chi Minh City

Employee Loyalty and Job Performance

In Kianto's research, he also noticed the relationship between job satisfaction and employee performance, however, the statistic was not confirmed. This item was analyzed in decades as the interest of researchers. In Herzberg's review, the result was seen as optimistic. This shows the context that the way employees behave well is influenced by their attitudes (Locke, 1969). However, some other research also showed a lack in the theory involved to test the job satisfaction-job performance model (Schwab & Cummings, 1970). From this recognition, researchers paid more attention to the prospective mediators and moderators of the model (Judge et al., 2001). The relationship between job satisfaction and performance is hence suggested in this paper according to the factors of knowledge management. The eighth hypothesis is tested as:

Hypothesis 8: Employee Satisfaction (ES) has a positive association with job performance in SMEs in Ho Chi Minh City.

Employee Loyalty and Job Performance

As demonstrated earlier, the more employees are satified with the job, the less readiness of quitting the job could happen. Employee with the psychology of emotion which show the happiness and delight, they would contiue work with the current employer. This was the confirmation of some evidences from the past (Fletcher & Williams, 1996; Wu & Wang, 2006; Wu & Norman, 2006). And the converse finding which is in detial that when employee are not satisfied with working environment, they are willing to quit the job to seek for another comfort companies (Durkin, 2007; Mobley et al., 1979). However, there was an argument that job satisfaction was not fully shown the connection with the employee loyalty (Prabhakar, 2016). The other argued that the employee satisfaction shown the emotional attitude toward the job in past and current time, while the loyalty describe the long-term psychological emtion, thus it could not be fully explained for each other (Chen, 2006; Khuong & Tien, 2013; Locke, 1969). Therefore, the hypothesis is determined as:

Hypothesis 9: Employee Loyalty (EL) has a positive association with job performance in SMEs in Ho Chi Minh City.

Employee Satisfaction and Job Performance

ISSN 2076-9202

In Kianto's research, he also noticed the relationship between job satisfaction and employee performance, however, the statistic was not confirmed. This item was analyzed in decades as the interest of researchers. In Herzberg's review, the result was seen as optimistic. This shows the context that the way employees behave well is influenced by their attitudes (Locke, 1969). However, some other research also showed a lack in the theory involved to test the job satisfaction-job performance model (Schwab & Cummings, 1970). From this recognition, researchers paid more attention to the prospective mediators and moderators of the model (Judge et al., 2001). The relationship between job satisfaction and performance is hence suggested in this paper according to the factors of knowledge management. The eighth hypothesis is established as:

Hypothesis 10: Employee Satisfaction (ES) has a positive association with job performance in SMEs in Ho Chi Minh City.

Methodology

Research Approach

To experiment the relationship between independent variables including Knowledge Acquisition, Knowledge Sharing, Knowledge Creation, Knowledge Retention, Knowledge Codification, Personalization, Social Network, Job Satisfaction and the dependent variable, Job Performance, a quantitative design is utilized in this research owing to its benefits. A quantitative approach is defined as the method for figuring out the relationship among variables via some statistical strategies, as a consequence, the result will be derived (Creswell, 2003).

By using this approach, there are many steps to be done before committing outcomes. All completed the step by step, the results will be derived and test the hypotheses whether they are right or wrong, supported or rejected (Zikmund et al., 2013)

The questionnaire survey will be both printed and conducted on Google Form, which will be shared most on the social media as the Facebook channel. The survey questionnaire is translated into Vietnamese to help target respondents understand the statement comprehensively.

Sample, Sampling and Data Collection

300 target respondents who are working at SMEs in Ho Chi Minh City will be approached to collect the necessary data. There are several reasons for choosing the sample size of 300. Firstly, the higher ratio of the minimum subject would be better and the item ratio at least 5:1 was suggested by Gorsuch and Hatcher in Exploratory Factor Analysis (Gorsuch, 1990; Hatcher, 2005). In this study, there are 39 questions in total for measuring both independent and dependent variables. Therefore, the number of respondents for this questionnaire should be at least 195. Then, it is estimated to reach the sample of 300, generating in to ratio nearly 8:1. Secondly, the scale to determine sample size was suggested by Comrey and Lee as four levels: very poor: 50, poor: 100, fair: 200, good: 300 (Comrey & Lee, 1992). As a result, it is evaluated as good enough to get the analysis from 300-sample-size data collection.

Convenience sampling is used in this research. Due to time and resource limitation, this sampling method could reach the data from conveniently pool of respondents. Moreover, the population for this topic is still unknown, this convenience sampling method is simplified to get the outcomes, and the ease and comfort would be delivered to answers which could prevent the biases.

ISSN 2076-9202

The pilot test is used for the primary purpose of testing the reasonal sample from target group to prevent the problem of mislaunching the survey. The result of the pilot test would show that whether the target respondents correctly understand the questionnaire and the questionnaire should be redesigned in order to gather the necessary data within the limitation of time and resources.

Measurement of Variables

In the present study, independent and dependent variables are measured by the Likert scale from 1-5 meaning ranging from completely disagreed to completely agreed. Specifically, Knowledge Acquisition is assessed by the items designed by Kiant et al. (2016), Henttonen et al. (2016), and Lin (2007). Knowledge Sharing is evaluated by the items adapted from Kiant et al (2016). Knowledge Creation is measured by the items developed by Kiant et al. (2016) and Henttonen et al. (2016). Knowledge Retention is assessed by the items adapted from Kiant et al. (2016). Knowledge Codification is measured by the items designed by Kiant et al. (2016). Personalization and Social Networks is assessed by the items developed by Obeidat and Abdallah (2014) and Powell and Ambrosini (2012). Employee Satisfaction is measured by the items adapted from Kiant et al. (2016) and Kainkan (2015). Job Performance is evaluated by the items designed by Henttonen et al. (2016). Employee Loyalty is measured by the items developed by Phuong and Tran (2020).

Data Process and Analysis:

The statistical analysis would be conducted via both statistic program of SPSS and AMOS20 with several technique described as follows

Descriptive Analysis: This method calculates the mean, percentage, and frequency distribution that the demographic information supplies, for example, gender, company name, and position level.

Reliability Test: It determines the reliable level of the answer for each item. Most research will consider the alpha higher than 0.7 to let the consistency level at least at the accepted level. Although the higher score demonstrates the higher reliability of data collection, it could not be over 0.97 (Stephanie, 2018).

Exploratory Factor Analysis: It is a statistical tool that is used to reduce data to a smaller collection of summary variables and to explore the investigate the phenomena's underlying theoretical structure. From this, the structure of the relationship between variables and respondents is used to classifed (Osborne & Banjanovic, 2016). When the KMO value is greater than 0.6 and the significant level is less than 0.5, an acceptable factor would be acknowledged.

Confirmatory Factor Analysis: It is the technique applied after EFA- Exploratory Factor Analysis to evaluate how well the relationship is represented by the measured variables. In CFA, it should focus on the outcome of model fit measurement and some validity check, shown in the brief that CMIN/df should be larger than 2, CFI should be from 0.8 to 0.95, RMSEA should be from 0.03 to 0.08.

Structural Equation Modeling: The structural equation model-SEM involves both factor analyze and multiple regression analysis. This technique could give the outcome of structural relationship between measured and latent variables. The standard outcome of SEM is similar to CFA technique. Two evaluations which are usually illustrated un this technique ate hypothesis test- identifying the relationship among variables; and Bootstrapping- check the reliability and indirect effects among independent and dependent variables showing via p-value. The result is valuable if p-value is smaller than 0.05.

ISSN 2076-9202

Conclusion

Knowledge is the intangible and unlimited asset for individual to obtain, learn, and apply in the working environment. The purpose of the study is to propose the research model for investigating the association between knowledge management, employee satisfaction, employee loyalty and job performance in enterprises in Ho Chi Minh City. Seven dimensions namely knowledge acquisition, knowledge sharing, knowledge creation, knowledge retention, knowledge codification, personalization and social networks knowledge management are adapted from other researchers to measure knowledge management. Not only online survey but also offline survey is utilized to collect the data on knowledge management practices in small and medium enterprises in Ho Chi Minh City. The collected data is then processed using SPSS and AMOS to examine the links between the independent and dependent variables.

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FACTORS INFLUENCING ONLINE TRUST AND REPEAT PURCHASE INTENTION: A STUDY OF AFGHAN CONSUMERS

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Abstract

The purpose of this study is to examine the online factors (company reputation, website design, service quality, and security and privacy policy, and relationship commitment) on online trust. Furthermore, we aimed to find whether that online trust translates into offline repeat purchases. A pre-tested questionnaire survey was used to gather responses from the consumers residing in Afghanistan. Two hundred and fifty-two valid responses were received for data analysis. SPSS 21 and AMOS 21 were used for demographics, confirmatory factor analysis, and structural equations modeling. Findings showed that Company Reputation, Service Quality, and Security and Privacy Policy and Relationship Commitment positively predicted online trust, positively predicting repeat purchase intention. This is one of the first studies to examine the influence of online factors on online trust and offline repeat purchase intentions in Afghan students. In addition, relationship commitment was introduced as a novel factor affecting online trust and repeat purchase intention. The study has implications for researchers and practitioners as well, which are discussed in the following sections.

***Keywords**:* Company Reputation, Service Quality, Security and privacy policies, Relationship commitment, online trust, repeat purchase intentions, Afghanistan.

1. Introduction

1.1. Background

Interpersonal trust is a belief held by one person or group of individuals that any term, promise, spoken, or written statements that they might trust on each other (Rotter, 1967). 'Online trust is faith in the firm by shareholders concerning their business activities in the electronic channel. The role of a website is necessary for a business to consumer (B2C) and business to business (B2B) in electronic business. According to Forrester, in 2000, 51% of firms would not prefer to do business with their partners because they do not believe in different websites (Shankar, Urban, & Sultan, 2002). The emerging electronic economy brings up new business models for online retailers and buyers worldwide, looking for new challenges and opportunities. Internet is a driving force for the emerging economy, which has given birth to online transactions. In the 21st century, online selling is the most progressive way of buying and selling for most

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firms. For instance, in the U.K., the online buying community has risen from 25.5% to 14.6 million buyers, which they bought £8.2billion ($14.3 billion) of products through online websites from 2004 to 2005. it means online shopping grew by 28.9 % (see www.bbc.co.uk). The same case in America, in 2006, buyers consumed 670 million dollars on Cyber Monday, which means 25% greater than the previous year (www.usatoday.com).

The existing marketing network and channels are now an essential part of many different channels for maximum customers. Even though there is physical absenteeism, retailers find new methods to develop healthy e-business relationships to lessen the insecurity on internet users (Warrington, Abgrab, & Caldwell, 2000). The famous media published news that prominent high gaps in online security are causing hacking and spamming than ever before, which is some statistical data suggesting that a massive portion of online business is fake. Significant variations of fraudulent cases on the hacking of credit card numbers to the leaking of personal information are causing alarms regarding consumer identity theft (Newholm, McGoldrick, Keeling, Macaulay, & Doherty, 2004). In these hurdles, the retailers must build a reliable relationship with consumers to increase sales in online business and foster customer loyalty.

The absence of physical availability of goods and physical presence between consumers and sellers reduces online buying and selling in a particular environment (Jamil & Hasnu, 2013) which means trust is essential. According to an online business study, success elements in online business include technology that is purely addressing security and privacy issues to some degree (Lamonica, 2000). I.T. experts must work out with their customers to review the value of trust and build the relationship in business.

According to E. O. Wilson (1999), businesses are improving themselves into a global market, as expressed by online business improvement. Moreover, they will need to imitate different customers for the first time to have unique norms and beliefs (Bramall, Schoefer, & McKechnie, 2004; San-Martín & Camarero, 2012). To acquire customers from different nations and environments, it is necessary to implement the new concept's market segmentation concept. To enhance their sales by classifying the customers in the same categories, it permits the online retailers to act fast while entirely failing their needs (Barnes, Bauer, Neumann, & Huber, 2007). Purchasing and selling through the Internet and shopping is usually known as e-commerce, and it is expanding fast as the network technology and flourishing of information technology (C.-C. Wang, Chen, & Jiang, 2009). Ecommerce is including of online buying and selling and several kinds of products through online transaction systems connected to the Internet with Internet and computer networks.

The present study fills multiple research gaps. This paper presents an empirical investigation to find out how the antecedents of trust include website design, service quality, company reputation, security, and privacy policy, which influence consumer perception in the Afghan environment. This study aims to analyze the relationship of company reputation, website design, security and privacy policy, and service quality with the trust-building effort of the e-business. Since the established online marketplaces are currently unknown in Afghanistan, we aimed to study whether trust developed online will translate into repeat purchases in an offline context.

ISSN 2076-9202

2. Literature Review

2.1. Company reputation and online trust

The literature expressed that brand reputation is an indication of service or product quality. It is a variable that encompasses the service of information. Seeking information and risk perceived for selecting the firm, consumers used this variable to reduce the struggle. (Rao, Qu, & Ruekert, 1999; Teas & Agarwal, 2000). Furthermore, reputation provides its company with motivation to perform and keep a good image that they worked very hard. For expressing the sign good of product quality, reputation always plays a significant role in online sales. Before purchasing, people have to advise buyers to provide a facility to try, see, and touch products. (Bramall et al., 2004). Buyers' expectations about the company's offerings can constantly be enhanced when the company has a good reputation (Schmalensee, 1978; B. P. Shapiro, 1973).

According to Tanaka (1993), when there is fast-moving variation in the products, customers from different nations will not think similarly about online business. The company's reputation reflects its past performance (Kreps & Wilson, 1980; Rosenthal & Landau, 1979). Moreover, consumers' expectations are always affected concerning offerings quality (Margulies, 1977; Nelson, 1970; C. Shapiro, 1982). Reputation has been explained in detail where shareholders' evaluation in the long term about what the company is and how the company meets their promises and makes sure the shareholders' expectations, but especially fitting the overall company performance regarding socio-political atmosphere (Logsdon & Wood, 2002). According to Whetten & Mackey (2002), certain kinds of shareholders' feedback to the organization concerning the credibility of the firm's identity, which they claimed is called organization corporate reputation (Whetten & Mackey, 2002).

The role of reputation is the same as equity or brand goodwill in the marketplace, especially in several services. In the current study, we hypothesized the consumer's perception regarding purchasing, which is always defined by his or her expectation which itself strongly affected by firm reputation. In previous articles, the interactive nature of a firm's reputation was studied in an ordinary manner (Crosby & Stephens, 1987; Lynch Jr, 1985; White & Truly, 1987). Information and experience are two significant sources of a firm's reputation which researchers have recognized. Anyone offering will affect the consumer's expectation of all other offerings by similar marketers just because of the consumer's experience. In the entire product line, high-quality offerings can improve reputation (B. P. Shapiro, 1973; Wolinsky, 1987).

A good reputation is a strength that can build consumers' expectations regarding a firm's offerings (Schmalensee, 1978; C. Shapiro, 1983). Furthermore, it reduces doubts concerning offerings. Therefore, good reputation helps the fast market penetration (Robertson & Gatignon, 1986). In a study of supermarkets, product uniqueness was similar to customer's reputation and promotional effectiveness for purchasing new products in supermarket study (Montgomery, 1975). The way organization reputation helps as an entry barrier (Milgrom & Roberts, 1982) and how reputation serves the first mover to build locality and relationships with buyers and develop a unique image within the industry (Porter, 1985). According to (Raj, 1985) a good reputation will always provide a stronger position to market share.

An organization that creates a solid reputation is trusted by the consumers (Koufaris & Hampton-Sosa,

ISSN 2076-9202

2004). When a few different people believe that a company requires a certain degree of integrity, sincerity, and fairness, then a potential customer may be inclined to accept the quality (McKnight, Choudhury, & Kacmar, 2002). An agency's reputation needs real strength to support the company's share of values and an extra trusting intention to establish new values.

H1: *Company reputation has a positive influence on online trust.*

2.3. Service quality and online trust

In an online environment, excellent service quality reflects a company's attempt to provide higher service through good delivery, guarantees, extensive and detailed product/service information, and more customization (Emons, 1988; S. Ha & Stoel, 2009; Yoon & Kim, 2009). When companies offer low-quality services, they will not be interested in providing a high-quality warranty, so this is costly and results in many customer complaints. Developing a trusty purchase environment, including online transactions showing humbleness in return policy, is one of the best ways (Tan, 1999; S. Wang, Beatty, & Foxx, 2004).

Current literature highlighted the relationship between service quality and trust in many cases, including in the online environment (S. Ha & Stoel, 2009). According to (Singh, 2002) most online buyers increase the expectation to develop the shopping experience based on the offered service. The relationship of trust with service quality has been tested in online environment (Gummerus, Liljander, Pura, & Van Riel, 2004; Harris & Goode, 2004; Ribbink, Van Riel, Liljander, & Streukens, 2004; Yoon & Kim, 2009).

According to Zeithaml (1988), interaction after-sales, managing the objection, policy for returning product, and delivery are services for online sellers offered by the company is called a service quality. Customers are always looking towards quality rather than the actual results of their desires from specific services. The buyer's thinking about service quality might be generally specific and subjective. It is still not defended that what should be called the satisfaction in the state of mind (Bitner, 1990) occurred more than an unknown period. It is difficult for the firm to deliver better quality service by using a guarantee, best transmission system, and service and product complete information (Emons, 1988; S. Ha & Stoel, 2009; Yoon & Kim, 2009).

The different researchers examined trust connection with service quality in an online environment (Harris & Goode, 2004; Gummerus et al., 2004; Ribbink et al., 2004; Yoon & Kim, 2009). Advocates of the different conditions have unique thoughts because of changes in nature and interest to make some quality management in several quality ways. (Donthu & Yoo,1998; Liu et al.2001). When consumers complete the early part of online purchasing, there is a connection between satisfying consumer needs and trust, which later develops to be a powerful service part (Herzberg, Mausner, & Snyderman, 1959). (Gronroos, 1994) suggested that the promotions of activities can influence the buyer's expectation, outside influences identify two kinds of service quality. Therefore, it is hypothesized that.

H2: *Service quality has a positive influence on online trust.*

2.4. Security and privacy policies and online trust

These three factors (trustworthiness, privacy, and security) are the most helping elements for the growth of

ISSN 2076-9202

(B2C) business in e-commerce using a higher level of promotion. Lacking to know how privacy and security relate to each other and hypothesized the specific privacy and security issues, these two issues are always highlighted in the literature. According to Taylor (2001), safe memory of information is mixed with disclosing the information within the privacy category related, discussed in the below section. In this literature, another general practice that protected assurance and its global practice denoted the security and privacy concern.

Privacy is when buyers share information voluntarily through the Internet to permit buying. Nevertheless, this assured that buyer's online market could be affected by the privacy of information, and for e-commerce to be completely safe, potential breaches are essential to be solved. Data collection, spam, choice, usage tracking are problems facing the Internet and disclosing information with others. These related zones are founded and described in taxonomy (H. Wang, Lee, & Wang, 1998). On Internet, the individually recognized information issues are covered by privacy.

In online buying, a client's trust can be influenced by security elements—protection of P.C. and financial information or credit card which is provided by internet sellers (Bart, Shankar, Sultan, & Urban, 2005). Clients accepted that online payment channels are not always protected and may be blocked (J. M. Jones & Vijayasarathy, 2015). It reduces clients' trust, not encouraging them to provide personal data and make online transactions. On the other hand, the degree of insecurity and risk that clients see in online exchange is not whether exchanges are genuinely secure (Klang, 2001). Regardless of whether retailers adhere to logical evaluation that relies on the technological arrangement and legal rules, that unmistakable sense of and security of consumers would be essential to build the required level of trust to enable online transaction (Chellappa & Pavlou, 2002).

Confirmation concerning security and privacy is reverent to the extent to which the website guarantees the clients personal and monetary information, any area which research witnessed has expended (Kimery & McCord, 2002; Miyazaki & Krishnamurthy, 2002). Security and privacy might be presenting a declaration of safety and data on the security of shopping instruments by showing the logos of those delegated to outsiders. For instance, having trusted external logos, such as VeriSign, guarantees security assurance and appearance to have an overall impact on how customers value e-sellers reliability (Jiang, Jones,& Javie, 2008). Security and privacy of online exchanges are perceived as the primary features of online stores providing data to clients for decisions (H.-Y. Ha, 2004). Electronic banking Yousafzai, Pallister, & Foxall (2005) has shown that explaining the security and privacy measures induces customers to build trust in the bank.

In online transactions, to build trust in the consumer's mind and make them ready for a transaction, security and privacy always play a significant role (H.-Y. Ha, 2004). According to S. Wang et al. (2004), building relationships with clients provides security and privacy disclosing for online sellers. The identification of security and privacy needs profound influence regarding the website (Alam & Yasin, 2010). Those impacts are still not identified that learning might be connected positively. Therefore, the Internet Retailing Act, which is designed to interrupt people, who, in everything that is said and done with Online Exchange Safety Instruments, can enhance their consumer trust in web shopping (C.-C. Wang et al., 2009).

ISSN 2076-9202

The security and privacy issue affects how we shop online (Keisidou, Sarigiannidis, & Maditinos, 2011).

H3: *Security and privacy policies have a positive influence on online trust.*

2.5. Web design and online trust

Web design is the organization or appearance of the page. It looks like if the buyer visits it, Pictures, beautiful writings, and the seller's introduction to the buyer and writing contain many web composition materials in various instruments (Susser & Ariga, 2006). Website is a bridge between buyer and organization, and buyer's satisfaction of needs and wants makes the quality of the website. Website is the primary process for the trading customer consideration, and therefore the website appearance and status are precious (Bramall et al., 2004; Gummerus et al., 2004). The web design aspect influences service provider and user trust (Feinberg & Kadam, 2002; Wirth-Pfeifer, Michel, & Wiess, 2003). For e-stores, the quality of web design is vital, which is used by buyers.

Web design provides how writings are managed on the website (Ranganathan & Grandon, 2002). When customers meet within an online store, they want high-quality software, not representative (Wolfinbarger & Gilly, 2003). Lee and Lin (2005) founded that design for the website, an application that has an essential impact on buyer's satisfaction. Empirically found that overall consumer's satisfaction and perception about service quality has strongly affected by website design. The structure is seen as a sequence of processes. Once again, the conceptual way of thinking considers the framework as an assortment of web page records. From the engineering point of view, content, structure, communication, and introduction are the four components of the format.

Further, (Ranganathan & Ganapathy, 2002) have empirically developed that purchase intention is affected positively by website design. Nevertheless, there is a general agreement among the researcher about factors that manage the website. In the current study, we examine the nature of web design factors following the above work. We accept that web design factors are an excessive number of the advancement of scientific classification of such factors would assist us with better understanding how trust in B2C e-commerce business influenced. The website is the gathering place between consumer and company in the online environment, and customer satisfaction is based on the website quality. The website is the primary way to talk to the consumer. Its appearance and design are of immense importance along these lines (Bramall et al., 2004).

Web design could convince e-customer to reply on customer and area for variable impacts. Multiple analyses have concluded that most of their customers focus on preserving the web page, e.g., pictures and colors relying on their substance (Fogg, 2002; Gefen & Straub, 2004). Many claims that the site's appearance increased the value of the past performance on the site. (Sinha & Chandrakasan, 2001). An early survey in business-to-consumer (B2C) web-based business settings shows that web page plans effectively enhance buyers' trust for new web vendors (Karimov, Brengman, & Van Hove, 2011). According to Cyr (2008), online customers have confidence in the information design. Trust is achieved by the data arrangement (Yoon, 2002). He explained that successful communication is trusted by the decision-making discussion and confusion (Avinandan & Prithwiraj, 2003).

ISSN 2076-9202

H4: *Web design has a positive influence on online trust.*

2.6. Relationship commitment and online trust

Morgan & Hunt (1994) stated that relationship commitment is a belief between trading partners and that preserving their constant relationship is necessary and that they can exercise their best effort to take care of it. In the service relationship marketing zone (Berry & Parasuraman, 1991), it should be recommended that "relationships are based on the establishment of shared responsibility." According to (Morgan & Hunt, 1994), simple compliance of trust in a return relationship is commitment. According to (Garbarino & Johnson, 1999), commitment is the feelings of respect, loyalty referring to their blessing agreements, and even pride of the clients towards the firm. Dwyer, Schurr, & Oh (1987) believed that the buyer's objective to maintain a relationship had been enhanced when buyer supposed to higher-end cost. Responsibility for relation is the type of predictable obligation that both partners have to maintain their relationship. If both partners developed a positive relationship, then surely both will continue the commitment. In the absence of any good relationship between partners, the intention for leaving is higher.

According to (Johnston & Johal, 1999), high trust between buyers would lead the vendors to take a step towards better performance and obtain more activities. In this way, the producer's relationship and commitment will be affected by the trusted partner (Moorman, Zaltman, & Deshpande, 1992) and discovered that customer trust in exploration vendors is fully affected by relationships of tested customers.

Theory of Trust and relationship commitment demonstrated that commitment only affects direct and interceding influences (Morgan & Hunt, 1994). Trust and commitment positively impact social trades. Trust is defined as one partner believe in the consistency and trustfulness relation exchange (Morgan & Hunt, 1994). Trust plays a significant role in a critical organization and needs partners to see each other as trustworthy (Wilson & Mummalaneni, 1986). Trust affects the relationship commitment positively. (Morgan & Hunt, 1994) Relationship commitment is the ability to invest financial, physical, or relationship-related resources in a relationship (Morgan & Hunt, 1994).

H5: *Relationship commitment has a positive influence on online trust.*

2.7. Online trust and repeat purchase intention

Trust (Dictionary, 1971) is defined as "confidence in or reliance on some quality or attribute of a person or thing, or the truth of a statement." According to Morgan and Hunt (1994), "Trust in the trade accomplices unwavering quality and integrity, and it is considered to be a key intervening and developing the relationships trades." In addition, according to Moorman et al. (1993), "Trust is the ability to depend on a trade accomplice in whom one has certainty." Trust in the service supplier can be characterized by apparent believability and altruism (Doney and amp; Canon, 1997). However, a lack of trust may lead to adverse outcomes (Jamil & Qayyum, 2019).

A few researchers keen on long-haul connections consequently rehash their conduct and have guaranteed that trust may, in reality, be a crucial angle in safeguarding client expectations amid troublesome times. (Garbarino & Johnson,1999; (Doney & Cannon, 1997). (Djahantighi & Fakar, 2010) expressed that "an online trust is one of the key hindrances to sellers succeeding on the web medium. An absence of trust is

ISSN 2076-9202

liable to dishearten online buyers from taking part in e-trade". The absence of entrusting (an online trust) is liable to dissuade any buy over the web (Merrilees & Fry, 2003).

Trust in online contexts is essential to maintain relations with consumers. More than ever, trust in an online context implies consumer willingness to be vulnerable to a company and a belief that the firm will fulfill promises and not exploit that vulnerability for its benefit (Ranaweera, McDougall, & Bansal, 2005). Furthermore, according to (Spekman 1988), trust is crucial to relational exchange that it is "the cornerstone of the strategic partnership" between the seller and the buyer. In simple terms, trust can be defined as the belief by one party about another party that the other party will behave in a predictable (Luhmann, 1979). (Rotter, 1967) also defined interpersonal trust as "an expectancy held by individuals or groups that the word, promise, verbal, or written statement of another can be relied on. Online trust is an essential component of the overarching conversation that has become a crucial issue given the times we live in. It is described as a reliance on a firm by its stakeholders about its business.

Repeat purchase is the personal likelihood of an individual continuing to purchase products from retailers in the future. Consumption of service delivery experience is crucial for the customer to consider when choosing whether to repeat the transaction or switch; these variables are critical to the suppliers' sustainability (Bolton, Lemon, & Bramlett, 2006). Therefore, the research would illustrate the effects of customer experience on user repeat buying behavior. Jin & Park (2006) discovered that the consumer trust source changes as the purchasing experience grows, while the consumers ' satisfaction source remains the same irrespective of the buyer purchase experience. The customer experience (C.E.) can help and advantages in many problems.

Experience can help us to describe, for instance, how learning happens and what experience can affect and modify the knowledge, attitudes, and behavior of consumers (Erdem & Swait, 2004). Therefore, the choice of mobile telephone services is buying and estimating the use of the consumer's experience. This is because the buying patterns, in which the predictors and determinants have to be clarified, become a repeated choosing action as a continuous process (Sheth & Raju, 1974).

The value perceived is the most valuable predictor of repeat purchase intention (Parasuraman & Grewal, 2000). According to (Parkinson, Ball, Blake, & Key, 2009), users are online looking for valuable products content, and websites more than ever. Marketing researchers have proposed that the principles that drive customers to participate in retail shopping include functional and hedonic aspects (Babin, Darden, & Griffin, 1994). Business studies and surveys show that online customers now seek accessibility (Parkinson et al., 2009) and freshness demand, discovery and innovation, and intrinsic needs (Wakefield, Wakefield, Baker, & Wang, 2011). The role of perceived value in explaining the behavior of repeat purchases in the online shopping context was focused on in recent studies (Kim & Gupta, 2009; Y. S. Wang, 2008).

Some analyze the impact of online shopping benefits on repeat purchase intention, i.e., profit intention association (Forsythe, Liu, Shannon, & Gardner, 2006). Under the End Chain (MEC) Theory (Gutman, 1982), shopping motivations have a hierarchical structure, with benefits as sub-value objectives. Therefore, the value-intended relation is compatible with the MEC principle that values are the primary priorities that cause behavior while the connection between benefit and intention demonstrates the

ISSN 2076-9202

importance of more tangible objectives in determining behavioral intention; benefits serve as a means to achieve values against the MEC objective hierarchy. Direct conclusions based on preferred advantages are difficult to draw from repeat purchase intentions without distinguishing them clearly from the underlying (Botschen, Thelen, & Pieters, 1999).

Although marketing research, Gutman (1997) has long recognized the need to analyze the hierarchy of customer priorities, the study on online repeat purchase has largely ignored this problem. Therefore, the MEC theory must explain the relation between benefits values and intentions to provide a deeper understanding of consumers (Dennis, King, & Wagner, 2007; Zanoli & Naspetti, 2002) while researching online purchasing repeat purchase intentions. Since trust developed online results in repeat purchases, it is conceivable to posit that the same will hold in the offline context. Therefore, we put forward that:

H6: *Online trust has a positive influence on repeat purchase intention.*

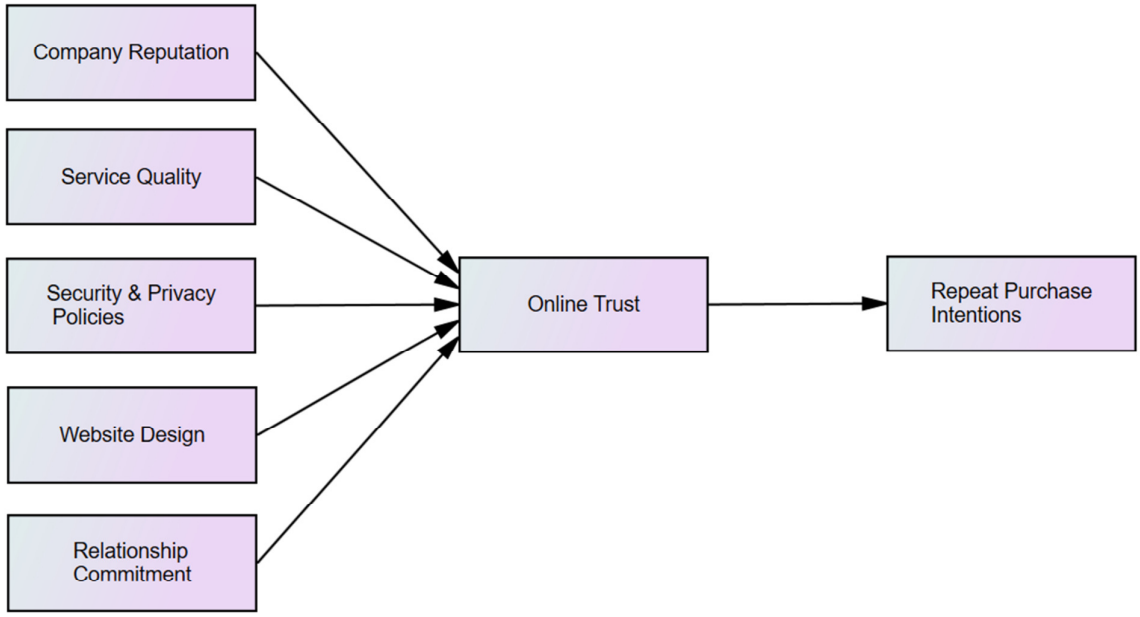


Figure 1: Conceptual framework

The framework represents dependent and independent variables (see figure 1). Where company reputation, service quality, security and privacy policies, web design, and relationship commitment are independent variables, and online trust represents a dependent variable, repeat purchase intention is an outcome or intervening variable of online trust. This model is self-structured for analyzing the impact of independent variables on the dependent variable.

3. Methodology

3.1. Sample and data collection

First of all, this study is primary research because this is only for enhancing knowledge in the research area. Data were collected from students of Al-Taqwa Institute, Afghanistan. For sample size decisions, Raosoft

ISSN 2076-9202

software was used, which is an online sample size calculator. At the time of data collection, the university's total population was 3500, so the resulting sample size guided by an online calculator was 252. To achieve the desired sample size, 400 questionnaires were distributed among both males and females. Two hundred and seventy-two were initially returned. From that, 252 were found usable for the data analysis—the response rate of males was 66.3%, and the female response rate ware 33.7%.

Most of the respondents were between 20-30 years, and their response rate was 57.5%. Almost the highest response rate of response bachelor students was 78.6%, and 16.3% were masters' students. The income of respondents was different from those who are less than 20,000; their response rate was 16.3%, and between 20,000-40,000, their response rate was 34.1% than between 40,001-60,000 so, their response rate was 25%.

3.2. Measures

In this study, the questionnaire survey is used to acquire the data about factors influencing trust in online business. Five independent variables, one intervening variable, and one dependent variable is used. The intervening variable is online trust, and the dependent variable is repeat purchase intention. Independent variables are company reputation, website design, website service quality, security and privacy policy, and relationship commitment. The questionnaires of relationship commitment were adopted from Arnott, Wilson, Mukherjee, and Nath (2007), and repeat purchase intention questionnaires were adapted from Chiu, Wang, Fang, and Huang (2014). The others five questionnaires were adopted from San-Martín and Camarero (2012). The model we tested here has seven constructs, each having multiple items measured using a five-point Likert scale (1 strongly disagree, and 5 strongly agree). Our survey instrument was developed based on a quantitative measures total number of questions 32. For the descriptive analysis, correlation analysis, and reliability analysis, we used SPSS as the primary tool. The CFA (confirmatory factor analysis) and SEM (structure equation model) AMOS are used as tools.

4. Data Analysis and Results

This portion of the study will run several tests in SPSS, which is reliability analysis for reliance on instruments used in data collection. Correlation analysis is used to analyze the relationship between the variables. Descriptive analysis is used to analyze the descriptive statistics and structural information about data. Furthermore, linear regression analysis is tested to know the impact of independent variables on the dependent variable.

4.1. Reliability Analysis

The reliability is checked through Cronbach alpha reliability. The value of Cronbach alpha value should be higher than 0.7 (Hair, Black, Babin, Anderson, & Tatham, 2009). The first results indicate that company reputation reliability is .703, which is above .7, so it is acceptable. The subsequent reliability of service quality is .704, which is above standards, so it is acceptable. However, the reliability value of security and privacy policies is .548, which is below the .7. According to (J.-C. Wang & Chang, 2013), it is considered moderate reliability and acceptable to report. Next, the Cronbach's alpha reliability of web design is .465, which is below .7 and consider as low reliability and acceptable to report (J.-C. Wang & Chang, 2013).

ISSN 2076-9202

Furthermore, the reliability of relationship commitment is .644, which is close to .7, so it is considered an acceptable value for reporting, and the number of items is three. Now moving forward, the reliability of online trust is .6 74, which is also near to .7, so it is acceptable, and the numbers of items are six. The reliability of repeat purchase intention is .625, which is an acceptable value and three items. All the results of the reliability analysis are given in below table 1.

Table 1: Reliability analysis

VARIABLES	Number of items	Cronbach's Alpha
Reputation	2	.703
Service quality	5	.704
Security and privacy policies	5	.548
Web design	4	.465
Relationship commitment	3	.644
Online trust	6	.674
Repeat purchase intention	3	.625

4.2. Correlation analysis

The correlation is used to indicate the information about the relation between dependent and independent variables. Independent variables are independent variables: company reputation, service quality, security and privacy policies, web design, and relationship commitment. While online trust represents an intervening variable, repeat purchase intention is an outcome variable of online trust.

The value of a person's range is between 0.00 (zero correlation) and 1.00 (perfect correlation). The correlation between company reputation and online trust (.293) considers a week correlation and the correlation between service quality and online trust (.387), which is considered a moderate correlation. Similarly, the correlation between security and privacy policies (.485) is strong because it is close to .5. Then the correlation between web design (.343) is considered moderate. Relationship commitment and online trust correlation are (.485) although it is less than .5 but still considered a strong correlation. Lastly, the correlation between repeat purchase and online trust (.422) is moderate. The results are given in Table 2.

Table 2: Correlation

	R	SQ	SPP	WBD	RCM	OT	RPI
R	1						
SQ	.490**						

ISSN 2076-9202

SPP	.342**	.417**	1				
WBD	.332**	.350**	.294**	1			
RCM	.293**	.403**	.340**	.308**	1		
OT	.293**	.387**	.480**	.343**	.485**	1	
RPI	.350**	.366**	.328**	.284**	.422**	.422**	1

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

4.3. CFA analysis

Model is also found fit for further analysis. Table 3 shows the model fit indicators, which are root mean square error of approximation (RMSEA); its value should be less than .08. Tucker-Lewis index (TLI) should be more than .90, Comparative fit index (CFI) should be more than .90, Cmin/df, also known as chi-square/df, should be less than 3 (Hair Jr, Black, Babin, Anderson, & Tatham, 2010). For the present study, Cmin/df value is 1.28, which is less than 3, so it is acceptable. Similarly, the CFI value is .925, which is greater than .9, so it is also acceptable. The TLI and IFI values are greater than .9 (TLI .909 and IFI .922). The RMESA value is .036, which is less than .3, so it is acceptable.

Table 3: CFA analysis

Fit indices	Achieved value	Acceptable value
Cmin/df	1.28	Less than 3
IFI	.922	Above .9
CFI	.925	Above .9
TLI	.909	Above .9
RMSEA	.036	Less than .08

4.4. SEM analysis

SEM (structure equation model) is used to test the hypotheses set forth. If the P-value is significant (less than .05), the hypothesis is accepted, otherwise rejected. Table 4 indicates the results of data analysis using SEM. Company reputation is not significant towards online trust, so the H1 is not supported (Estimate = .083, P = .113). The service quality significantly predicts online trust, and H2 is accepted (Estimate = .230, P = .017). The security and privacy policies are significant and positive predictors of online trust, lending support for H3 (Estimate = .420, P = 0.000). This result also revealed that website design is a significant and positive predictor of online trust, and the H4 is also accepted (Estimate = .256, P = .031). Similarly, the relationship commitment is a significant and positive influencer of online trust, and the H5 is accepted (Estimate = .402, P = 0.000). Finally, the repeat purchase intention is significant and positive towards online trust, and the hypothesis is successfully accepted (Estimate = .960, P = 0.000).

ISSN 2076-9202

Table 4: SEM analysis

IV	DV	Estimate	S.E.	C.R.	P
Service quality	Online trust	.230	.096	2.384	.017
Relationship commitment	Online trust	.402	.097	4.149	***
Security privacy policies	Online trust	.420	.114	3.670	***
Web design	Online trust	.256	.118	2.163	.031
Company reputation	Online trust	.083	.053	1.583	.113
Online trust	Repeat purchase intentions	.960	.229	4.194	***

*** represents a significance level of .000.

5. Discussion

In this study, there are 5 independent variables (company reputation, service quality, security and privacy policies, web design, and relationship commitment). One dependent variable is online trust, and repeat purchase intention is an intervening variable. The findings of this study are in line with existing research (Zaman, Jamil & Kazmi, 2016).

H1 proposed that company reputation positive influence on online trust. This hypothesis was that company reputation negatively influences online trust, so the H1 hypothesis was rejected in contrast to early studies, where it was accepted.

H2 proposed that service quality has a positive influence on online trust. This hypothesis is that service quality positively influences online trust, so the H2 hypothesis was accepted as previously studied.

H3 proposed that security and privacy policy has a positive influence on online trust. Moreover, the result of this hypothesis is that security and privacy policy positively influence online trust, so the H3hypothesis was accepted as in past studies also accepted.

H4 proposed that web design has a positive influence on online trust. Furthermore, the result of this hypothesis is that web design positively influences online trust, so the H4 hypothesis was accepted as in past studies.

H5 proposed that relationship commitment has a positive influence on online trust. Moreover, the result of this hypothesis is that relationship commitment positively influences online trust, so the H5 hypothesis was accepted as in past studies.

H6 proposed that online trust has a positive influence on repeat purchase intentions in the offline market. Furthermore, the result of this hypothesis is that repeat purchase has a positive influence on online trust, so the H6 hypothesis was accepted as in past studies.

ISSN 2076-9202

5.1. Implications for researchers

The most important aspects of the online business are the factors affecting trust. It plays a vital role in the success of any online company. Lack of trust in online settings results in a lack of sales and growth of online businesses. The present study paved the way for future researchers to understand and identify more factors that could influence online trust and repeat purchase. Since the impact of online factors on offline consumer behavior is not widely investigated, it could serve as a stepping stone for researchers.

An exciting finding is the insignificant impact of company reputation on online trust. Although studies in other cultures found a significant influence of company reputation on online trust, these results justify Afghanistan's unique culture and marketplace. Since consumers can physically examine products when making offline buying, they look for other factors like price and product condition. Finally, findings are drawn from the Afghanistan context by identifying five factors of online trust. These results should help future Afghan researchers to advance research on the subject matter.

5.2. Implication for managers

This research is relevant to all those companies that perform their activities over the Internet. It has a variety of online business applications. We expect this research to have a significant impact on developing the e-shopper's trust. Using this study results, managers will learn essential factors contributing to online trust and generate buying behavior.

Based on our results, we recommend the following suggestions. The first company must establish a brand name that must have a unique identity and, at any cost, not lose its reputation. Second, as much as possible, a company should make the website user-friendly and straightforward to use so that the client could connect quickly with a business. Second, the quality of service brings consumers close to the company, which builds trust. It is proposed that service quality is never lower if an organization wants to support its customers.

Finally, it is essential to have an online presence even if you are not selling online. Findings are evident that consumers search for products online and then buy the same products in the offline market.

5.3. Limitations of the study and Future direction

Factors that can affect trust in an online environment could be a new study in the Afghanistan context. An internet buying and selling culture in Afghanistan is at its grass root level. So, the limitations of this study are the following. First, data from university students were collected that may not represent the authentic Afghan culture. Second, the data sample includes 352 respondents with an online shopping experience that is a little bit low; a more significant number of data might represent an accurate picture. Lastly, the security issue always exists in Afghanistan when conducting a study.

Data were collected from university students wherein future can be collect data from others segments of the population. The current study sample size was 352, which is not an accurate representation of the whole population so that the future sample size can be more than that. In the current study, the sample was used, but in future random sampling, it can be used in the current study based on the Afghanistan context. In

ISSN 2076-9202

the future, they can conduct a study in other countries.

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DESIGN AND ANALYSIS OF AN IMAGE ENCRYPTION USING DIGITAL SIGNATURE

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ABSTRACT

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In the world today, web is presently going ahead from text information to media information, one of the significant security concerns is the assurance of this multimedia information. Image, which covers the most elevated level of the multimedia information, its security is significant. This can be accomplished by Image encryption. This paper contribution is geared towards securing image transmission using digital signature of the original image by encoding version of original image, the encoding of the images is done using an error control code. The goal of this paper is to develop a system that uses a symmetries method (Encryption and Decryption) for an image and also platform that convert image into string (Alphanumeric Strings). The technique used is digital Signature which enables the recipient of a message to authenticate the sender of a message and verify that the message is intact and it creates new symmetric block encryption schemes. An error control code is determined in real-time on the size of the original image.
Keywords: *Image Encryption, Digital signature, Decryption, Multimedia security*

1.0 INTRODUCTION

With the ever-expanding development of multimedia applications, security is a significant issue in correspondence and capacity of images, and encryption is one the approaches to guarantee security. Image encryption strategies attempt to change over unique image to another image that is difficult to comprehend; to keep the image classified between clients, in other word, it is basic that no one could become more acquainted with the substance without a key for decoding. Besides, extraordinary and solid security in Storage and transmission of computerized images is required in numerous applications, for example, satellite TV, online individual photo collection, clinical imaging frameworks, military image interchanges and classified video gatherings, and so on. So as to satisfy such an assignment, many picture encryption strategies have been proposed. The image encryption calculations can be characterized into three significant gatherings: position stage based calculation, esteem change based calculation and visual change based calculation [1]. With the development of Networks and the rising measure of data that we live with. These days, new systems of data handling are developing so as to advance. The transmission and the capacity of data. The limit of transmission and capacity is developing, however so are the measures of data with which we are managing. It is here, where pressure gets important. While thinking about information pressure, we discover the absolute most significant applications to the fields of multimedia. This is on the grounds that those records contain high measures of data; in that capacity, engineers are scanning for proficient approaches to diminish it. In this task we center on image pressure (Encryption and Decryption). Images that we will pack with our created calculations. In sections three and four we present the lossless and lossy pressure methods from which our calculations have been motivated.

One of the principle objectives of this paper was is to get familiar with Fractal pressure, and fractals as a rule. From that point onward, I felt that it could be intriguing to build up a JPEG calculation, as these days it is one of the most broadly utilized pressure strategies. The objective was to think about those two lossy pressure plans and different lossless pressure methods so as to get a worldwide vision of the subject. Individuals intrigued by the subject can get a first thought of the pressure accomplished when utilizing every last one of the pressure plans and arrive at resolutions dependent on the relative examination [2]. Different parts, for example, the foundation or the appearance in the mirror are hazy. Lenna is an image with various

ISSN 2076-9202

degrees of difference and brilliance; the brightening originates from various focuses, and we can see this in the cap and her face. The image contains a decent blend of subtleties, and for each one of those reasons, this picture is to a great extent utilized in the realm of picture pressure (www.wikipedia.org/wiki/jpeg). Additionally it is gainful to have a typical picture to pack in established researchers so as to test the calculations. On account of Lenna it is anything but difficult to assess the outcomes and the effectiveness of an allowed calculation since we get the opportunity to contrast the aftereffects of this calculation and the consequences of other significant calculations that has been utilized to pack the very same picture.

2.0 SECURITY ISSUES ON IMAGE

Multimedia security in general is provided by a method or a set of methods used to protect the multimedia content. These techniques are vigorously founded on cryptography and they empower either correspondence security, or protection from theft (Digital Rights Management and watermarking), or both. Correspondence security of computerized pictures and literary advanced media can be cultivated by methods for standard symmetric key cryptography. Such media can be treated as double succession and the entire information can be scrambled utilizing a cryptosystem, for example, Advanced Encryption Standard (AES) or Data Encryption Standard (DES) [3]. By and large, when the interactive media information is static (not an ongoing gushing) it can rewarded as an ordinary double information and the customary Encryption methods can be utilized. Settling on what level of security is required is harder than it looks. To recognize an ideal security level, the expense of the sight and sound Information to be ensured and the expense of the assurance itself are to be thought about cautiously.

2.1 A TECHNIQUE FOR IMAGE ENCRYPTION USING DIGITAL SIGNATURE

In this scheme, according to [4] have proposed a new technique to encrypt an image for secure image transmission using digital signature of the original image is added to the encoded version of original image, the encoding of the images is done using an error control code. An error control code is determined in real-time on the size of the original image. The digital Signature enables the recipient of a message to authenticate the sender of a message and verify that the message is intact. Create new symmetric block encryption schemes. A chaotic map is generalized by introducing parameters and then discredited to a square lattice of points which represent pixels or some other data items. Although the discredited map is a permutation and thus cannot be chaotic, it shares certain properties with its continuous counterpart as long as the number of iterations remains small.

2.1.2 THEORETICAL FRAMEWORK

Multimedia security in general is provided by a method or a set of methods used to protect the multimedia content. These methods are heavily based on cryptography and they enable either communication security, or security against piracy (Digital Rights Management and watermarking), or both. Communication security of digital images and textual digital media can be accomplished by means of standard symmetric key cryptography. In general, when the multimedia data is static (not a real-time streaming) it can treated as a regular binary data and the conventional encryption techniques can be used. Deciding upon what level of

ISSN 2076-9202

security is needed is harder than it looks. To identify an optimal security level, the cost of the multimedia information to be protected and the cost of the protection itself are to be compared carefully.

2.2 REVIEW OF RELATED LITERATURES

This section, examines a portion of the past methodologies used by researchers for image encryption and decryption. Below, we give a concise survey of research studies that have been conducted on image encryption of existing systems.

According to [5], Analyzed Energy Consumption of RC4 and AES Algorithms in Wireless LANs. RC4 and AES encryption calculations execution assessment is made by their exploration. The measurements for such assessment are as per the following: CPU outstanding task at hand, encryption throughput, key size variety and vitality cost. Exploratory outcomes reason that for encoding huge bundles the RC4 is vitality effective and quick. Be that as it may, for a littler parcel size encryption AES was more productive than RC4. Subsequently apparently by utilizing a mix of RC4 and AES we can spare vitality to give encryption to any bundle size.

In [6], proposed an image encryption by a tumultuous neural framework and the feline guide. Disarray procedure was utilized in making the neural systems and J. Procedure for Image Encryption.

According to [7], proposed another exceptionally enhanced picture calculation utilizing stage and replacement strategies. It was done so as to improve the pseudorandom qualities of tumultuous groupings, a streamlined treatment and a cross-testing removal is utilized K. Method for Image Encryption utilizing confusion procedure.

In [8], proposed a calculation utilizing two riotous frameworks. One riotous framework creates a confused grouping, which was changed into a double stream utilizing a limit work. The other disordered framework was utilized to develop a change grid. . Initially, utilizing the twofold stream as a key stream, haphazardly the pixel estimations of the pictures was altered. At that point, the adjusted image was scrambled again by stage lattice.

As indicated by [9], Proposed a made sure about cryptographic change (encryption or unscrambling) of one fixed length gathering of bits called a square is the main capacity performs by square figure. To safely change measures of information bigger than a square it is expected to over and over apply figure's single-square activity. The technique of applying this activity is portrayed by method of activity calculation.

In [10], introduced another method to encode a picture for secure picture transmission. The advanced mark of the first picture is added to the encoded rendition of the first picture. Picture encoding is finished by utilizing a fitting mistake control code, for example, a Bose-Chaudhuri Hochquenghem (BCH) code. At the beneficiary end, after the unscrambling of the picture, the advanced mark can be utilized to confirm the credibility of the picture.

According to [11], proposed an algorithm which performs both lossless pressure and encryption of double and dim scale pictures. The pressure and encryption plans depend on SCAN designs created by the SCAN approach. The SCAN is a conventional language-based two-dimensional spatial-getting to procedure which can effectively determine and produce a wide scope of filtering ways or space filling bends.

In [12], proposed an effective mirror-like picture encryption calculation. In light of a double arrangement

ISSN 2076-9202

created from a turbulent framework, a picture is mixed by the calculation. This calculation comprises of 7 stages. Step-1 decides a 1-D disordered framework and its underlying point x (0) and sets k = 0. Step-2 produces the disorderly succession from the turbulent framework. Step-3 produces parallel arrangement from disordered framework. Steps-4,5,6, and 7 modify picture pixels utilizing trade work as indicated by the double succession.

According to [13], presents a presentation assessment of chose symmetric encryption calculations on power utilization for remote gadgets in their paper named "Assessing the Effects of Cryptography Algorithms on power utilization for remote gadgets." following focuses are closed by him from his trial result. 1) If parcel size is changing with or without transmission of information utilizing different WLANs conventions and various designs. It was finished up structure the outcome that Blowfish and AES has preferable execution over other basic encryption calculations utilized, trailed by RC6. Worm gaps are available in the security system of DES and 3DES; Blowfish and AES don't have such worm gaps any up until now.

In [14], proposed another image encryption plot dependent on a tumultuous framework. In their strategy, a capricious disordered succession is produced. It is utilized to make a double succession once more. As per the double grouping, a picture's pixels are modified. This calculation has four stages. Step-1 0064zAetermines a confused framework and its underlying point x (0), line size M and segment size Not the image f, iteration number no, and constants Į,ù, and µ used to decide the revolution number. Step-2 produces the disordered grouping from the disorganized framework. Step-3 produces the twofold grouping. Step-4 incorporates unique capacities to adjust picture pixels.

3.0 ANALYSIS OF THE PROPOSED WORK

System analysis is a procedure of social affair and deciphering realities, diagnosing issues and the data to suggest enhancements for the framework. It is a critical thinking action that requires serious correspondence between the framework clients and framework engineers. When partners have been perceived, the social event and investigation of the necessities can start. Necessity gathering must be identified with business needs or openings. Prerequisite examination includes catching necessities and investigating prerequisites. Catching necessities is speaking with partners to concur on what the prerequisites are. Examining necessities is utilizing standard devices to create a gauge of the prerequisites. Once the stakeholders concur on the requirements, the baseline is created and becomes the formal requirement source. Within this analysis phase, the analyst is discovering and fact finding. Along with meeting with stakeholders, the analyst must meet with end users to understand what the user's needs are and to learn about problems that affect the current system in order to assist with designing a new and more efficient system. There are several activities that must occur within the analysis phase:

1. Gather Information
2. Define the new system's requirements
3. Build prototypes for the new system
4. Prioritize requirements
5. Evaluate alternatives
6. Meet with management to discuss new options

ISSN 2076-9202

3.1 DESIGN OF THE PROPOSED SYSTEM

A web base application designed and developed with python flask framework, that convert digital image into alphanumeric string and send through network (Localhost/Hosted). Images are not recognized by the user. This paper aimed at providing high security for the digital images data and keeping them from spying. It also aims at getting encryption algorithm accuracy and safety features and maintaining the images data from loss when decryption process. Image encryption is one of the most important applications in transferring images through the internet and cellular phones. The design and implement of this system has the following objectives:

1. To develop a system that uses a symmetries method (Encryption and Decryption) for an image
2. To develop a platform that convert image into string (Alphanumeric Strings)
3. To develop web based application to perform above listed objective

3.2 PROCESS DESIGN

The process of the system functionality can be presented in several ways. However, for the purpose of this paper, the researcher made use of system structure chart (flow chart) and the Data flow diagram to depict the process design.

Data flow diagram: The DFD is a graphical representation of a system that shows the inputs to the system, the processing upon the inputs, the outputs of the system as well as the internal data stores. Rumbaugh et al. defined DFD as, “A data flow diagram is a graph which shows the flow of data values from their sources in objects through processes that transform them to their destinations on other objects.”

ISSN 2076-9202

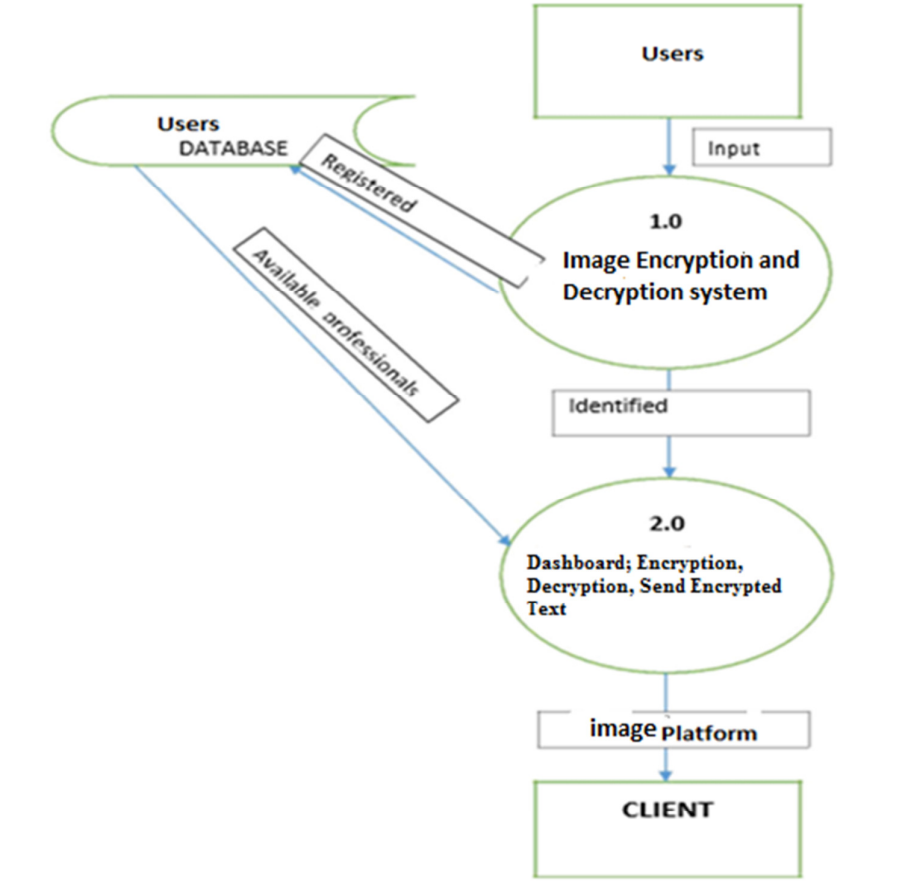


Figure 3: Structure of proposed system

4.0 SYSTEM IMPLEMENTATION

System implementation has to deal with the development and deployment of a new system that has been built to solve a particular need. The process of implementation has a lot of activities that precede the eventual deployment of the new system. It starts with coding, site preparation, testing of the system both by the developer and the intending users, debugging, training, cut over strategy specification, system maintenance and system documentation. System implementation describes how the different parts of the system are interacting with each other to give us a feasible software solution. Proper implementation is essential to provide a reliable system to meet organizational requirements and user need.

Below shows the screen shots of the proposed systems.

ISSN 2076-9202

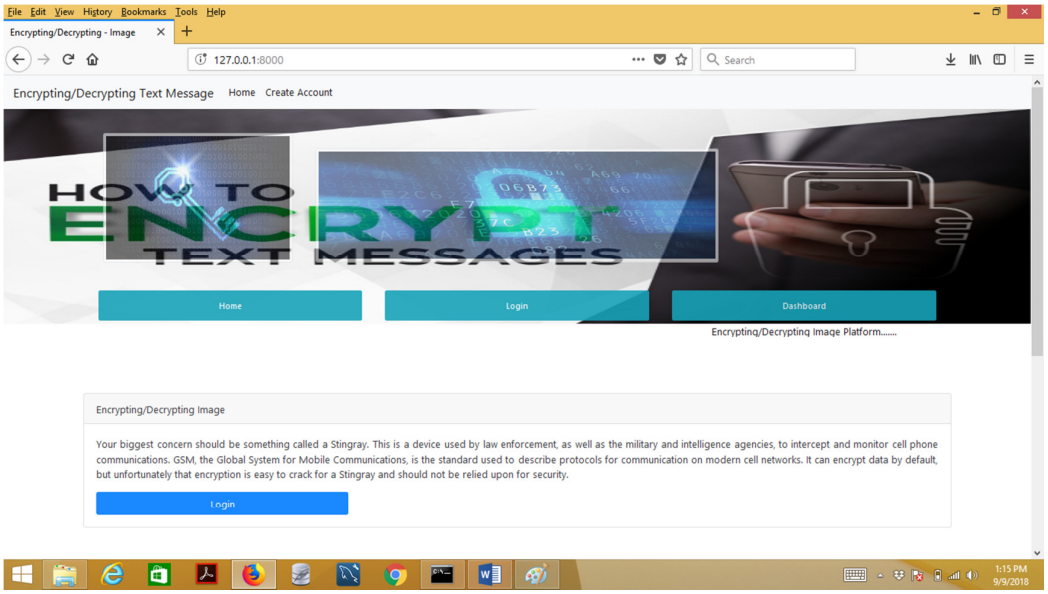


Figure 4.0: input form implementation

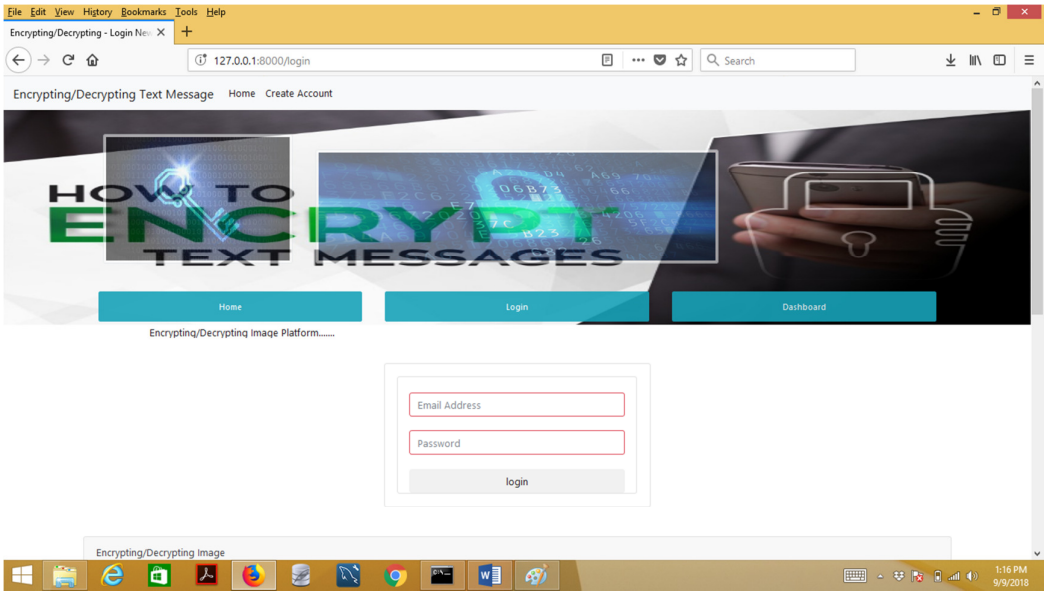


Figure 4.1: Login input form implementation

ISSN 2076-9202

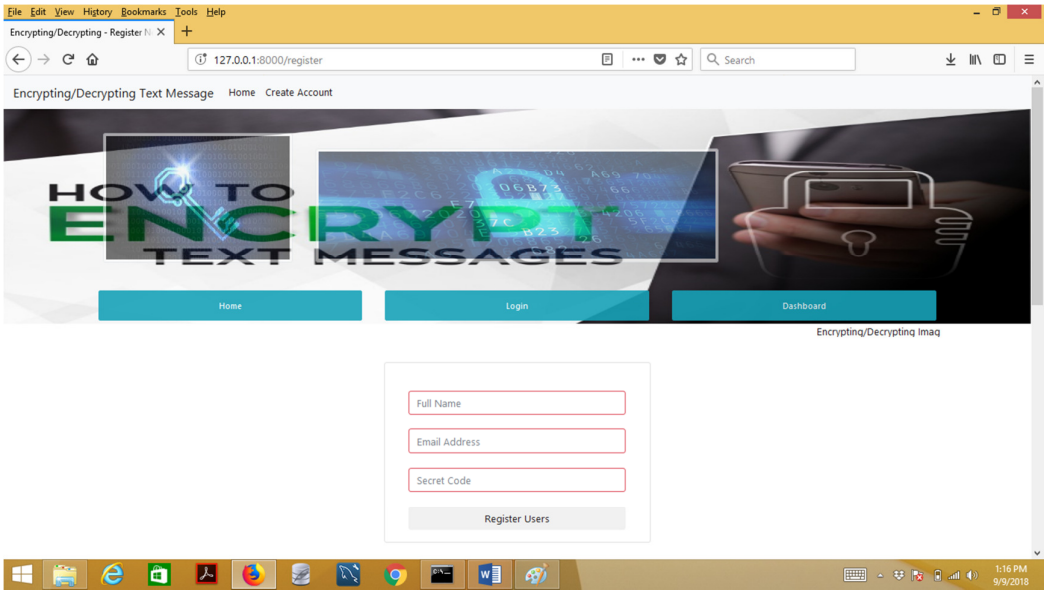


Figure 4.2: Register input form implementation

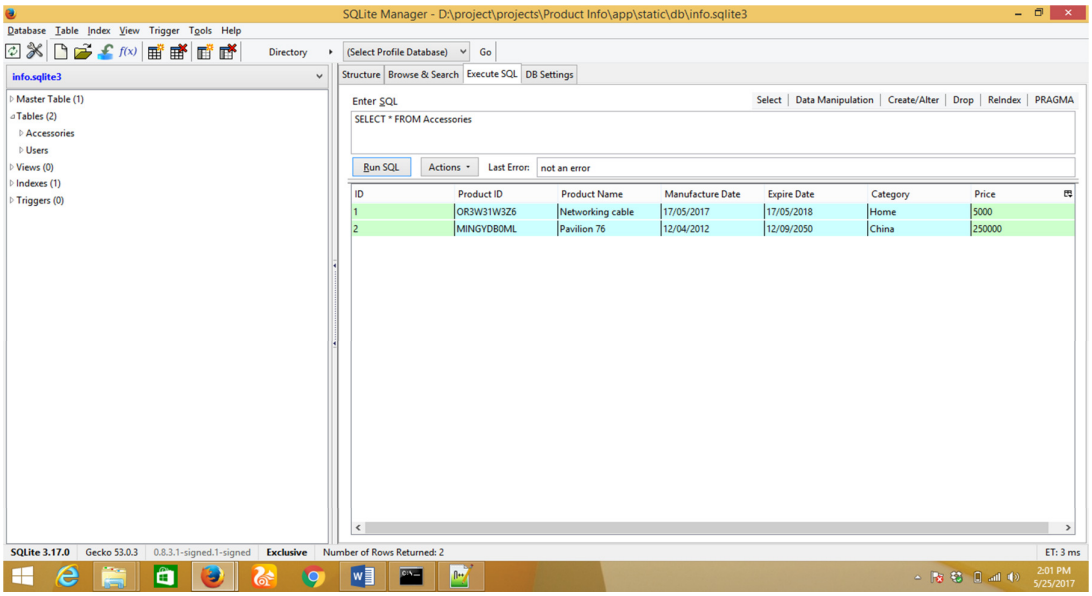


Figure 4.3: Database implementation

ISSN 2076-9202

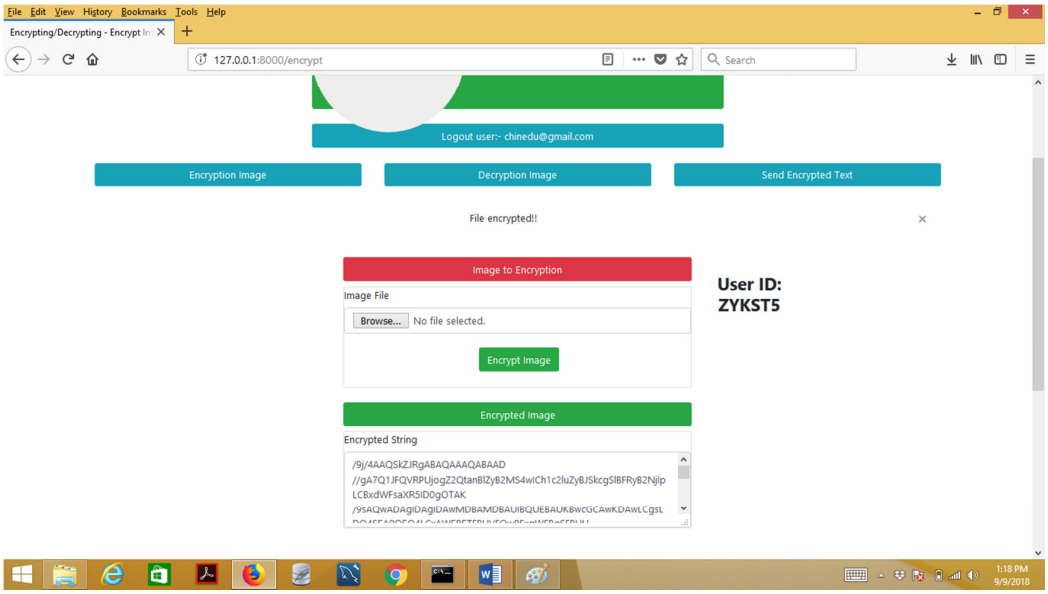


Figure 4.4: Image Encryption (Dashboard)

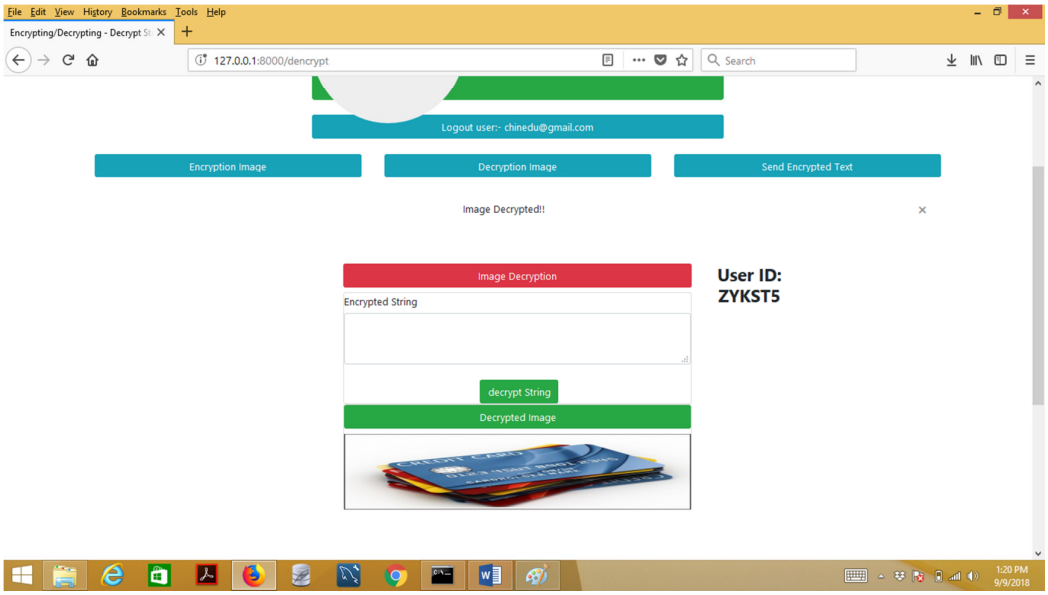


Figure 4.5: Image Decryption

ISSN 2076-9202

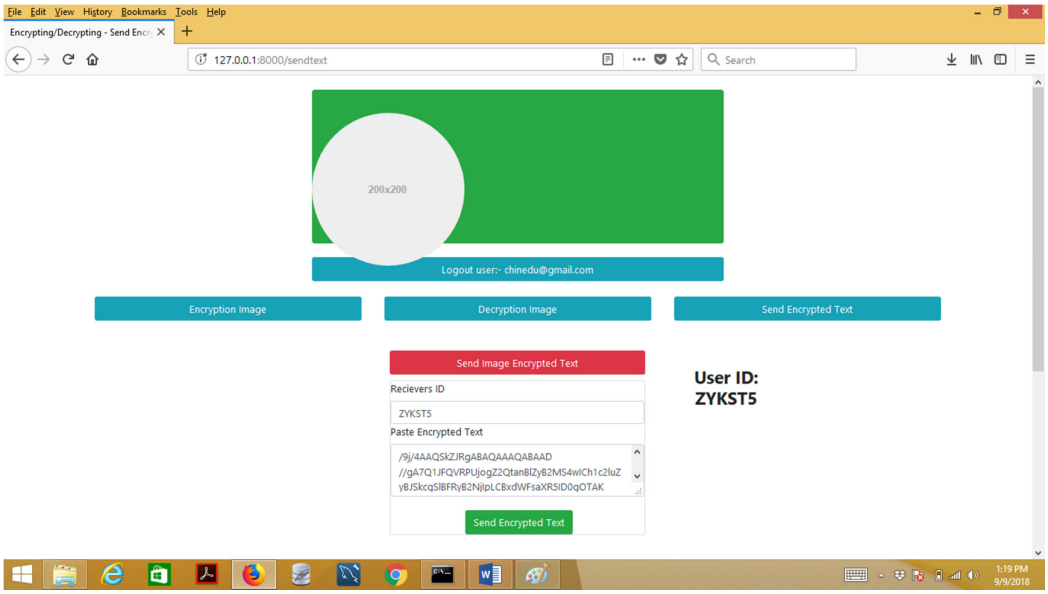


Figure 4.5: Send Encrypted Image

4.2 RESULT AND DOCUMENTATION

This paper focuses on design and implementation of web based application that runs on browser. Image encryption and decryption platform uses the platform to encrypt into string and send as email to users. This comprises of the documentation of how the system can be used. Below is a step by step procedure for the installation of Python flask, which was used for the development of the system. It also explains how to run the program. In other to install the Python flask, the following steps are to be followed

1. First download Python open source flask framework from here. Setup is around 3 GB.
2. Mount .msi file (if downloaded)
3. Click on executable file to start the installation.
4. Read the license terms and privacy policy and accept them by selecting the checkbox in front of them. Click on “Next” button.
5. Select the features you want to install then click on “INSTALL” button to start the installation. Setup will create system restore point first before installing Flask Dependencies using PHP components.
6. Once it’s done, setup will start acquiring the required components to install and will start Installing core features. It will take few minutes to install it. You may require to restart your system (for once ONLY) in between the setup.
7. Once it Finishes the setup, you will see the success screen
8. Click on “Restart Now” button to restart your system. After restarting your system, you are now ready to use your Python flask.
9. Start the server on the command line Python filename.py

5.0 CONCLUSION

In conclusion, this paper was tested in using different operating system. It is a cross platform development.

ISSN 2076-9202

It is executed on browser with port 8000 and 127.0.0.1 and on any other system connected to a server through its IP addresses of the serving machine. Use system encrypt and decrypt image file and sending of files. The image encryption and decryption algorithm is designed and implemented to provide Confidentiality and security in transmission of the image based data as well as in storage. The scheme presented in this paper has a simple implementation module. The proposed encryption algorithm can ensure multiple criteria such as lossless, maximum distortion, maximum performance and maximum speed. The proposed encryption method in this paper has been tested on different format images and showed good results. Future work will be focused on the development of this algorithm to get exactly errors equal to zero.

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EMOTIONAL LABOUR AND BURNOUT SYNDROME AMONG NIGERIAN POLITICIANS

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Abstract
The manner in which politicians express their emotions while interacting with the electorates determines how the electorates will perceive the ability of the politicians to fulfill their electoral promises if voted into power. This paper aims to investigate the relationship between politicians' emotional labour and burnout syndrome. The sample consists of 400 politicians spread around Four (4) Local Government Areas in Delta State, namely: Aniocha North, Aniocha South, Oshimili North, and Oshimili South Local Government Area of Delta State, Nigeria, irrespective of their political party affiliations. Emotional Labour Scale developed by Diefendorff, Croyle, and Gosserand (2005), and the Maslach Burnout Inventory developed by Maslach and Jackson (1986) were used to collect data from the respondents. Data analysis was done using descriptive statistics, t-tests, Analysis of Variance (ANOVA) and regression analysis. Results indicate that the politicians exhibit a high level of surface acting in the discharge of their responsibilities. It also revealed that they show the least amount of genuine emotions in their work, while the level of deep acting is moderate. In terms of burnout, politicians experience a very high level of emotional exhaustion, a moderate level of both depersonalization and lack of personal accomplishment. Results of the regression analysis show that the three dimensions of emotional labour (surface acting, deep acting and genuine emotions) are very important predictors of burnout among politicians. Consequently, this present results offer a very crucial and innovative contribution to emotional labour literature and more studies are therefore required in order to expand the scope of this research to ensure a more adequate generalization.

Keywords: Burnout; emotional labour; politicians; emotional exhaustion; depersonalization; personal accomplishment

Introduction

Research has shown that what determines how the customer will perceive the quality of the organizations' services is the manner in which service employees express their emotions when having a face to face interaction with their customers (Pugh, 2001). Interestingly, emotional labour is not specifically meant for the enjoyment of customers or clients, what is important are for the employing organization to benefit from

ISSN 2076-9202

it. For example, those who work as bill collectors or in law enforcement may find that an angry demeanor results in the best "customer" response (Hochschild, 1983). Considering the fact, that most times, organizationally desired emotion may be different from the emotion of the individual employee, there is need therefore on the part of the service employee to attune his emotions in order to align with the organisations' desired emotions. This effort on the part of the service employee is what has been conceptualized as emotional labour.

So many studies have been done Emotional labour literature, for instance: emotional labour and teachers (Brackett, Palomera, Mojsa-Kaja, Reyes, & Salovey, 2010; Beilock, Gunderson, Ramirez, & Levine, 2010; Chen, 2016); emotional labour and medical workers (Sawbridge, & Hewison , 2016; Gray, & Smith, 2009); emotional labour and policemen (Bhowmick, & Mulla, 2016); Rafaeli & Sutton, 1991; Brown & Campbell, 1990). Moreso, several authors have investigated the relationship between emotional labour and burnout in the tourism and hospitality industry, for example Chen, Sun, Lam, Hu, Huo, & Zhong, 2012; Kim, 2008; Tepeci, & Pala, 2016). From the review of literature on emotional labour and burnout, there is no study that we know that has investigated the relationship between emotional labour and burnout among politicians. This study is designed specifically to fill that gap. The aim of this paper, therefore, is to investigate the relationship between emotional labour and burnout syndrome among Nigerian politicians.

Literature Review

Political parties

Political parties as we know are also classified as organizations since they have the attributes of an organization. Based on Hochschild's definition, emotional labour relates so much to organizationally desired behaviour. And since politicians work for their political parties, they tend to act and display the emotions that relate with their parties' display rules even though it is not in tandem with their own emotions. Secondly, it relates to getting paid for it because according to Callahan and McCollum (2002) emotional work is appropriate for situations in which an individual personally chooses to manage his emotions for his or her own financial benefits. Lee, An, and Noh (2015) posit that emotional labour is appropriate only when emotion work is exchanged for a valuable consideration, such as a wage or any other type of reward. Another way of looking at it is the case of politicians who campaign for their candidates for electoral positions. Most times the promises they make are political promises and they give the electorates the impression that their candidates will fulfill those promises. According to Benmerikhi (2014) good politicians are those who lie, and the best amongst them are those who lie with conviction. Here conviction comes from a well practiced or an incredible ability to circumvent real problems and gold plate situations. Politicians are well known and acknowledged for their rhetoric, as in speeches or campaign advertisements. According to Charteris-Black (2005) they are better known for using common themes that allow them to develop their political positions in terms familiar to the voters. Many people have had to criticise politicians for being out of touch with the public. Areas of friction include the manner in which politicians speak, which has been described as being overly formal and filled with many euphemistic and metaphorical expressions and commonly perceived as an attempt to "obscure, mislead, and confuse the electorates.

Most at times, they know within themselves that those promises are mere political promises. Our concern therefore is to investigate whether politicians, as individuals with emotions, do they feel any of the negative

ISSN 2076-9202

consequences of emotional labour.

Emotional labour

According to Hochschild (1983, p. 7) emotional labour is the act of whereby "employees regulate their emotions for a wage consideration". The term "emotional labour" is appropriate only when emotional work is exchanged for something, such as wages or some other type of valued compensation (Jeung, Kim, & Chang, 2018, p. 187). In other words, it relates to getting remuneration for it because according to Callahan and McCollum (2002) emotional work is appropriate for situations in which an individual personally chooses to regulate his emotions for som financial benefits. Emotional labour is generally defined as the act of expressing organizationally desired emotions during service interactions (Ashforth, & Humphrey, 1993; Chu, & Murrmann, 2006). In fact the former focused their own definition directly on behaviour rather than its underlying emotions. Hochschild (2003) argue that there exist two types of rules that govern the display of emotions: the rules of expression and the emotional rules. The former has to do with the emotions that must be publicly expressed through behaviour, while the latter has to do with these behaviours that are truly experienced internally by the individual.

In other words, Hochschild (1983) is saying that there are two components of emotional labour: surface acting and deep acting. Surface acting is where employees pretend to feel the emotions they do not feel by using facial expressions, gestures, tones, and mimics, thereby acting to the desired organizational display rules. According to Basim and Begenirbas (2012) surface acting implies that employees are pretentious since they do not portray, through their body language and facial expression, what they feel. On the other hand, deep acting occurs when an employee genuinely tries to feel organizationally desired emotions (Ashforth & Humphrey, 1993). It includes efforts to change employees' inner feelings in order to feel expected emotions. The implication is that the individual tries to change how he or she feels internally in the hope that you can authentically display more positive emotions. According to Rupp, McCance, Spencer, and Sonntag, (2008) one way in which an individual can do this effectively is through empathy. Finally, sometimes employees' emotions and organizationally desired behaviour are the same at that particular point in time. This is referred to as genuine acting and the employee expresses that emotion spontaneously without making any effort to modify or alter that emotion (Degirmenci-Oz & Baykal, 2018; Humphrey, Ashforth, & Diefendorff, 2015). In fact, Diefendorff et al. (2005) posits that employees from a diverse range of industrial organizations express genuine emotions during some of their service encounters.

Burnout

Merriam Webster's Collegiate Dictionary defines burnout as 'exhaustion of physical or emotional strength or motivation usually as a result of prolonged stress or frustration. Burnout is also defined as a physical, emotional and mental state observed in people in constant face-to-face interaction with other people, which have to do with physical fatigue, long-term exhaustion, desperateness, hopelessness, as well as a feeling of inadequacy and negative feelings towards oneself and others (Maslach & Jackson, 1981). They went on to say that burnout is a common emotional exhaustion and cynicism syndrome widely seen among individuals employed in jobs requiring continuous face to face interaction with people.

Maslach, Jackson and Leiter (1997) classified burnout into three components: emotional exhaustion, depersonalization, and lack of personal accomplishment. Emotional exhaustion is the most fundamental

ISSN 2076-9202

dimension of burnout syndrome (Maslach, & Jackson, 1981). It describes situations of physical and emotional fatigue resulting from lack of energy in individuals who interact intensely with people and the feeling that their emotional resources are exhausted because of excessive psychological demands (Lee, & Shin, 2005). Emotionally exhausted employees feel they cannot focus on their jobs anymore and it gives them a sense of hopelessness. Depersonalization emerges as a consequence of emotional exhaustion. In this process, employees see customers and colleagues as nothing more than objects and display a calm, reckless, and sarcastic attitude toward them (Halbesleben & Buckley, 2004). Lack of personal accomplishment refers to the loss of self-sufficiency and self appreciation at work (Zhang & Zhu, 2008). Additionally, it indicates a low motivation, lack of control, despair, and even loss of self-respect (Maslach & Jackson, 1981).

Relationship between Emotional Labour and Burnout

From the review of the literature there are many studies of the relationships between emotional labour and burnout, for example (Erickson & Ritter, 2001; Hochschild, 1983; Morris & Feldman, 1996). So many studies have been done in areas such as emotional labour and teachers, for example Chang, 2009; Hargreaves, 2000; Isenbarger & Zembylas, 2006; Lois, 2006; Naring, Briet, & Brouwers, 2007; Noor & Zainuddin, 2011; Sutton & Wheatley, 2003; Zhang & Zhu, 2008); Furthermore, studies have also been done on the relationship between emotional labour **and** burnout among healthcare professionals , for instance: Fahrenkopf et al., 2008; Linzer et al., 2001; Shanafelt, Bradley, Wipf, & Back, 2002; Tunc et al., 2014; Golfenshtein & Drach-Zahavy, 2015; Chapman, 2018; Grandey & Sayre 2019; Degirmenci-Oz & Baykal (2018).

In addition, studies have been done on the relationship between emotional labour and burnout among policemen for instance, Schaible, & Gecas, 2010). However, there is no study that we know that has investigated the relationship between emotional labour and burnout among politicians. Many people now view politics as a profession. Also, political parties are viewed as possessing all the attributes of an organization and so, they have display rules in which members are required to exhibit when interacting with their customers, in this case, the electorates. Finally, there is a valid consideration for regulating their emotions based on their political parties' display rules. In this context, the purpose of this research is to investigate the relationship between emotional labour and burnout among politicians. Therefore, we have posed the following three research questions:

1. What is the level of emotional labour that is practiced by politicians?
2. What is the level of burnout that is experienced by politicians in the performance of emotional labour?
3. Does the emotional labour of politicians predict their level of burnout?

Research Methodology

This study used the Survey research method in order to determine the relationship between politicians' emotional labour and the level of their burnout. The study targeted 400 politicians spread around four (4) Local Government Areas in Delta State, namely: Aniocha North, Aniocha South, Oshimili North, and Oshimili South Local Government Areas, without any particular interest in political party affiliations. 400 questionnaires were conveniently administered to the targeted politicians, out of which only 315 were returned. A careful examination of the returned questionnaires revealed that 65 were not properly completed,

ISSN 2076-9202

hence they were discarded. Only 250 were certified useful for data analysis.

This research work made use of the Emotional Labour scale that was developed by Diefendorff, Croyle, and Gosserand (2005). The Scale consists of 13 Likert-type items used to determine politicians' emotional labour level. For the purpose of proper analysis, the scale is further decomposed into three dimensions: surface acting, deep acting, and genuinely felt emotions. Scale items are scored from "I never" (1) to I always" (5). As a result of the explanatory factor analysis, factor loading values of the scale were reported to be 0.53-0.81, 0.72- 0.88, and 0.82- 0.89 for surface acting, deep acting, and for genuinely felt emotions respectively.

The three dimensions of emotional labour (Surface acting, deep acting and genuine acting) explain 34.09 percent, 20.99 percent, and 11.47 percent, respectively of the total variance. The 13- item structure (grouped under three factors), were further subjected to confirmatory factor analysis, (CFA) which was used to calculate chi-square (χ^2) statistical significance levels (χ^2/SD=4.32). It is used to test whether measures of a construct are consistent with a researchers understanding of the nature of the construct. The objective is to test whether the data fit a hypothesized measurement model. It was considered ideal for the specified model. Furthermore, the following indices were utilized: Goodness of Fit Index (GFI) which is 0.96; Adjusted Goodness of Fit Index (AGFI) is 0.93. It should be noted that the standard value for GFI and AGFI, according to Hu and Bentler (1999), is 0.90 and above. The Root Mean Square Error of Approximation (RMSEA) is 0.054. RMSEA is an absolute fit index and the value ranges between 0 and 1. A smaller value indicates a better fit and a value of 0.06 or less indicates an acceptable fit (Joreskog, & Sorbom, 1993). Confirmatory Factor Index (CFI) is 0.92). CFI is an incremental fit that compares the fit of a hypothesized model with that of a baseline model. According to Hu and Bentler (1999) a CFI value of 0.95 or above is presently accepted as an indicator of good fit. Cronbach's Alpha coefficient was used to examine the reliability of the scale, which was calculated to be 0.81 for surface acting, 0.75 for deep acting, and 0.87 for genuinely felt emotions.

The Maslach Burnout Inventory (MBI-HSS) was the research instrument used in generating responses from the respondent based on burnout variable. This is the original and the most commonly used version of the MBI. It is considered appropriate for individuals working in a diverse array of occupations, including nurses, physicians, teachers, social workers, police, clergy and correctional officers etc. Maslach Burnout Inventory is an introspective psychological inventory consisting of 22 Likert type items relating to occupational burnout which is used to assess an individual's the level of burnout. The scale measures three dimensions of burnout: Emotional exhaustion (9 items); depersonalization (5 items); and reduced sense of personal accomplishment (8 items). It takes about 10 minutes to complete and can be administered to individuals or groups. Scale items are scored from 1 ("I never") to 4 ("I always"). Items under the personal accomplishment dimension are scored in a reversed order. The following standard scores were given: Scores less than 0.80 signifies a very low level of burnout, Scores between 0.80 and 1.59 signifies low level of burnout, scores from 1.60 to 2.39 signifies moderate burnout level, scores from 2.40 to 3.19 signifies high level of burnout, while scores from 3.20 to 4.00 signifies a very high level of burnout. Cronbach's Alpha reliability coefficients were found to be 0.82, 0.76 and 0.79, respectively, for emotional exhaustion, depersonalization, and personal accomplishment dimensions of burnout.

ISSN 2076-9202

Analysis of Data

Descriptive analysis was used to determine the politicians' emotional labour and burnout levels, t-test for dual comparisons, and one-way analysis of variance (ANOVA) for comparisons with the three dimensions. Honesty Significant Difference (Tukey) test was used to determine if the relationship between the dependent and independent variables is statistically significant. In other words, to check whether there is a strong chance that an observed numerical change in the independent variable will lead to a significant change in the dependent variable. Multiple regression analysis was used to determine whether politicians' emotional labour predicts burnout level in a significant manner. According to Buyukozturk (2005) a correlation coefficient value that is above 0.70 denotes a high level of relationship, a value between 0.30 to 0.69 signifies a moderate level of relationship, while a value below 0.30 is classified as a low level of relationship.

Results

This section primarily reveals findings regarding the participants' emotional labour and burnout levels. Then, it tries to determine to what extent the emotional labour has predicted their burnout level. Out of 250 valid questionnaires that were returned, 89 respondents representing 35.6 percent of the respondents are female (n=89), and 161 representing 64.4 percent are male (n=161); The number of years of playing active politics ranged between 5 and 25 years. Politicians with less than 10 years of service represents 36 percent (n=90), for 10–19 years, 42 percent (n=105), and for 20 years or more of service, 22 percent (n=55).

Politicians exhibited the highest level of surface acting with a mean (M) of 4.52 and a standard deviation (SD) of 0.95. Their level of deep acting show a mean (M) of 3.71, with a standard deviation (SD) of 0.92; and the show of genuine emotions has a mean (M) of 3.16, and a standard deviation (SD) of 0.72. The analysis of the three burnout variables used in this study shows that the sampled politicians possess a high level emotional exhaustion with a mean (M) of 3.21, and a standard deviation (SD) of 0.28. Personal accomplishment dimension of burnout has a mean (M) of 2.56, with a standard deviation of (SD) of 0.63, while depersonalization dimension has a mean (M) of 2.43, with a standard deviation (SD) of 0.77. The politicians' level of burnout is high for both emotional exhaustion and personal accomplishment dimensions, but moderate for depersonalization dimensions.

From table 1, we observed that there is a significant and positive relationship between emotional exhaustion and surface acting dimension of emotional labour ($r = 0.37$). This totally supports the work of Lv, Xu, & Ji, 2012; Newnham, 2017; and Choi, & Kim, 2014. In addition, there is a significant negative relationship emotional exhaustion and with genuinely felt emotions ($r = -0.23$). This is not in line with most work in the extant literature, (for example, Tepeci, & Pala, 2016). Furthermore, we could see that there exist a significant positive relationship between emotional exhaustion and deep acting ($r = 0.21$). Generally, it should be noted that the three dimensions of emotional labour indicate a statistical significant relationship with politicians' level of emotional exhaustion ($R=0.36$, $p\leq0.01$).

ISSN 2076-9202

Table 1: Multiple Regression Analysis Results for Prediction of the level of Emotional Exhaustion

	β	SE	B	T	P	Zero Order	Partial
Constant	1.972	0.240	-	6.262	0.000	-	-
Surface acting	0.148	0.016	0.421	5.323	0.000	0.37	0.28
Deep acting	0.017	0.048	0.018	0.191	0.05	0.21	0.13
Genuine Emotion	-0.076	0.058	-0.139	-1.525	0.08	-0.23	-0.14

R=0.36; R^2=0.19 $F_{(3–206)}$ =14.05, p=0.00

Based on the standardized regression coefficient (β), the relative order of importance of predicting variables on politicians' emotional exhaustion are genuine emotions, deep acting, and surface acting. Having examined the results of t-tests regarding the significance of regression coefficients, the three dimensions of emotional labour have been seen as important predictors of the emotional exhaustion of politicians. All dimensions of emotional labor explain 19 percent of emotional exhaustion levels of politicians. Based on the obtained findings, the regression equation of emotional exhaustion is as follows:

EE = 1.972 + 0.148SA - 0.017DA - 0.076GE.

Note: EE=Emotional exhaustion; SA=Surface acting; DA=Deep acting; GE=Genuine emotions

Table 2 gives the results of the multiple regression analysis conducted to see whether the emotional labour of politicians predicts the level of their depersonalization.

Table 2: Multiple Regression Analysis Results for Prediction of the level of Depersonalisation

	β	SE	B	T	p	Zero Order	Partial
Constant	1.585	0.138	-	4.137	0.000	-	-
Surface acting	0.214	0.144	0.312	4.424	0.000	0.37	0.28
Deep	0.091	0.061	0.118	0.169	0.05	0.21	0.19

ISSN 2076-9202

acting							
Genuine Emotion	-0.147	0.128	-0.117	-1.444	0.17	-0.19	-0.16

R=0.39; R^2=0.21 $F_{(3-206)}$ =24.10, p=0.00

From the analysis in table 2, we can deduce that there is a significant and positive relationship between depersonalization and surface acting (r = 0.28). Also, the relationship between depersonalisation and deep acting is positive and statistically significant at (r = 0.21). However, the relationship between genuinely depersonalization and genuinely felt emotion is negative, albeit, not statistically significant (r = -0.19). Two dimensions of emotional labour have a moderate and significant relationship with depersonalization levels of politicians (r=0.39, p<0.01). It is therefore correct to say that surface acting and deep acting is predictors of depersonalization dimension of burnout. 21 percent of the depersonalization level of politicians is explained by the three dimensions of emotional labour.

Therefore, the regression line of depersonalization is as follows:

DP = 1.585 + 0.214SA + 0.091DA – 0.147GE

Note: DP = depersonalization; SA=Surface acting; DA=Deep acting; GE=Genuine emotions

Table 3 gives the results of the multiple regression analysis conducted to see whether the emotional labor of teachers predicts their personal accomplishment level.

Table 3: Multiple Regression Analysis for the Prediction of the level of Personal Accomplishment

	β	SE	β	T	p	Zero Order	Partial
Constant	2.021	0.113	-	5.105	0.000	-	-
Surface acting	0.144	0.169	0.304	3.212	0.000	0.27	0.19
Deep acting	-0.142	0.045	0.128	0.077	0.05	-0.21	-0.16
Genuine Emotion	-0.114	0.123	-0.212	-1.212	0.07	-0.29	-0.18

R=0.34; R^2=0.21 $F_{(3-206)}$ =22.04, p=0.00

From table 3, we notice that there is a significant and positive relationship between personal accomplishment and surface acting (r = 0.27). Furthermore, there is a negative and significant relationship

ISSN 2076-9202

between personal accomplishment and surface acting and genuine acting at (r = -0.21) and r = -0.29) respectively. However, personal accomplishment and genuine acting is more significant than personal accomplishment and deep acting. The three dimensions of emotional labour prove a moderate and significant relationship with politicians' personal accomplishment levels ($R=0.34$, $p<0.01$). From the t-test of the regression coefficients, the three dimensions of emotional labour are clear predictors of politicians' personal accomplishment. 21 percent explain the variations in personal accomplishment levels of politician. Based on the obtained findings, the regression equation of personal accomplishment is as follows:

PA = 2.021 + 0.144SA - 0.142DA - 0.114GE

Note: PA=Personal accomplishment; SA=Surface acting; DA=Deep acting; GE=Genuine emotions

Discussions of findings

This study is aimed at determining the relationship between emotional labour and burnout among politicians. Burnout is decomposed into three dimensions: emotional exhaustion, depersonalization and personal accomplishment.

From the data analysis, we discovered that politicians exhibit a high degree of surface acting. They do this for a variety of reasons. The most important of which is to ensure that they win the hearts of the electorate, thereby making the electorate to vote for them, their candidate or their political party. Only a negligible percentage of them engage in deep acting and genuine emotions. This discovering is not in consonance with most other studies based on other professions like nurses, teachers and the police (Begenirbas, & Meydan, 2012; Brotheridge, & Grandey, 2002; Hagenauer, Hascher, & Volet, 2015). Politicians care only for their own self without caring for the masses. When it is time for election, they canvas for votes from the electorate by pretending to have their interest at heart, but immediately after the election, they do not attempt to fulfill even those promises they made before the election.

In terms of burnout, politicians' level of emotional exhaustion and depersonalization is very high. However, the level of personal accomplishment is moderate. This finding overlaps with other research studies in the literature. This result supports Yilmaz (2014) study on teachers and teachers' burnout level in terms of emotional exhaustion, depersonalization and lack of personal accomplishment.

The third objective of this study is to determine whether emotional labour predicts politicians' level of burnout. Multiple regression analysis was utilized for this purpose. The result shows that the three dimensions of emotional labour are good predictors of the three dimensions of burnout. There is a significant and positive relationship between the emotional exhaustion and surface acting dimension of emotional labour, and a significant negative relationship with genuine felt emotions. There is also a positive and moderate relationship between depersonalization and surface acting, yet a negative and low relationship between genuine emotion and burnout of politicians. There is a significant and positive relationship between depersonalization and surface acting. Also, the relationship between depersonalisation and deep acting is positive and statistically significant. However, the relationship between depersonalization and genuinely felt

ISSN 2076-9202

emotion is negative, albeit, not statistically significant. Furthermore, there is a negative and significant relationship between personal accomplishment and surface acting and genuine acting.

Conclusion

This study revealed that surface acting, which is to pretend to be feeling a certain emotion through words and body language, even if not felt at that moment, leads to emotional exhaustion and research have shown that is detrimental to both the individual and the organization that the individual represents. So many studies have indicated the negative effect of surface acting, which apart from emotional exhaustion can also lead to depersonalization as well as lack of personal accomplishment. This study view emotional labour as roles that should be played by politicians as part of their job, since they are doing it for a wage consideration. It is very important for politicians to show genuine emotions by acting what they feel rather than being deceptive just for the purpose of winning elections. This study is limited to the extent to which the scope covers. Further studies are needed to expand the scope beyond four local government areas in the state. When it is done, it will make generalization more worthwhile.

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AUTHENTIC LEADERSHIP EFFECTS ON JOB SATISFACTION AND ORGANIZATIONAL COMMITMENT: MEDIATING ROLE OF LEADER MEMBER EXCHANGE

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ABSTRACT

In today's complex and competitive business environments, dynamic leadership is needed. The need to feel employee's requirements and to maintain good employees is crucial for organizations. Authentic leadership is proposed as the most effective form of leadership. This study examines the impact of Authentic Leadership (AL) on Organizational Commitment (OC) and job satisfaction. It also investigates the mediating role of Leader Member Exchange (LMX) on leader's outcomes. For this investigation the managers, employees and teachers of a leading school system were considered. A total of 230 questionnaires were sent to the respondents in Lahore and Islamabad, and was filled and returned by 220 respondents. The results of factor analysis supported the purposed hypotheses. Results of the study show significant relationship of authentic leadership with organizational commitment and job satisfaction. The mediating role of LMX is also significant. Future research is needed to further explore authentic leadership in more educational institutions with a broader research objectives.

KEYWORDS

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Authentic Leadership, Job Satisfaction, Organizational Commitment, Leader Member Exchange

1. INTRODUCTION

Leadership styles persist as a focus for researchers since decades (Khuwaja et al., 2020). The organizations, since their inception, have been concerned with the quality and styles of leadership for realization of their vision, mission and goals. The organizations have to compete for their enduring presence in a competitive environment. Effective leadership makes the difference between success and failure. The leaders influence others to achieve organizational goals. There has been continuous effort on part of researchers to identify form of leadership with integrity and high moral and ethical standards (Avolio et al., 2004). Such qualities have been identified by Avolio and Gardner (2005) in authentic leadership (AL). Bhindi, Hansen, Rall, Riley, and Smith (2008) have described AL as a "type of leadership where leaders rise to a higher moral and ethical purpose for the betterment of not only their followers, but themselves". Authentic leaders are individuals who perform in accordance to their beliefs and morals in the organization (Anwar et al., 2020).

Term authentic means 'original', 'genuine'. Authentic leaders do not publicize their status as leader. They do what they feel to be true. According to Aristotle, leadership is a eudemonic activity. Authentic leader's conviction, values, and cause are internalized. They are not passive recipient of environmental/social inputs. Authenticity means standing up to one's own words, deeds and experiences (Harter, 2002; Luthans & Avalio, 2003). Since Authentic Leaders match their words and actions according to their beliefs, they are transparent (Gardner, Avolio, Luthans, May, & Walumbwa, 2005).

There are four dimensions associated with AL. These are ethical/moral, self-awareness, transparency and balanced processing (Avolio, Gardner, & Walumbwa, 2007). Walumbwa et al (2008) describe AL as "system dominated by four factors to affect wellbeing of followers positively". Authentic Leader values the interest of followers and behaves with integrity. AL increases job satisfaction (Laschinger et al, 2012) and level of affective commitment (Gatling et al, 2016). Leroy, Palanski & Simons (2012), state that affective commitment and performance are positively related to AL. Walumbwa et al (2011) found positive effects of AL on group performance and OC.

LMX is a relation-based theory. It is based on the assumption that leaders affect and develop followers through their relationship with them. The leaders provide mentoring, support and benefits to followers. The subordinates reciprocate by behaviors like loyalty, commitment and trust. LMX quality is thought as moderator/mediator (Walumbwa et al., 2011). The outcome of LMX are thought to be OC, job satisfaction, desirable behaviors like task performance (Dulebohn et al., 2012). Researchers have found relationship between leaders and their own bosses known as Leader – Leader Exchange (LLX). High level LLX provides high level of support and empowerment to their subordinates. LMX and OC have a positive relationship. It helps in satisfying social needs of followers by giving priority to collective interest over personal interest (Graen & Uhl –Bien, 1995).

The meaningful communication between leaders and the followers is found missing. Though some research on AL has been carried out in general, it has not received enough attention with regard to service sectors in particular in Pakistan. This study highlights the importance and role of AL and its influence on OC

ISSN 2076-9202

and job satisfaction and mediating role of LMX in service sector in Pakistan. AL has been researched in depth in the west and further investigation continues, but AL has not received enough attention in Asia.

One reason could be that most Asian countries are lagging behind West in developing research culture. The service sector in Pakistan has received scant investigation to the best of our knowledge. This is perhaps due to cultural and structural barriers in addition to host of other factors. The mediating mechanism of LMX between AL and OC and job satisfaction also needs to be further explored. It can be improved by LMX which would result in organizational commitment and job satisfaction. The service sector has been selected for its importance in nation building. AL has profound consequences on organizational commitment and job satisfaction of its employees and managers. This would ultimately result in their enhanced dedication and quality outcomes. The significance of this research is its focus on above mentioned variables in a service sector in Pakistan's two big cities – Lahore and Islamabad.

The organizations that seek to enhance individual and organizational outcomes should develop AL which has the ability to promote collective interests (Steffens et al, 2016). The selected leaders with requisite personality traits of an authentic leader should be given training. This would be beneficial for both the employees and the organization. It is important for organizations to hire talented individuals and train them for authentic leadership for positive outcomes. Authentic leaders are more likely to create positive and empowering work environments.

2. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

2.1 Review of Literature

It was about a decade ago that concept of authentic leadership (AL) emerged (Gardner et al, 2011; Gill & Caza, 2018). According to Avolio et al (2004), authentic leaders have strong personal values, conviction, and earn follower's respect and trust. Authentic leaders are individuals who perform in accordance to their beliefs and morals in the organization (Anwar et al., 2020). Ethical approach is the basis of AL and is a positive development in organizations (Walumbwa et al, 2008). According to Gardner et al. (2011), they are confident, hopeful, optimist, and very moral. The researchers have found that subordinates led by authentic leaders enjoy more psychological capital and are more creative (Rego et al, 2012). Authentic leaders help in improving confidence of followers which leads to improved personal and organizational outcomes (Laschinger & Fida, 2014). Extensive research on AL indicates its effects on performance, emotional intelligence, organizational commitment (Wong & Laschinger, 2012). AL theory is still in infancy (Hinojoiz et al, 2014). It is the last one put into operation (Avolio & Gardner, 2005; Brown & Trevino, 2006; Toor, Ofori, & Arain, 2007).

AL theory describes a leader who links ethical leadership and idea of effective leadership (Joo & Nimon, 2014). The tendency to adjust own behavior without prejudice is hallmark of AL (Stoten, 2014). One of the most important components of AL is self-awareness which means understanding own strength/weaknesses and behaving with values and balanced emotions (Alok, 2014). Balanced processing is the act of analyzing information, seeking other's views and making decisions (Neider & Schriesheim, 2011). The leader helps to create hope, optimism, and confidence to make his subordinates grow (Furmańczyk,

ISSN 2076-9202

2010).

Leader's integrity and positive approach creates trust among followers. Authentic leader's emotions affect follower's emotions positively which results in positive outcomes both for individuals and organizations. Fredrickson (2003), argues that positive emotions of leaders are infectious and affect followers accordingly. Follower's positive emotions lead to job satisfaction (Ilies & Judge, 2002). According to early researches, direct outcome of AL is leader follower well-being and job satisfaction (Gardner et al, 2011). Ilies et al (2005) found influence of AL on follower's ability to reflect, express with self and positive emotions.

Many serious short comings were observed in the existing theories by Avolio and Gardner (2005). They emphasized the need for development of AL. The traits of authentic leaders highlighted by George (2003) are values, ethics, purpose, and discipline. According to Avolio, Gardner, Walumbwa, Luthans, & May, (2004), authentic leaders are self-aware, knowledgeable, have confidence and morals. Authentic leaders acknowledge their beliefs and focus on well-being of followers (Avolio & Gardner, 2005). Bass and Steidlmeier (1999) laid the foundation of concept of AL. AL was proposed by Luthans and Avolio (2003), and further improved by Gardner, Avolio, Luthans, May, & Walumbwa (2005). AL is considered to be root concept of all other types of leadership (Avolio & Gardner, 2005). AL focuses on moral development and improvement of authenticity in followers. Authentic leaders are self-aware, have firm beliefs, and exhibit openness (Avolio et al, 2004). Their actions reflect their beliefs and thoughts (Gardner et al, 2005, p. 347).

AL amounts to owning, awareness and behaving in accordance with one's beliefs and values (Kernis, 2003). AL is self-awareness and self-regulated behavior of leaders which results in positive self-development (Avolio & Gardner, 2004, p. 321). Authentic Leaders give priority to development of others through transparency (Avolio et al, 2004). According to Gardner et al, (2005), authentic leader's values and actions are consistent. Authentic leaders facilitate follower's development (Gardner et al, 2005). Authentic leaders listen intently.

According to Leroy et al (2012), words of authentic leaders match their deeds. Individual's core self-beliefs and self-worth constitute core self-evaluation (Judge, 1997). Their performance is enhanced by the characteristic of high self-concept and self-evaluation (Robbins & Judge, 2012). OC is enhanced by core self (Joo et al, 2010). It also enhances job satisfaction and task related behaviors (Bowling et al, 2010), and reduces turnover intentions (Joo & Park, 2010). According to Frederickson and Branigan (2005), psychological space is reduced by negative emotions. Authentic leaders have positive emotions which infects subordinates positively.

AL means being honest and real with followers (Avolio & Gardner, 2005). Authentic leaders need to set their priorities and values right. AL principles are helpful in enhancing self-reflection and personal values among students and followers (Branson, 2007). Avolio & Gardner (2005) suggest that AL promotes ethical behavior. There is a strong association between AL and numerous organizational outcomes (Avolio & Walumbwa, 2014). AL also promotes interpersonal processes (Gardner & Schermerhorn, 2004). Authentic

ISSN 2076-9202

leaders foster team performance. Authentic leaders are self-regulatory and self-evaluator (Rego et al, 2012). AL influences positive outcomes like job satisfaction and creativity (Gardneret al, 2005: Giallonardo et al, 2010). AL transfers authenticity to team members which are reflected in team performance (Hannah et al, 2011).

The resource-based view of AL positions is relative to other leadership. LMX represents dyadic relationship (Graen & Uhl-Bein, 1995). It explains many outcomes like job satisfaction and clarity (Gerstner & Day, 1997). AL core dimensions provide real resources to followers (Ten Brummelhuis & Bakker, 2012). Authenticity affects how one likes to live. AL has a multi-level construct has been supported by many researchers (Hannah, Walumbwa & Fry, 2011; Hmieleski, Cole & Baron, 2012). Authentic leaders promote growth of their followers (Ilies et al, 2005). Authentic Leadership is considered to directly increase organizational commitment (Walumbwa et al, 2008). AL is found to influence attitudes of employees resulting in commitment and enhanced performance. AL has direct relationship with organizational commitment and job satisfaction (Avolio, 2010). Peus et al. (2012) found that employees are inspired to higher level of commitment by authentic leaders.

2.2 Development of Hypotheses

2.2.1 Authentic leadership and Organizational Commitment

Some studies highlight positive role of leaders on organizational commitment (Harter, Schmidt & Hayes, 2002). AL is considered to positively influence individual's commitment to organization (Walumbwa, Avolio, Gardner, Wernsing & Peterson, 2008). OC is a discretionary behavior that supports task performance. Individual's intrinsic motivation contributes more towards organizational goals. There is a positive association between AL and OC.

OC is "defined as the employee's feelings of obligation to stay with the organization" (Allen & Meyer, 1990), such feelings result from internalization of normative pressures. According to Allen & Meyer (1996), OC can be in three forms. First is emotional attachment known as affective commitment with the organization. Affective commitment forms the basis of feelings of belongingness to the organization. The second is continuance commitment which is based on the perceived cost by the employee for leaving the organization. Employees with continuance commitment have to stay because of lack of alternatives or inhibiting cost of leaving. Third normative commitment is sense of obligation to stay with the organization. It reflects perceived obligation to continue with the organization. There are several personal as well as organizational aspects which defines OC, some are intrinsic and other might be extrinsic (Abid et al., 2019). Core self-evaluation evokes intrinsic goals (Judge et al, 2005). According to Avolio et al (2004), AL influences follower's job satisfaction and OC positively. Positive relationship between AL and OC has been found by Walumbwa et al (2010).

H1: Authentic Leadership has positive relationship with organizational commitment.

2.2.2 Authentic Leadership and Job Satisfaction

Job satisfaction is defined as "positive emotional state resulting from a person's appreciation of his own job experiences" (Locke, 1976). According to Leap and Crino (1993), the attitude of workers towards job and rewards and the social environments shapes their job satisfaction. It is the general attitude of individuals towards their work (Robins, 2003). Individuals perform as in accordance to their job satisfaction level and

ISSN 2076-9202

their approach to job will influence the purposes in addition to activities of the organization (Khuwaja et al., 2020). Job satisfaction has been found to have significant effect on OC (Kaplan, Ogut, Kaplan and Aksay, 2012). Suma and Lesha (2013) found significant relationship between job satisfaction and OC. On the other hand, OC impacts job satisfaction (Odoch & Nangoli, 2014; Thamrin, 2012). Past researchers also show that job satisfaction reduces absenteeism (Obasan Kehinde, 2011). It also influences OC (Top & Gider, 2013). One of major challenges faced by organizations is to maintain good employees. Employee's feelings and attitudes towards job are important. A key role is played by leaders in job satisfaction. AL is considered to impact organizational commitment and job satisfaction.

Job satisfaction means "effective response to specific aspects of a job" (Chen, 2006, p. 274). Organizational commitment and job satisfaction enhances performance. Supervisors support is necessary for job satisfaction (Baruch–Feldman et al, 2002). Greater job satisfaction leads to greater OC (Bluedorn, 1982). According to Bateman and Strasser (1984), high OC enhances job satisfaction. Various studies conducted on AL and job satisfaction have found a positive relationship between the two (Walumbwa et al, 2013). Job satisfaction means the contentment level of an employee with respect to a job. It is affected by both internal and external factors (Weiss, Dawis, England & Lofquist, 1967). Overall Job satisfaction is a combination of both.

H2: Authentic leadership has positive relations with Job Satisfaction.

2.2.3 AL & Leader Member Exchange (LMX)

LMX explains that leaders develop relationship with employees at different levels. With some they have high quality social and emotional relationship, while with others it is only at transactional level (Liden, Sparrowe & Wayne, 1997). Graen and Uhl-Bien (1995) refer to LMX as dyadic exchange relationship between a leader and followers. The quality of this relationship ranges from low (transactional exchange) to high (trust, loyalty) as stated by Liden & Masyln (1998). High quality LMX saves time and resources. According to Graen & Uhl-Bien (1995), LMX results in high job performance. Gerstner and Day (1997) found positive relationship between LMX and job satisfaction.

LMX has been variously defined. It is defined as social exchange relationship (Deluga & Perry, 1991), negotiating latitude by McClane (1991) and as individualized relationship (Dansereau, 1995). LMX helps to overcome turnover intentions (Jing-Zhou & Wen-Xia, 2011). LMX is supposed to be directly associated with job satisfaction and OC. LMX is a relation-based theory. Its basis is social exchange, reciprocity, and equity (Deluga, 1994). This social exchange is enhanced by reciprocating respect and trust (Graen & Uhl-Bien, 1995). LMX is thought to be a mediator/ moderator (Walumbwa et al, 2011). The consequences attached with LMX are thought to be OC, job satisfaction, and desirable behaviors (Dulebohn et al, 2012).

H3: Leader Member Exchange mediates the relationship between AL and OC positively.

H4: Leader Member Exchange mediates relationship between AL and employees level of job satisfaction positively.

ISSN 2076-9202

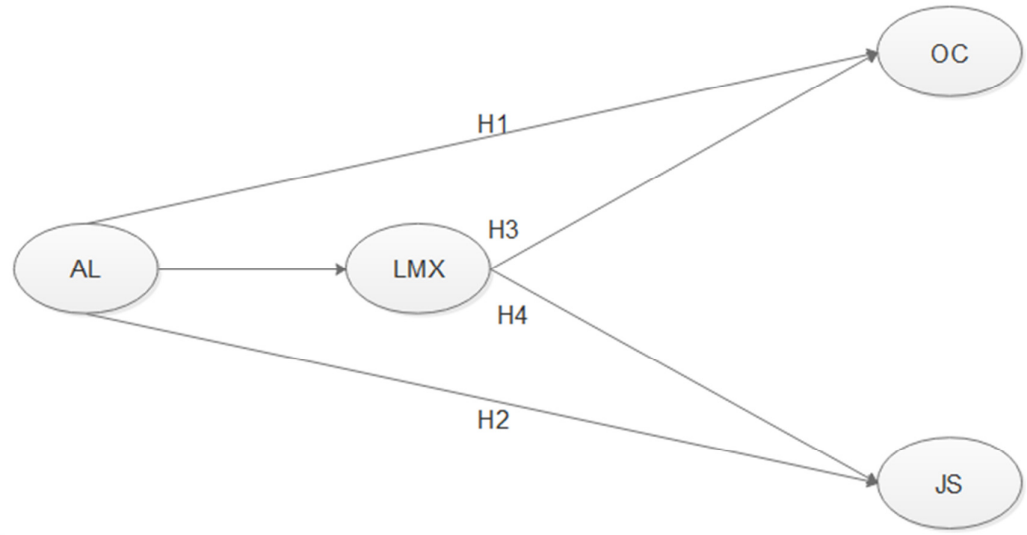


Fig. 1: Research Model (Source: Authors' Contribution)

3. METHODOLOGY

3.1 Sample and Procedures

Objectives of this study is to highlight the influence of AL on job satisfaction and OC under the changed environment. It is also intended to ascertain the mediating effects of LMX on job satisfaction, affective commitment, and OC. A cross sectional survey of managers and employees in a service sector was conducted. The participants were located in Lahore and Islamabad. The managers and employees were selected from a leading school system. A total of 230 questionnaires were sent to respondents in Lahore and Islamabad. The minimum qualification set was FA/Fsc to ensure that the respondents understood the questions. The management was first approached in the head office through personal liaison for seeking their approval and support in getting the questionnaires filled. The questionnaire was delivered by hand in Lahore and sent through mail in Islamabad. A total of 230 questionnaires were sent out of which 130 were delivered in Lahore and remaining 100 to Islamabad. It was premised that dynamics of leadership in service sector are different from the dynamics in manufacturing sector. Moreover, the cooperation and the support extended by organization was a welcome facilitator which made it convenient to get the responses.

3.2 Measures

Walumbwa et al (2008) developed a scale used for AL. It was measured by using five-point Likert scale ranging from 1-5, strongly disagree to strongly agree. The 5-point Likert scale ranging from 1(strongly disagree) to 5(strongly agree) was used for measuring job satisfaction was developed by Zopiatis et al (2014). OC was measured by using scale developed by Larry and Stella (1991) 5-point likert scale that ranges 1-5 strongly disagree to strongly agree. For LMX, scale developed by Graen, Hui, and Taylor (2004) ranges from 1-strongly disagree to 5-strongly agree was used.

4. ANALYSIS AND RESULTS

4.1 Measure Assessments

The Factor Analysis has been performed on data sheet to ensure the consistency of our data. CFA is done to

ISSN 2076-9202

check the validity of instrument. So, in this study firstly we run CFA, and after that perform correlation and regression. The Confirmatory factor analysis is done to analyses the variable's fitness with the help of AMOS's Software (Table Ⅰ). Authentic Leadership has 4 factors with poor model fitness CMIN/DF= 72, CFI= 0.602, RMSEA= 0.112, GF= 0.848, TLI= 0.512, RMR= 0.35, x^2 = 412.3.Leader Member Exchange has 3 Factor with poor model fitness CMIN/DF= 72, CFI= 0.602, RMSEA= 0.112, GF= 0.848, TLI= 0.512, RMR= 0.35, x^2 = 412.3. There were 2 factors of Organizational Commitment in its actual scale with model fitness of CMIN/DF= 48, CFI= 0.761, RMSEA= 0.119, GF= 0.885, TLI= 0.672, RMR= 0.34, x^2 = 234.7. Current Motivation has 3 Factors in actual scale adopted with model fitness CMIN/DF=48, CFI= 0.873, RMSEA= 0.100, GF= 0.906, TLI= 0.825, RMR= 0.31, x^2 = 180.0.

Table Ⅰ Results from Confirmatory Factor Analysis

Model	**x2**	**Df**	**x2/df**	**CFI**	**RMSEA**	**GFI**	**TLI**	**RMR**
Authentic Leadership 4 Factor	442.3	72	6.143	.602	.112	.848	.512	.035
Leader Member Exchange 3 Factor	412.3	72	6.143	.602	.112	.848	.512	.035
Organizational Commitment 2 Factor	234.7	48	4.890	.761	.119	.885	.672	.034
Current Motivation 3 Factor	180.0	48	3.750	.873	.100	.906	.825	.031

4.2 Descriptive Analysis

In (Table Ⅱ) the correlation provides the support that how the individual factor of each variables has influence on each other. In the parentheses we also displayed the AVE value of each dimension of the variable. Results of the correlation table shows that all the dimensions of each variable are positive correlated with each other.

ISSN 2076-9202

	SV	LI	LC	EC	SC	SS	SC1	SR	OP	OM	JP	JI	OR1
SV	(.389)												
LI	.725**	(.521)											
LC	.667**	.873**	(.699)										
EC	.663**	.958**	.872**	(.609)									
SC	.697**	.754**	.727**	.730**	(.624)								
SS	.567**	.536**	.549**	.523**	.513**	(.722)							
SC1	.541**	.527**	.514**	.490**	.550**	.723**	(.836)						
SR	.507**	.555**	.548**	.538**	.504**	.676**	.768**	(.781)					
OP	.579**	.564**	.560**	.526**	.573**	.520**	.559**	.561**	(.749)				
OM	.460**	.477**	.474**	.462**	.493**	.535**	.572**	.619**	.751**	(.677)			
JP	.450**	.359**	.358**	.320**	.428**	.471**	.423**	.374**	.626**	.548**	(.547)		
JI	.413**	.320**	.324**	.290**	.373**	.435**	.418**	.370**	.610**	.526**	.769**	(.795)	
OR1	.453**	.358**	.365**	.336**	.364**	.435**	.432**	.442**	.640**	.594**	.662**	.737**	(.741)

Note: N =220. M=Mean; SD=Standard Deviation. **a)** Values in parentheses are AVE underoot square. **b)** Authentic leadership :(SV = Standarized values, LI = Leader Ideology, LC = Leader Consciousness, EC = Ethical Climate and SC = Sharing Climate), **c)** Leader Member Exchange : (SS = Supervisor Support; SC1 = Supervisor care; SR = Supervisor Responsibility). **d)** Organizational Commitment: (OP = Organizational Preference; OM= Organizational Motivation) **e)** Job Satisfaction: (JP = Job Preference; JI=Job Involvement Motivation; OR1= Organizational Responsibility).

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

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

4.3 Regression Analysis

ISSN 2076-9202

Table III. Regression Results for Mediation

Table III shows the regression analysis of our study variables. Table shows that authentic leadership is significant positively related to organizational commitment (B=.556, p<.05), it means that H1 of our study is supported by our data. Authentic leadership is also significant positively related to job satisfaction (B=.442, p<.05), it means that H2 of our study is supported by our data.

Table shows that after placing mediator (Leader Member Exchange), relationship of authentic leadership and organizational commitment remains significant but beta value decreases (B=.213,p<.05) which means Leader Member Exchange mediates the relationship of authentic leadership and organizational commitment, so H3 of our study is also supported by our data. Table shows that after placing mediator (Leader Member Exchange), relationship of authentic leadership and job satisfaction remains significant but beta value decreases (B=.295,p<.05) which means Leader Member Exchange mediates the relationship of authentic leadership and organizational commitment, so H4 of our study is also supported by our data. This is also shown by the table that before and after the CFA our correlation results remain the same which means that after improving our fitness of the study model the results of the study remains same.

	Job Satisfaction	**Organizational Commitment**
Step 1		
Authentic Leadership	.442**	.556**
Step 2		
Leader Member Exchange	.395**	.450**
Authentic Leadership	.213**	.295**

5. DISCUSSION

5.1 General Discussion

This study was under taken to establish relationship of AL with OC and Job satisfaction. The mediating role of LMX between AL and OC and AL and job satisfaction was also examined. We propose that variables mentioned above positively influences OC and Job satisfaction. The mediating role of LMX was proposed to have positive relationship between AL and OC and between AL and job satisfaction. The results support the hypotheses. In this study we conducted factor analysis, we run EFA and CFA of the study variables and relate their dimension individually, after that we proceed to the correlation and regression, the CFA, EFA supported our hypothesis and give good model fitness.

5.2 Limitation and Future Research

This study has few limitations. The reliance is placed on cross sectional data. A small sample of 230

ISSN 2076-9202

participants was included from two cities of Pakistan. Study confined to schools in two cities only. Only one mediator of LMX studied. For future research it is recommended that; longitudinal design should be used. Size of participants to be increased. Sample may be taken from more cities in Pakistan. Replication of research in other organizational context should be carried out. Use of other mediators like psychological empowerment and organizational culture should be considered.

6. CONCLUSION

This study was focused on importance of AL in education sector. This study identified positive relationship of AL with organizational commitment and job satisfaction of employees in a school system. Employee's satisfaction and commitment to organization are essential for an organization to grow and thrive. AL leads to enhancement in individual and group attitudes and behaviors. AL, if practiced in service sector, especially education, can lead to many desirable outcomes in addition to the ones focused in this research. Future research needs to focus on determinants of AL and variety of variables for enhancing positive outcomes in education sector. We hope and expect future researchers would explore AL in the context of our cultural and structural environment.

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REGRESSION MODELS TO IDENTIFY THE DETERMINANTS OF INFLATION IN ETHIOPIA.

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Abstract

Inflation refers to a situation in which the economy's overall price level is rising. The inflation rate is the percentage change in the price level from the previous period. The measures of inflation are various price indices, such as a consumer price index (CPI), producer price index (PPI), or GDP deflator. However, inflation is usually defined as a change in the CPI over a time. The aim of this study is to identify the determinants of inflation by using regression models in Ethiopia. Multiple regression Models, Logistic regression models and coefficients of determination methods of data analysis were used in this study. Comparisons were made between food price index and non-food price index using the Z- test and regression analysis. The findings of the study suggest that the percentage of food price index in higher than that of non-food price index. The determinants of inflation differ between sectors (food and non-food) and the time horizons under consideration. The most important forces behind inflation were money supply, access of agricultural products, Tax, Exchange rates, Infrastructure, Access of raw material for production, Import and Producers price index. To contain inflation, therefore, the policy interventions aimed at tackling the current determinants of inflation need to take into account the priorities of the government as the effect of policy instruments and means of solutions.

Keywords: Inflation, Multiple Regression, Logistic regression, Ethiopia and Consumer Price Index.

1. Introduction

1.1. Background of the Study

Inflation can be defined as a sustained or continuous rise in the general price level or, alternatively, as a sustained or continuous fall in the value of money. Several things should be noted about this definition. First, inflation refers to the movement in the general level of prices. It does not refer to changes in one price relative to other prices. These changes are common even when the overall level of prices is stable. Second, the rise in the price level must be somewhat substantial and continue over a period longer than a day, week, or month. However, if the rise is a continuous drop instead, it is called deflation.

There are many measures of inflation, because there are many different price indices relating to different sectors of the economy. Two widely known indices for which inflation rates are reported in many countries are the Consumer Price Index (CPI), which measures the rate of change in the prices of goods and services bought by the consumers, and the GDP deflator, which measures prices of locally-produced goods and

ISSN 2076-9202

services (CSA, 2001).

In Ethiopia raw inflation figures are reported monthly using the Consumer Price Index (CPI) by the Central Statistical Agency. The CPI is an estimation of the price changes for a typical basket of goods. In other words, the prices of everyday goods such as housing, food, education, clothing, etc., are compared from one month to the next and the difference represents the CPI. The CPI published by CSA composed of the weighted average of two sub indexes that reflect the development of prices of goods production in certain sectors of economy, namely food and non food prices (CSA, 2005).

1.2. Concepts and Measurements of inflation and Computation

A price index is a weighted average of the prices of a number of goods and services. Inflation rates are calculated from different price indices.

I) The consumer price index (CPI):

Consumer Price Index (CPI) is the measures changes in the prices of basket of goods and services that households consume. Such changes have an effect on the real purchasing power of consumers' incomes and their welfare. When the prices of different goods and services vary by different rate, a price index can only reflect their average movement. The types of inflation measurement provide different outcomes with their respective purpose. The CPI measures only the change in the price of consumer goods and services.

II) Producer price index (PPI) :

It measures the general price level at the producer stage. These are generally the prices charged by the producers at the level of their first commercial transaction. These are of course the wholesale prices charged at the first link of the distribution chain. These prices are easy to obtain and monitor. The construction and interpretation of this index is broadly the same as that of the consumer price index.

III. GDP-Deflator: It is the ratio of nominal and real gross domestic product.

In the past, rise in prices in Ethiopia were associated with fall in output (mainly agricultural harvest) and years of high production were accompanied by fall in price. In 2000/01, for example, output grew by 8.3 percent (mainly due to a 9.6 percent increase in agricultural output) and consumer price index decreased by 5.2 percent (owing mainly to a 10.4 percent de crease in food price). In the following two years there was a significant fall in agricultural production due to unfavorable weather condition. Particularly, in 2002/03 agricultural output decreased by 10.5 percent and the consumer price index increased by 15.1 percent (with food price growing by 24.8 percent). In recent years, however, this trend seems to have reversed with prices soaring despite fast growth in output. From 2003/04 onwards, output on average grew by 11.8 percent per annum while during the same period, prices have grown by 11.4 percent per annum (MoFED, 2007/08 and NBE, 2006/07).

There are different empirical studies on the possible sources of this inflationary situation in the country. The major sources of inflation discussed in the literature are increase in money supply unwarranted by the level of output growth, the nature of investment in the country, the widening of the national deficit and ways of financing it, the inefficiency within government controlled organizations, soaring of oil prices and others (Geda and Tafere, 2008; Goodo, 2008; Seid, 2008). In contrast, the government argues that the inflation is due to rapid economic expansion that has happened in country. They also indicate that oil prices and

ISSN 2076-9202

increase in world food prices as the possible sources of the inflation.

In Ethiopia, the food inflation rates show a general trend of increasing over the years 2004 to 2009, reaching highest level in 2009. At the national level, the food inflation rate steadily increased from a mere 3.4 percent in 2004 to 13.6 percent in 2006 and rose further to 61.1 percent by February 2009. The rise in the food inflation rate was due to the rise in the prices of cereals, pulses, meat, oils and fats, milk and eggs, vegetables and fruits, spices (especially whole pepper and chili), potatoes and other tubers and stems, other food itcms, and food takcn away from homc (John ct al., 2009).

There are limited researches conducted on inflation and its correlates in southwest Ethiopia. The implication is that the inflation situations of the area were not given attention. Beside this, most research papers focuses on the national level causes of inflation. Measuring, identifying the determinants and analysis of inflation, in Ethiopia becomes sound enough to put an agenda on the inflationary process, targeting of policy makers in intervening on that particular study area.

1.3. Objectives of the Study

The main objective of this study is to identify the determinants of inflation by using regression models in Ethiopia. Specifically, this research aims:

- To identify the determinants of food and Non-food inflation in Ethiopia.
- To compare food and non-food inflation in Ethiopia.
- To study the relationship between consumer price index, food and non-food price index.
- To forecast the overall inflation (food prices and non-food prices) for Ethiopia.

2. Materials and Methods

2.1. Data type and sources

This study was conducted in Ethiopia. The study applied the secondary data type collected from different organization and institutions (CSA, Ministry of Finance and Economic Development (MOFED) and National Bank of Ethiopia).

2.2. Methods of Data Analysis

The Z- test for the difference between two population means:

Suppose that there are two samples drawn independently from two populations with mean μ_1 and μ_2, respectively. Then, the test about the significance of the difference between the two means takes one of the following forms:

$H_0 : \mu_1 - \mu_2 = 0$ Vs $H_1 : \mu_1 - \mu_2 \neq 0$ ---------- (1)

OR

$H_0 : \mu_1 - \mu_2 = 0$ Vs $H_1 : \mu_1 - \mu_2 > 0$ ---------- (2)

OR

$H_0 : \mu_1 - \mu_2 = 0$ Vs $H_1 : \mu_1 - \mu_2 < 0$ ---------- (3)

Where, H_0 and H_1 stand for the null and alternative hypotheses, respectively.

The test statistic is then given by:

$$Z = \frac{\bar{X}_1 - \bar{X}_2}{\sqrt{\frac{S_1^2}{n_1} + \frac{S_2^2}{n_2}}} \quad \text{---------- (4)}$$

ISSN 2076-9202

Where, n_1 is sample size from population1, n_2 is sample size from population2, $\bar{X}_1$ is the mean of the sample taken from population1, $\bar{X}_2$ is the mean of the sample taken from population 2, S_1^2 is the variance of the sample taken from population 1, S_2^2 is the variance of the sample taken from population 2.

The Regression Analysis

A regression equation containing only one predictor variable is called arsimple regression equation. The simple linear regression model is:

$$Y = \beta_0 + \beta_1 X_1 + \varepsilon \quad \text{---------- (5)}$$

where β_0 and β_1, are constants called the model regression coefficients or parameters, and ε is a random disturbance or error term. It is assumed that in the range of the observations studied, the linear equation (5) provides an acceptable approximation to the true relation between Y and X.

A linear regression equation of the dependent variable Y on k independent variables X_1, X_2, …, X_k is given by

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \ldots\ldots\ldots + \beta_k X_k + \varepsilon \quad \text{---------- (6)}$$

Where,

β_1, β_2, …, β_k are the slopes (the change in Y for the unit change in the explanatory/ independent variable X_i), β_0 is the value of Y when all explanatory/independent variables assumes zero value ε is the random term.

Logistic Regression Analysis

Logistic regression is a popular modeling approach when the dependent variable is dichotomous or polytomous. This model allows one to predict the log odds of outcomes of a dependent variable from a set of variables that may be continuous, discrete, categorical, or a mix of any of these. Hosmer and Lemeshow (2000) have described logistic regression focusing on its theoretical and applied aspect. In this study, for identifying the determinants of inflation we were compute a dichotomous variable indicating whether there is inflation or Otherwise.

$$\text{CPI} = \begin{cases} 1, \text{if there is inflation} \\ 0, \text{other wise} \end{cases} \quad \text{---------- (7)}$$

Where CPI denotes Consumer Price Index that measures the inflation.

In logistic regression analysis, it is assumed that the explanatory variables affect the response through a suitable transformation of the probability of the success. This transformation is a suitable link function of *P*, and is called the logit-link, which is defined as:

$$logit\,(P) = \ln\left(\frac{P}{1-P}\right) = \beta_0 + \beta_1 X_1 + \beta_2 X_1 + \ldots + \beta_p X_p \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots (8)$$

where β_0, β_1, β_2, … β_p are the model parameters and $X_1, \ldots, X_p$ will the predictor/independent chosen variables. The transformed variable denoted by logit (*P*) is the log-odds and is related to the explanatory variables as in equation (8).

Parameter Estimation

The most commonly used method of estimating the parameters of a logistic regression model is the method of Maximum Likelihood (ML) instead of Ordinary Least Squares (OLS) method. Mainly for this reason the ML method based on Newton-Raphson iteratively reweighted least square algorithm becomes more popular

ISSN 2076-9202

with researchers (Ryan, 1997). Specifically, for a sample of size n whose observations are (y_1, y_2 … y_n), the corresponding random variables are (Y_1, Y_2… Y_n). Since the Y_i is a Bernoulli random variable, the probability mass function of Y_i is:

$$f_i(y_i) = \pi_i^{y_i}(1 - \pi_i)^{1-y_i} \text{ ---------- (9)}$$

$Y_i = 0$ or 1 and i=1, 2,…, n

Since the observations are assumed to be independent, the likelihood function is obtained as the product of the terms given in expression (9) as follows:

$$l(\beta) = \prod_{i=1}^{n} \pi(x_i)^{y_i} [1 - \pi (x_i)]^{1- y_i} \quad (10)$$

The principle of maximum likelihood states that we use as our estimate of $\boldsymbol{\beta}$ the value which maximizes the likelihood function. However, it is easier mathematically to work with the log likelihood function. To find the value of β that maximizes L(β) we differentiate L(β) with respect to β and set the resulting expressions equal to zero. These equations, known as the likelihood equations, are:

$$\sum_{i=1}^{n} [y_i - \pi(x_i)] = 0 \; and \; \sum_{i=1}^{n} xij[y_i - \pi(x_i)] = 0 \quad (11)$$

For logistic regression the expressions in equation (11) are nonlinear in β and thus require special methods for their solution. These methods are iterative in nature and have been programmed into available logistic regression software. As such, it represents the fitted or predicted value for the logistic regression model. An interesting consequence of equation (11) is that

$$\sum y_i = \sum \hat{\pi}_i \quad (12)$$

That is, the sum of the observed values of y is equal to the sum of the predicted (expected) values.

In fact, the maximum likelihood estimates of β in the multiple binary logistic regression models are those values of β that maximize the log-likelihood function.

3. Results and Discussions

3.1. Descriptive Analysis

The descriptive statistics including the mean, the standard deviation, the coefficient of variation (CV), and Percentage values of the series under study are presented in table 1. The result shows that there are 198 food price Index and 210 non- food price Index from 408 general Index. The mean percentage to be 43.60% and 56.40% for the non-food price Index and food price Index, respectively.

ISSN 2076-9202

Table 1: Descriptive Statistics for general Index

Series	OBs	Mean	Stand. deviation	Percentage	CV
Food Price Index	198	46.22	34.94	56.40%	0.521
Non-food Price Index	210	41.25	38.42	43.60%	0.723
Consumer Price Index	408	44.33	36.25	100%	0.521

To test the significance of this difference we used the one tailed test given by (3). The calculated Z using equation (4) was found to be Z_c = - 1.75. This value is less than the corresponding tabulated value, -1.64, at $\alpha = 0.05$. Thus we reject the null hypothesis that there is no difference in the proportion of food price index and non-food price index and conclude that the percentage is higher in the food price index group.

Multiple regression Analysis

We can test for the statistical significance of each of the independent variables. If Sig. < .05, we can conclude that the coefficients are statistically significantly different to 0 (zero). Regression analysis using the method of ordinary least square yielded the following results.

Table 2: Coefficients of multiple linear regressions, assuming CPI as response variable.

Model	*Unstandardized Coefficients*		*Standardized Coefficients*	*t*	*Sig.*	*Collinearity Statistics*	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	*30.62*	2.247		32.010	*.000*	-	-
Total Family Size (X_1)	*1.501*	.360	.003	24.120	*.060*	*0.598*	*1.23*
employment (X_2)	*-1.910*	.500	.012	1.003	*.051*	*0.862*	*1.04*
unemployment (X_3)	*-2.132*	.077	-.021	-8.720	*.054*	*0.958*	*1.41*
place of residence (X_4)	*1.230*	.089	.028	6.118	*.054*	*0.782*	*0.98*
Access of food and non-food products (X_5)	*-0.129*	.045	.051	1.873	.002	*0.871*	*1.27*
Access of raw material for production (X_6)	*-2.067*	.086	-.315	-24.019	.000	*0.721*	*1.02*
Money Supply (X_7)	*1.466*	.321	.284	22.060	.000	*0.472*	*1.00*
Economic Status (X_8)	.024	.055	.006	.437	.053	*0.142*	*0.85*
Infrastructures (X_9)	-2.30	0.30	0.05	24.22	0.03	*1.18*	*0.95*
Wages (X_{10})	1.02	.025	0.06	18.3	0.52	*0.93*	*0.88*

ISSN 2076-9202

Farm Products (X_{11})	-3.21	0.31	0.08	25.3	0.001	*1.08*	*1.01*
Family Income (X_{12})	1.03	0.02	0.04	19.25	0.058	*0.95*	*0.87*
Import (X_{13})	2.35	0.54	0.12	26.20	0.001	*1.06*	*1.25*
Export (X_{14})	1.28	0.03	0.50	13.18	0.062	*0.99*	*1.09*
Producer Price Index (X_{15})	3.60	0.28	0.23	28.32	0.003	*1.25*	*1.20*
Exchange rate (X_{16})	2.85	0.36	.29	23.02	0.004	*0.96*	*1.08*
Tax (X_{17})	3.25	0.23	0.58	24.12	0.001	*1.08*	*0.95*

***Dependent Variable**: CPI (Consumer Price Index).*

As we can see from table 2 above, family size, employment status of the family (employment and unemployment), economic status of the family, family income, export, wages and place of residence were insignificant variables, Sig. > 0.05. This implies, insignificant variables were less predict to the dependent variable than significant variables, Sig. <= 0.05. Using the backward elimination, the fitted model is as follow:

$$CPI = 30.62 - 0.13X_5 - 2.07X_6 + 1.45X_7 - 2.3X_9 - 3.21X_{11} + 2.35X_{13} + 3.60X_{15} + 2.85X_{16} + 3.25X_{17} \quad (13)$$

Where, CPI - is Consumer Price Index, Access of food and non-food products (X_5), Access of raw material for production (X_6), Money Supply (X_7), Infrastructures (X_9), Farm Products (X_{11}), Import (X_{13}), Producer Price Index (X_{15}), Exchange rate (X_{16}) and Tax (X_{17}) are significant variables, P-value < 0.05.

From equation (13), the PPI measures the change in unit prices received by domestic producers of all commodities increase the CPI inflation also increases by 3.60 unit. Similarly, as Money Supply, Import, Exchange rate (X_{16}) and Tax (X_{17}) increases by one-unit price the CPI inflation increases by 1.45, 2.35, 2.85 and 3.25 respectively. Finally, as the average price of Access of food and non-food products, Access of raw material for production, Infrastructures (electricity, road, water, etc) and farm products increases by one unit the CPI (inflation) decreases by 0.13, 2.07, 2.31 and 3.21 respectively as other variables were constant.

Logistic Regression Analysis

The Initial Log Likelihood Function, (-2Log Likelihood or -2LL) is a statistical measure like total sums of squares in regression. The initial –2LL value is 21332.017 at step 0, before any variables have been added to the model.

Table 3: Test of Significance of Independent Variables Using Wald Test

Analysis of Maximum Likelihood Estimates								
	DF	***Estimate (β)***	**S. E**	**Wald Chi-square**	**Pr>Chisq**	**OR**	**95% CI**	
							lower	**upper**

ISSN 2076-9202

Intercept	*1*	25.05	-	32.010	*.000*	-	-	-
Total Family Size (X_1),	*1*	0.360	0.383	3.120	*0.065*	*1.958*	*1.650*	*2.350*
employment (X_2),	*1*	.500	0.012	1.003	*0.051*	*2.962*	*2.541*	*3.510*
unemployment (X_3),	*1*	.077	0.021	4.720	*0.054*	*4.982*	*4.620*	*5.630*
place of residence (X_4),	*1*	.089	0.028	6.118	*0.064*	*1.782*	*1.480*	*2.630*
Access of food and non-food products (X_5),	*1*	- 2.045	0.051	24.873	0.002	*3.871*	*3.320*	*4.302*
Access of raw material for production (X_6),	*1*	- 3.086	0.315	23.019	0.000	*6.721*	*6.250*	*7.201*
Money Supply (X_7),	*1*	1.321	0.284	22.060	0.000	*5.472*	*5.120*	*5.892*
Economic Status (X_8),	1	1.055	0.356	2.037	0.052	*1.842*	*0.652*	*1.250*
Infrastructures (X_9),	1	- 2.25	0.302	25.23	0.002	*0.862*	*4.210*	*4.850*
Wages (X_{10}),	1	1.03	0.130	2.340	0.620	*1.085*	*0.952*	*1.520*
Farm Products (X_{11}),	1	- 3.01	0.250	19.120	0.001	*0.935*	*6.980*	*7.320*
Family Income (X_{12}),	1	1.30	0.480	5.230	0.630	*2.030*	*1.930*	*2.320*
Import (X_{13}),	1	1.85	0.852	21.120	0.003	*5.300*	*5.001*	*5.560*
Export (X_{14}),	1	3.20	0.452	6.235	0.051	*1.200*	*0.991*	*1.630*
PPI (X_{15}),	1	3.26	0.365	28.230	0.001	*8.230*	*7.562*	*8.852*
Exchange rate (X_{16})	1	2.31	0.088	23.200	0.001	*6.874*	*6.302*	*7.201*
Tax (X_{17})	1	3.20	1.250	24.02	0.002	*3.200*	*3.001*	*3.410*

According to table 3 Access of food and non-food products (X_5), Access of raw material for production (X_6), Money Supply (X_7), Infrastructures (X_9), Farm Products (X_{11}), Import (X_{13}), Producer Price Index (X_{15}), Exchange rate (X_{16}) and Tax (X_{17}) are significant at 5%, P-value < 0.05, whereas family size, employment status of the family (employment and unemployment), economic status of the family, family income, export, wages and place of residence were insignificant variables, Sig. > 0.05. Based on the above result, the regression equation consisting of the significant variables is given by:

$$log(CPI) = 25.05 - 2.05X_5 - 3.09X_6 + 1.32X_7 - 2.25X_9 - 3.01X_{11} + 1.85X_{13} + 3.26X_{15} + 2.31X_{16} + 3.20X_{17} \ldots\ldots (14)$$

As can be seen in equation (14) at the final step, majority of independent variables are added to the logistic regression equation in a stepwise manner. The addition of these variables reduced the initial log likelihood value (-2 Log Likelihood) of 21,332.017 to 19,190.665.

ISSN 2076-9202

Table 4: Result of Model Fit Statistics for Intercept only and Full Model

Model Fit Statistics		
Criterion	**Intercept Only**	**Intercept and Covariates**
AIC	21334.017	19242.665
SC	21341.722	19442.974
-2 Log L	21332.017	19190.665

The difference between these two measures is the model chi-square value or likelihood ratio (2141.3524 = 21,332.017-19,190.665) that is tested for statistical significance. This test is analogous to the F-test for R^2 or change in R^2 value in multiple regressions which tests whether or not the improvement in the model associated with the additional variables is statistically significant.

Table 5: Test of Significance of the Relationship between the Dependent and Independent Variables.

Testing global Null Hypothesis: BETA = 0			
Test	**Chi-square**	**DF**	**Pr > Scisq**
Likelihood Ratio	2141.3524	25	< 0.0001
Score	1967.4172	25	< 0.0001
Wald	1708.8907	25	< 0.0001

In table 5 the model Chi-Square value of 2141.3524 has a P-Value of less than 0.0001. Similarly, score and Wald tests also have P-values less than 0.05 and are significant. These indicate that all three tests yield similar conclusions, that is, the final model with explanatory variables was more effective than the null model. So, we conclude that there is a significant relationship between the dependent variable and the set of independent variables.

4. Conclusions and Recommendations

4.1. Conclusions

The main objective of this study was to identify the determinants of inflation by using regression models in the study area. Attempts were also made to identify the food and non-food inflation and compare them in the study area.

The results of the analysis showed that the non-food price index was higher than that of food price index. Reveals that the impact of variables on inflation were varies according to the variable status. The mean percentage of access of food and non-food productions (8.20%), money supply (8.20%), Tax (8.00%) and exchange rates (8.00%) were the highest percentages comparing to the other variables.

This study found evidence that some of the variables considered have significant influence on inflation. The rate of inflation (CPI), Access of food and non-food products, Access of raw material for production, Money Supply, Import, Producer Price Index, Exchange rate, Tax, Infrastructures and Farm Products were found to

ISSN 2076-9202

be important determinants of inflation whereas family size, employment status of the family (employment and unemployment), economic status of the family, family income, export, wages and place of residence were insignificant variables among the stated variables. From the result of multiple regression model, the rate of inflation (CPI) is increases with increasing of Money Supply, Import, Producer Price Index, Exchange rate and Tax and decreases with increases of Infrastructures, Access of food and non-food products, Access of raw material for production and Farm Products.

The coefficients in the logistic regression are based on what is called the odds-ratio. It is the factor by which the odds change when the independent variable increases by one unit. If β is positive, this factor will be greater than 1, which means that the odds are increased; if β is negative, the factor will be less than 1, which means that the odds are decreased. When β is 0, the factor equals 1, which leaves the odds unchanged. From the results for positive β, the Odd-ratio (ORs) are greater than 1 implies that the odds are increased and for negative β, the Odds-Ratio (ORs) are less than 1 implies that the odds are decreased.

4.2. Recommendations

This study has tried to identify the determinants of inflation in stated study. Based on the results discussed above, the researchers would like to forward the following recommendations: -

- Money supply growth has been one of the prime determinants of inflation. Therefore, in order to be able to curb the upward trend in prices, it is essential to adopt conservative monetary expansion.
- Access Infrastructures (Electricity, Access of Road, Water, Telephone, etc) were the determinants of inflation in negative direction. Thus, Increasing the Access of Infrastructures will decrease the inflation process.
- Tax and exchange rate were positive determinants of inflation. Therefore, the government should decrease the tax to decreases the inflation.
- Agricultural Products and Access of inputs for production (Farm lands, Live stokes and etc) were the determinants of inflation. Therefore, increasing the agricultural products will important for control the inflationary process.

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EFFECTS OF DEVELOPMENT-INDUCED DISLOCATION ON SOCIOECONOMIC OF RURAL COMMUNITIES: THE CASE OF NASHE-FINCAA DAM PROJECT, ETHIOPIA

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Abstract
Development-induced dislocation could be an opportunity or a challenge for the dislocated people as well as the host community. This study aims to assess the effects of dislocation on socioeconomic of rural community in terms of basic needs for human and education. Random samples of 180 rural communities were selected using multistage random sampling from the study area. Comparisons were made between dislocated and non-dislocated using the hypothesis testing. To assess the impact of dislocation on the educational status of the family, the ratio of children in schools to the total number of school aged children in the family, expressed as percentage. The ability of the household to feed the family was also seen in terms of the frequency of feeding the children and the adult. It was found that non-dislocated community are better off than the dislocated in terms of sending children to school, housing conditions, health condition, probability of survival for future life and ability to finance. The mean difference of family members attending the school, in both non-dislocated and dislocated was not high, shows that the dislocated and non-dislocated were affected as opposed to the general opinion that the dislocated people were highly affected. After all analysis, it can be concluded that dislocation of rural community has high impacts on the socioeconomic status of the households. The results also reveal that the dislocated rural communities were highly affected by communicable and non-communicable diseases. Finally, the results were recommended as the government, heath institution and non-dislocated community should support the dislocated community as they will adapt to the new relocation site.

Keywords: Dislocation, development, rural Community, Socioeconomic, Education, Ethiopia.

1. Introduction

1.1. Background of the study

Displacement is described as the dislocation of people from their native place and region. According to Agba, Akpanudoedehe, and Ushie (2010), relocation can be a voluntary or an involuntary act upon people from their place to a new settlement sites or the persons or groups of persons who have been forced or obliged to flee or to leave their homes or places of habitual residence, in particular as a result of reasonable purposes.

ISSN 2076-9202

There are four categories of causes of displacement: natural disaster-induced displacement (NDID); Man-made-disaster-induced displacement (MDID); Conflict-induced displacement (CID); and Development-induced displacement (DID). Internal displacement in Ethiopia has been predominantly characterized by spontaneous, short-term displacement. Spontaneous movements of pastoral communities have been the traditional form of internal and cross-border displacement. This study focused on Conflict-induced Displacement (CID) (Edwards, A. (2016)).

Development-induced displacement (DID) is forcing of communities and individuals out of their homes, often also their homelands, for the purposes of economic development. Across the world approximately 10 to 15 million people are displaced each year due to development related mega projects (Bogumil, 2013).

Development induced displacement was started in Ethiopia during the Imperial regime around the 1960s and 1970s (Habtamu A, 2011), and has been historically associated with development projects, political tragedy, or accomplishment of food security (Terefe, 2012). However, the recent displacement patterns are different from the previous concerns such as resettlement, refugees, returnees and demobilization. Currently, huge domestic human dislocation is taking place in Ethiopia for various reasons including dam constructions for irrigation and hydropower production; urban renewal projects referred as provision of better housing; large scale agriculture investment projects; and conservation of wildlife via national parks (Gemechu B, 2020; Eguavoen and Weyni, 2011; Mesay & Bekure, 2011). Nashe-Ficha'a Dam Project (NFDP) is one of the development projects in Ethiopia. The project is found in Oromia region, 350KM away from Addis Ababa. The project caused the dislocation of people from abay chomen of Horro Guduru Zone, Oromia Region.

1.2. Statement of problems

Displacement is a problem for the country and has high effects on households' living standard (Randell, (2016)). Different studies were discussed on the displacement and dislocation in Ethiopia. Taye D, (2018) was conducted a study on "forced displacement: ethnic Conflict in focus." The result show that as the people were dislocated from their home land, they were affected by different problems like poverty, hung, damage of properties, death of family members and loss of moral value (Gebre, 2008; Tesfa, 2014).

Previous studies that are particularly done in Ethiopia are mostly conducted on urban development-induced dislocation. The nature of life and its challenges in urban areas such as Addis Ababa is quite different from that in rural areas. To date, little research has been conducted on the effects of development-induced dislocation outside of Addis (Randell and Heather, 2016; Terefe, 2012; Desalegn, Karrippia, and Puskur, 2010; Getu and Assefa, 2015; Bikila, 2014).

Thus, conducting a study on development-induced dislocation in rural parts of the country helps to capture the different experiences from resettles with diverse socio-demographic background. So far, the effects of development-induced dislocation in rural areas are not well addressed. Particularly, no study has explored the effects of dislocated people due to Nashe-fincha'a dam project. Thus, this study aims to identify the effects of the dislocated community on the socioeconomic of the rural households.

ISSN 2076-9202

1.3. Objectives of the study

The main objective of this study is to assess the effects of dislocation on socioeconomic of rural community in terms of basic needs for human and education. The specifically, the objectives of this study are as follow:

- To assess the effects of dislocation on dislocated and non-dislocated community in terms of education.
- To analysis the housing conditions of the dislocated and non-dislocated households.
- To analysis the survival probability of dislocated and non-dislocated peoples.
- To compare the dislocated and non-dislocated of households in terms of living standard and housing condition.

2. Data and Methodology

2.3. Data Collection Methods

This study was conducted in abay chomen woreda, in Oromia region, where the dislocated of the people were happened (Nashe-Fincha'a). The data were collected from primary source using interview of the dislocated and non-dislocated people, focus group of the people at the site, observation and secondary source namely median, government and non-government report. A number of participants are selected from target population dislocated and non-dislocated people and 180 samples were selected in to the study.

2.2.Methods of data Analysis

The main objective of this study was to assess the effects of dislocation on socioeconomic of rural community. To meet this objective, different comparisons were made between the dislocated and non-dislocated. To assess the effects of dislocation on the educational status of the family, the researchers were used the ratio of family members in schools and those who have attended regular schools to the total number of school aged children in the family, expressed as percentage.

Since a lot of the people lost their land and dislocated from their homes and properties. So, the probability of survival of dislocated people were depends on non-dislocated, dislocated themselves, local community and government body. To analysis the probability of survival of dislocated people were seen as the function of non-dislocated (ND), dislocated (DD), local community (LC) and government body (GB). Similarly, the dislocated people were lost their economy and social life because of displacement. So, the socioeconomic status of the dislocated people also depends on the following relations: community-community (CC) relation, community-government (CG) relation, community-economy (CE) relation and community-social (CS) relations.

The researcher classified the households in the study area as four types of household dislocated people (DP), non-dislocated people (non-DP), mixed dislocated people (wife dislocated), and mixed dislocated people (husband dislocated) were compared on a variety of household level, socio-economic measures: standard of living and ability to provide housing for family members.

The Z- test for the difference between two population means:

Suppose that there are two samples drawn independently from two populations with

ISSN 2076-9202

mean μ_1 and μ_2, respectively. Then, the test about the significance of the difference between the two means takes one of the following forms:

$$H_0 : \mu_1 - \mu_2 = 0 \quad Vs \quad H_1 : \mu_1 - \mu_2 \neq 0 \qquad (1)$$

OR

$$H_0 : \mu_1 - \mu_2 = 0 \quad Vs \quad H_1 : \mu_1 - \mu_2 > 0 \qquad (2)$$

OR

$$H_0 : \mu_1 - \mu_2 = 0 \quad Vs \quad H_1 : \mu_1 - \mu_2 < 0 \qquad (3)$$

Where, H_0 and H_1 stand for the null and alternative hypotheses, respectively.

The test statistic is then given by:

$$Z = \frac{\bar{X}_1 - \bar{X}_2}{\sqrt{\frac{S_1^2}{n_1} + \frac{S_2^2}{n_2}}} \qquad (4)$$

Where, n_1 is sample size from population1, n_2 is sample size from population2, $\bar{X}_1$ is the mean of the sample taken from population1, $\bar{X}_2$ is the mean of the sample taken from population 2, S_1^2 is the variance of the sample taken from population 1, S_2^2 is the variance of the sample taken from population 2.

For a specified Type I error α, the null hypothesis will be rejected if: $|Z| > Z_{\alpha/2}$, for the first form; $Z > Z_\alpha$ for the second form; and $Z < -Z_\alpha$ for the third form of the hypothesis. Rejecting the null hypothesis means that there is a significant difference between the means of the two groups.

The Regression Analysis

A linear regression equation of the a dependent variable Y on k independent variables $X_1, X_2, \ldots, X_k$ is given by

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \ldots\ldots\ldots + \beta_k X_k + \varepsilon \qquad (5)$$

Where $\beta_1, \beta_2, \ldots, \beta_k$ are the slopes (the change in Y for the unit change in the explanatory/ independent variable X_i), β_0 is the value of Y when all explanatory/independent variables assumes zero value ε is the random term. After fitting a linear regression model by estimating the coefficients, we have to test whether the coefficients are statistically significant. This can be done either by testing the overall significance of the model or by testing the significance of the individual coefficients.

Logistic Regression Analysis

Logistic regression is a popular modeling approach when the dependent variable is dichotomous or polytomous. This model allows one to predict the log odds of outcomes of a dependent variable from a set of variables that may be continuous, discrete, categorical, or a mix of any of these. Hosmer and Lemeshow (2000) have described logistic regression focusing on its theoretical and applied aspect. In this study, for identifying the determinants of inflation we were compute a dichotomous variable indicating whether there is inflation or Otherwise.

$$PS = \begin{cases} 1, Displaced\ people \\ 0, other\ wise \end{cases}$$

ISSN 2076-9202

(6)

Where PS denotes population status.

In logistic regression analysis, it is assumed that the explanatory variables affect the response through a suitable transformation of the probability of the success. This transformation is a suitable link function of P, and is called the logit-link, which is defined as:

$$logit\ (P) = \ln\left(\frac{P}{1-P}\right) = \beta_0 + \beta_1 X_1 + \beta_2 X_1 + \ ...+ \beta_p X_p \qquad (7)$$

Where β_0, β_1, $\beta_{2, \ldots}$ β_p are the model parameters and X_1, . . . , X_p will the predictor/independent chosen variables. The transformed variable denoted by logit (P) is the log-odds and is related to the explanatory variables as in equation (7).

3. Results and Discussions

3.1. The Impact of dislocation on the Educational Status of the family.

The percentage of family members was taken to compare the educational statuses of the dislocated and non-dislocated. The result shows that there are 105 dislocated and 75 non-dislocated having students in the school. The mean percentage of students who attending the schools at the time of the survey was found to be 66.75% and 33.25% for the non-dislocated and displaced, respectively as shown in table 3.1 below.

Table 3.1: Comparison of the average percentage of family members who attending the school.

People classification	Sample Size	Mean	Stand. deviation	Percentage
Non-dislocated	75	36.25	41.44	66.75%
dislocated	105	30.766	35.54	33.25%

To test the significance of this difference we used the one tailed test. The calculated Z calculated was found to be Z_c = -1.96. This value is less than the corresponding tabulated value, -1.64, at α = 0.05. Thus, we reject the null hypothesis that there is no difference in the mean of students attending the schools between the dislocated and non-dislocated and conclude that the percentage is higher in the dislocated group. As we can see from table 3.1, the mean difference of family members attending the school, in both dislocated and non-dislocated, was not high (36.25) and 30.766 for dislocated and non-dislocated people respectively).

From above results, the mean average of family members of dislocated people who attending the school were lower than that non-dislocated person. This attempt was also made to determine other factors contributing to the variation in the percentage of school aged family members sent to schools. Regression analysis using the method of ordinary least square yielded the following results.

ISSN 2076-9202

Table 3.2: Coefficients of multiple regressions, assuming E as response variable

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	23.75	2.237	-	32.010	.000		
Area of farm land (X_1)	2.201	.280	.003	24.120	.000	0.958	1.343
Number of cows (X_2)	5.410	.500	.012	1.003	.001	0.962	1.04
Economic level (X_3)	2.332	.077	-.021	-8.720	.004	0.982	1.41
Fathers education (X_4)	2.870	.089	.028	6.118	.004	0.782	0.98
Total no. of children (X_5)	0.129	.045	.051	1.9273	.054	0.7671	1.347
Mothers education (X_6)	2.067	.086	-.315	-24.019	.000	0.721	1.02
Employment status (X_7)	-1.466	.321	.284	12.060	.060	0.472	1.00
Age of student (X_8)	0.024	.055	.006	.437	.662	0.142	0.765
Housing Condition (X_9)	-.322	.051	-.088	-.297	.003	0.7674	1.01
No. of Sheep & Goats (X_{10})	.250	.124	-.010	-.832	.406	0.7673	1.02

Dependent Variable: E (the number of family members who ever reached school).

The linear regression equation characterizing the effect of Area of farm land, father's education, mother's education, number of cows, economic level of households, housing condition and number of sheep and goats on the mean total number of school aged children expressed as percentage of this analysis. From above SPSS output of table 3.2, we can write the equation of linear regression as follow:

$$E = 23.75 + 2.2X_1 + 5.4X_2 + 2.3X_3 + 3.7X_4 + 2.3X_6 + 1.5X_9 + 2.20X_{10} \quad (8)$$

Equation (8) shows that as the area of farm land increases by 1 timad, the percentage of children sent to school increases by 2.2. As the number of cows' increases, the percentage of children sent to school also increases. In similar ways, as the economic level of the family increases by 1 unit, the percentage of children sent school increases by 2.3, as the father's education increases by 1 year, the percentage of children sent school increases by 3.7, as the mother's education increases by 1 year, the percentage of children sent to school increases by 2.3. Similarly, housing condition and number of sheep and goats positively determine the mean of sending the children to the school. Other variable like total number of children, employment status and student age were found to be insignificant in determining the dependent variable under consideration (table 3.2).

To analysis the economic level of community in the study area, the researcher classified the population as dislocated and non-dislocated and economic level as low, middle and high. The result of the survey show that the economic level of the dislocated and non-dislocated people were almost equal, low (52.25%), middle (36.22%) and (10.53%) for non-dislocated and low (58.55%), middle (33.42%) and (8.08%) for dislocated people. The dislocated' people suffered a lot from diseases, food shortages and humanitarian aid

ISSN 2076-9202

couldn't reach them because of new residential site.

3.2. Impacts of dislocation on the survival of dislocated people.

As it was done for other variables, determination of the factors contributing to the probability of survival of dislocated people as one of the strategies or the sole strategy in times of food of shortfalls or any problems/ was done using the logistic regression analysis. The survival status of the dislocated people were depends on non-dislocated (ND), dislocated (DD), local community (LC) and government body (GB), was considered as explanatory variables. The backward conditional variable selection method yielded the following result.

Table 3.3: The back ward elimination of all variables**,** assuming, S_{ad} as dependent variable.

Model	B	S.E.	Wald	Df	Sig.	Exp(B)	95.0% C.I.for EXP(B)	
							Lower	Upper
ND	0.762**	.026	20.002	1	0.000	.932	.904	.961
DD	2.87**	0.001	0.264	1	0.001	0.031	.000	.
LC	6.43**	.008	.062	1	.0.000	1.000	.985	1.015
GB	0.500	.004	.051	1	0.2501	.999	.991	1.008
(Constant)	- 2.095	6.083	.119	1	0.7312	8.127		
Log-likelihood = 22.736** , Probability = 0.0000.								

Note: ** and * indicates that the coefficients are significant at 5% and 10% Levels of significant

Where, S_{ad} = probability of survival.

The empirical result shows that, all the coefficients are significantly different from zero at 5% level of significance. The variables/predictors non-dislocated (ND), dislocated (DD), local community (LC) and government body (GB) have wald value of greater than zero (see Table 3.3), which confirms their positive relation with the probability of survival. From above table 3.3, we can write the fitted model as:

$$F_{ad} = -1.3 + 0.762ND + 2.87DD + 6.43LC + 0.61GB \quad (9)$$

As it can be seen from equation (9), the probability of survival of dislocated people increases by 0.762 with the unit increase in the support of non-dislocated, by 2.87 with the unit increase in the dislocated and by 0.61 with the unit increase in the government body; and increases by 6.43 with the increase the unit in the local community. The implication may be that dislocated people can be supported by non-dislocated, themselves, local communities and government body to survive. This implies the non-displacer, local community and government body also sharing the problems of the dislocated people by supporting them. It shows that, as the support of dislocated people by supporters (non-displacer, local community and government body) increases, the economic level of the community become decline; displacement had a positive impact on the economic level of the local community and government body.

3.3. Impacts of dislocation on the health condition and social relation of dislocated people.

The health condition of the dislocated people at different sites was surveyed. The results from survey show

ISSN 2076-9202

that, out of the total dislocated people more than half (43.12%) were patients, suffered by diseases and food shortages. The dislocated people were living with together closely; using common eating and drinking materials, shows the transmission of communicable diseases were high among the dislocated people.

Using the data collected from the dislocated people, the socioeconomic status of the dislocated people was depends on the relations: community-community (CC) relation, community-government (CG) relation, community-economy (CE) relation and community-social (CS) relations. Hence, the dislocated communities were loss cultural, social relation, separated from their relatives and the government support them rather than asking income like; land rental, tax, etc. These reveal that the social and economic levels of the community as well as the country were decrease

3.4. Impacts of dislocation on living standard and housing condition of dislocated people

The reported standard of living differed across the four types of households. As shown in table 3.4, the proportion of households that reported a low standard of living ('poor' or ' very poor') was highest among dislocated households (35 percent), followed by mixed households with a dislocated husband (31 per cent), mixed households with a dislocated wife (28 percent), and finally non-dislocated house-holds (21 percent). A logistic model accounting for household size, the gender, age and years of schooling of the head of household showed that the odds of reporting a low standard of living were almost twice as high among dislocated households as among non-dislocated ones (odds ratio = 1.92, $p < 0.05$) (see Table 3.4). There was no statistically significant difference between any other combinations of household types in the odds of reporting a low standard of living. In addition, the odds of reporting a low standard of living were positively associated with household size (odds ratio =1.34, $p < 0.05$) and negatively associated with both years of schooling (odds ratio = 0.76, $P < 0.01$) and age of the head of household (odds ratio = 0.89, $P < 0.05$).

Table 3.4: Household standard of living and Housing condition

Types of household	Low Standard of living (% poor & very poor)	Odds Ratio	Ability to provide house (%)	Odds Ratio
Dislocated	35	1.92	50	0.7
Mixed, dislocated male	31	1.6	50	0.6
Mixed, dislocated female	28	0.9	64	1.34
Non-dislocated	21	Ref.	61	Ref.
Age	-	0.89	-	1.03
Gender (Ref. male)	-	1.5	-	0.3
Year of schooling	-	0.76	-	1.34
Size of household	-	1.34	-	0.94
Constant	-	2.2	-	0.13

Notes: Ref. refers to the reference category. n/a refers to non-applicable. Age, gender, and years of schooling refer to the head of household.

In addition, relative to their non-dislocated counterparts, dislocated households housing and type of house were considered. The study considered the having/not having their own house as well as roofing, wall, floor, to assess the housing conditions of the people (see table 3.5).

ISSN 2076-9202

Table 3.5: Distribution of household by housing condition, where they live at the study time.

	Owner of house		Roofing Material		
Types of household	Their own house (%)	Not their own (%)	Grass (%)	Plastic (%)	Iron sheet (%)
Dislocated	6.45	95.45	13.20	43.34	38.27
Mixed, dislocated male	27.35	72.65	26.65	18.25	54.10
Mixed,dislocated female	27.35	68.55	31.23	18.12	51.35
Non-dislocated	72.67	12.35	28.65	3.25	63.23

As we can see from table 3.5, on average living in their own house for dislocated households were smaller (6.45%) than that of non-dislocated ones (72.67%) and only 6.45% of dislocated households, those had other house at different town, were living in their own house at study time. Most of the dislocated households were living in plastic roofing house (47.34%) and non-dislocated household were living in iron sheet roofing (63.23%). In addition, the mixed dislocated households those living in their own house (27.35% for male dislocated and 27.35% for female dislocated) were lower than that of non-dislocated (72.67%).

4. Conclusions

4.1. Conclusion and Recommendations

The main objective of this study was to assess the effects of dislocation on socioeconomic of rural community in terms of basic needs for human and education. The results of the analysis showed that the non-dislocated people were better off than the dislocated in their abilities to send children to school, own houses roofed with corrugated iron sheet, living standard and ability to finance the family in times of food shortage.

The number of oxen, area of farm land, fathers education, mother education, economic level of family, number of goats and sheep and housing condition were positively affected the percentage of children to be sent to school. The probability of survival of dislocated was positively determined by the support from non-dislocated, local community and government body. This reveals that, the economic level of the community, the investment by government and were decreases, since the limited economy of the community were consumed by a lot of dislocated people. In addition, dislocated people were highly affected by the communicable and non-communicable diseases and suffering by hunger.

The findings reveal that the aspects of the severe downward mobility caused by dislocation: the loss of land, loss of properties, loss of privacy due to loss house and moral damage caused by forcing people to leave their homes and communities. The dislocated people were enforced to leave their home and properties, and they had relocated at new residential site. Hence, the communities were supporting some of basic needs, the dislocated people are unmet in basic needs, health service was rarely met and shelters were in difficult ways.

Comparing the four types of households on a variety of socio-economic indicators showed that, compared with non-dislocated households, dislocated ones suffered higher levels of poverty, lower ability to provide residential units study time, lived in plastic house, and were less likely to own a their house.

ISSN 2076-9202

4.2. Recommendations

Based on the result the following recommendations were forwarded:

- The government should be giving attention for the communities before desiding the dislocation and relocation to new residential site.
- The government, heath institution and non-dislocated community should support the dislocated community and try to stop or reduce the displacement for further.

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MANAGING LOCAL RESOURCES & CHALLENGES FOR INTERNATIONAL COMPANIES

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Abstract

Cyprus has become a strategic player in East Mediterranean (EM) region and many International Oil and Gas companies are looking forward to benefit from the great geopolitical location of the island. The present study will address the challenges that International Oil Companies (IOCs) and other stakeholders will face during exploitation of gas resources in Cyprus and the ways they will respond to the host country's local requirements. It will identify the potential market for the Cypriot natural gas along with local content policies that shape the business practices of these companies. Through a critical literature review and mainly analysis of present experience the study will explore the possible threats in the exploitation stage for the IOCs and for any stakeholder be involved. The findings assist development of policies in managing Cyprus oil and gas resources.

Keywords: International Oil Companies (IOCs), Cyprus, East Mediterranean, management, business, oil & gas, stakeholders.

1. Introduction

Offshore gas deposits in the Eastern Mediterranean (EM) are already impacting the geopolitics in the surrounding areas the last few years. Large gas discoveries in Israel, as well as potentially equally significant finds off of Cyprus, Lebanon, and Israel have already drawn the attention of many international energy companies in the EM region. New synergies in the area for the exploration and exploitation of the oil and gas reserves will require new management practices and new concepts of change. Furthermore, the prospect of finding additional considerable gas fields and even oil deposits, will escalate decision-making challenges as well as resource impact effect for Republic of Cyprus (ROC). The unitization agreements from ROC and major oil companies are already being challenged from neighbouring Turkey. Development of hydrocarbon resources in the EM should be a catalyst to encourage countries in the region to resolve their differences and share the benefits – and thus achieve win-win solutions. In the last few years, specifically in 2014, two of the world's largest oilfield services (Halliburton & Schlumberger) have chosen Cyprus as their base of operation for the EM region. Their base in Cyprus is projected to cover the entire EM and is expected to become their hub of exploration activity in the time to come. Over the course of their operations in Cyprus, the United States corporations could hire and train hundreds of locals and set up management teams to perform the needed activities, but may face many notable challenges. In addition, current developers of Cyprus natural gas discoveries include Noble Energy and its Israeli partners Delek and Avner that are operating in the first Cyprus offshore block 12, while French Total and the Italian-Korean joint venture Eni-Kogas are exploring

ISSN 2076-9202

the rest of the blocks. The study will address the challenges and threats that International Oil Companies (IOCs) and other stakeholders will have to face and the ways they will respond to the host country's local requirements.

1.1 Exploration in the Eastern Mediterranean Basin

Since early ages the geographical location, along with its topography has made Cyprus and Eastern Mediterranean (EM) an interesting location for geologists along with oil and gas explorers. Considering that the depth of the current area is in "ultra-deep waters" (2 kilometres in some depths) exploration was very risky, expensive and difficult until the last decade or so. After new methods of exploration and development were introduced in the oil and gas sector, combined with high oil prices/demand, new discoveries were now more reassuring for major oil companies in order to prompt new searches. Subsequently, the first significant ultra-Deepwater discovery in 2003 by Shell offshore Egypt in the Nile Delta region's North Eastern Mediterranean, Major Oil Companies were encouraged to start some serious explorations within the EM basin. Today NEMED (Northeast Mediterranean Sea Deep Water) discovery within the Nile Delta Basin is estimated to carry 1.536 trillion cubic feet (tcf) of recoverable natural gas. After a number of seismic surveys were conducted in 2010 the United States Geological Survey (USGS) estimated that the waters of the Levant Basin, south-east of Cyprus and north-east of the NEMED block, contain a mean of 122 tcf of recoverable natural gas and 1.7 billion barrels of recoverable crude oil. In October of 2010 the biggest field in the area was found in the offshore Economical Exclusive Zone (EEZ) of Israel, the Leviathan block. Prior to last year, Leviathan was estimated to add another 17 tcf in Israel's recoverable reserves. Cyprus offshore explorations can be consider as a part of a continuous exploration and production of hydrocarbons in the EM as aforementioned. In 2010, the USGS (2010) estimated that the Levant Basin; the basin of which the "Aphrodite Field" is a part, has 122 tcf of potentially recoverable natural gas, while the Nile Delta Basin's potential stood even higher at 223 tcf (Table 1).

Table 1: Table produced by author on Eastern Mediterranean Natural Gas Reserves

Country	Proven Reserves (tcf)	Additional Estimated Recoverable Reserves (Tcf)
Cyprus	0	7
Egypt	77.2	0
Israel	9.5	23
Lebanon	0	0
Palestinian Territories	0	1
Syria	8.5	0
Turkey	0.2	0

ISSN 2076-9202

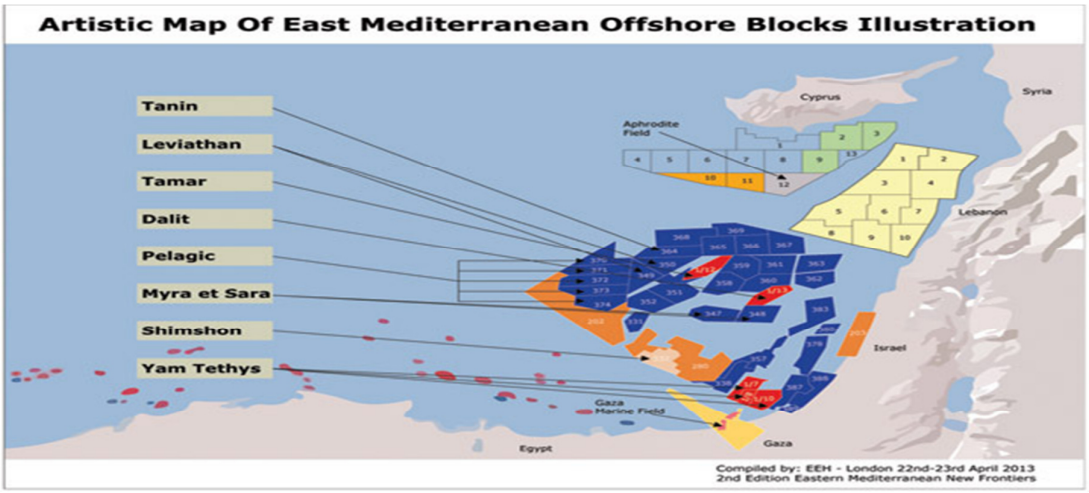


Figure 1: Expolration and Production Activity in the EM

Relatively close to the Aphrodite Field on the Levant Basin, Noble Energy discovered the 9 tcf "Tamar Field" in 2009 and the 17 tcf "Leviathan Field" in 2010. Exploration and production activity in the EM area is shown on Figure 1.

2. The Exclusive economic zones in EM and unitisation agreements with ROC

The Republic of Cyprus (ROC) established the UNCLOS in 1988, in which provisions on marine resources and the EEZ are included. Between 2003 and 2010, the ROC has signed particular EEZ delineation agreements with Egypt, Lebanon and Israel in the prospect for hydrocarbons. The offshore exploration of 51,000 sq. Km offshore area was divided into 13 blocks (Figure 2). After the first International tender for oil and gas exploration licences, Noble Energy was granted the licence for block 12. The production sharing contract agreement was signed in 2008 after further seismic surveys. In December 2011, Noble Energy announced the discovery of a major natural gas reserve offshore Cyprus in the exploratory block 12. The block that has been named "Aphrodite Field" is located 1,700 meters below the sea level, with estimate gross resource range of 3.6 to 6 tcf, with a gross mean of 4.54 tcf. Noble Energy (70%), Delek Drilling (15%) and Avner Oil Exploration (15%) attained license agreements with the Government of the ROC for exploration in the "Aphrodite Field" in 2011. In the beginning of March 2015, US-based Noble Energy declared gas reserves discovered offshore Cyprus commercially viable thus moving ROC from exploration to hydrocarbon development and exploitation phase. According to the president of Noble Energy Keith that this effort "is part of bringing the Aphrodite discovery to the next phase of exploitation, it is something that we have been looking forward to for some time now and it is a tremendous opportunity that we hope will bring prosperity to both the people of Cyprus and the government of Cyprus, as well as the other countries in the region." Furthermore, the Cypriot Government has licensed 4 more blocks for exploration (Figure 2). After the discovery of Aphrodite field, major interest was shown from large oil and gas organizations. The rewarding bidders were Total for Block 10 and 11, Eni -Kogas consortium for blocks 2, 3 and 9 (Figure 2). Evidently, after the successful biddings from International Oil Companies (IOC's) from powerful military background countries, ROC Government shows its desire to build a strong energy security within the

ISSN 2076-9202

island's boundaries and towards the EM consequently. The abovementioned group of companies has a wide spread of financial capacities, business strategies, and technical skill that could definitely assist in the future development of upstream and monetisation/export potential of Cyprus. In this case, some boast strong experience in deep-water operations; subsea pipelines; liquefaction development; and Liquefied Natural Gas trading and gas market access, while other IOCs may have fewer competitive advantages to offer. Still, the participation of all these companies, suggests that there will probably be sufficient skills and financial strength in aggregate the prospective of the Cyprus gas and the surrounding EM area.

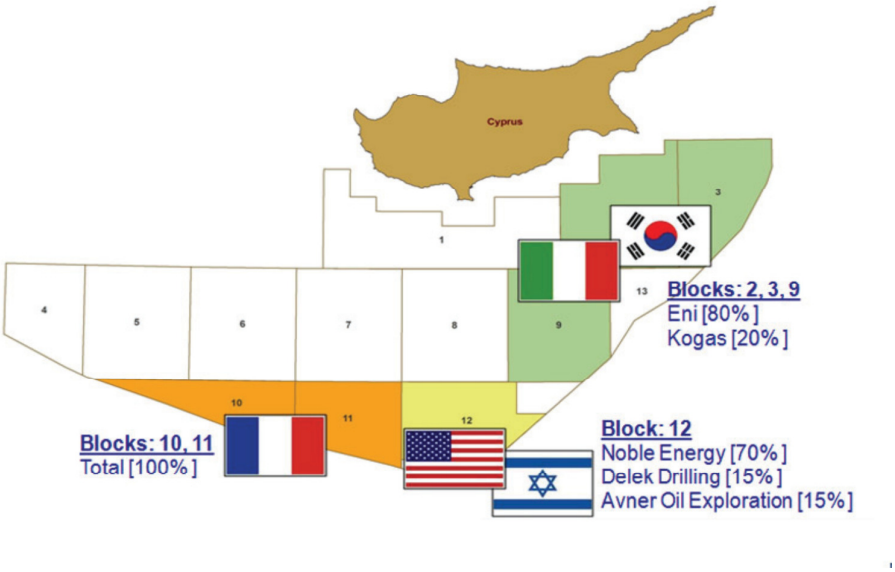


Figure 2-Cyprus EEZ offshore Exploration Blocks

2.1 Conflict with neighbouring countries

The recent explorations from ROC have contributed to an extra conflict of interest between ROC and Turkey in particular. Turkey's points of arguments have repeatedly been disputed by the international community. Turkey argues that at least 10 blocks within the Cypriot EEZ are still questionable and consequently is not an area for exploration at this stage. In response to the ROC government's march into the second offshore licensing round in February 2012, the Turkish Republic of Northern Cyprus (TRNC) granted a permit to TPAO for the exploration of hydrocarbons in areas that extend along with 7 of the 12 (Figure 1) oil and gas research blocks in the ROC's EEZ to the east and south of the island. The fact that TRNC is not internationally recognized, make any possible claims of continental shelf rights baseless with inconsiderable response from global community. Even today, the Republic of Turkey continues its provocative and unlawful actions in the Eastern Mediterranean towards the ROC through illegal seismic survey operations in Cyprus's territorial sea, exclusive economic zone and continental shelf. In particular, the seismic vessel Barbaros, owned by TPAO, conducted numerous seismic survey operations during the

ISSN 2076-9202

last two years in an area partly falling within the territorial sea, the exclusive economic zone and the continental shelf of the ROC. While Turkey may be displeased at Cyprus' advancement, their hands are tied by a lack of support. Furthermore, the European Union (EU) with Cyprus as a devoted member, and the United States represented by Noble Energy, Halliburton, Schlumberger have their own share on the searches. In addition Russia is also an ally for Cypriot community, and all stand by the ROC along with the major IOC's that have participated in the pre-qualification bidding rounds for exploration. We will further research on the possible challenges for IOCs and local stakeholders later on in the paper.

3. Cyprus, the Eastern Mediterranean and Global Oil & Gas markets

As previously discussed, Cyprus location in the Eastern Mediterranean with great coastal access give the island a natural advantage for gas exports. The development of its hydrocarbon reserves would enable Cyprus to reduce its dependence on imports of oil products, which in 2012 constituted more than 97 percent of its total primary energy supplies. The increase in world population, and the improved quality of life in addition to the economic boost in China and India, is predicted to lead to an incremental increase in world demand for energy in 2035 compared to 2012.The last 5 years, China influenced importantly the global gas demand, where rapid economic growth and urbanization among its population of 1.3 billion combine to create ever greater demand for energy. US Energy Information Administration's World Energy Outlook 2012, supports that energy consumption in China surpassed that of the United States in 2009. Demand in Asia, led by China and India, which now account for 10% of global demand, is projected to grow much faster than in the West, rising by 2.9% per year in 2008-2035, compared with just 0.6% for OECD countries. It is predicted that the greater demand in real numbers will derive from natural gas sector in relation to the other conventional fuels. Moreover, consumption of natural gas is expected to be the fastest growing among fossil fuels. It is predicted to rise by 1.6% per year in the forecast period, to 169 tcf by 2035(Figure 3).

The two leading ways of transporting natural gas is through pipelines and in Liquefied or Compressed form. In the Liquefied Natural Gas (LNG) form, the volume reduction is close to 600 times thus making it easy for Economies of Scale to apply. Furthermore, LNG project costs and lead times are falling due to a combination of technological developments, the exploitation of economies of scale and newer methods of project finance. On the other hand, pipelines attract very large economies of scale as well and they tend to be natural monopolies. Usually-in the oil sector- it is very common that the outputs from several oil fields to be carried out by one large bulk pipeline. More than half of the energy consumption in the EU originates from third party countries, in fact making Europe one of the largest energy imported in the globe. Moreover, because of the emergent of new international regulations on environmental protection, natural gas is expected to take over a great chunk of the EU market limiting the use of coal and nuclear energy. After the Crimea crisis, EU27 is aggressively pursuing alternative routes for natural gas imports in the long-term. Reducing overexposure to natural gas from Russia could benefit new exporters of natural gas thus giving countries like Cyprus and IOCs investing there, a significant edge for the future.

ISSN 2076-9202

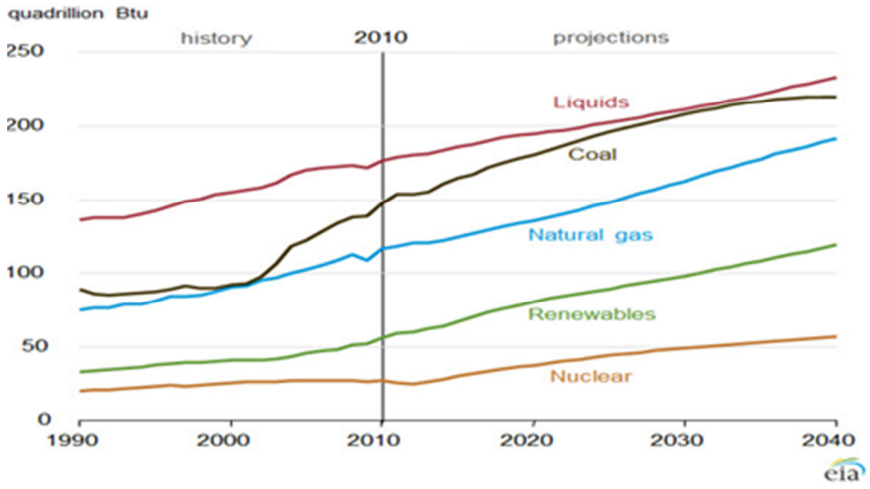


Figure 3-Global Energy Consumption by fuel in different energy sources

In the short-term, Europe can only rely on imports from the MENA region and Norway, but this alone cannot replenish imports from Russia. Europe has a well-developed network of LNG terminals (Figure 6), yet global LNG suppliers are already under intense strain to facilitate increasing demand, primarily from Asian markets. Taking into consideration the prospect of European markets of natural gas, it looks like EU demand on natural gas will continue to increase while local supply will deteriorate (Figure 4). In the long term, there will be a distinct difference between supply and demand and after 2015 additional supplies are needed.

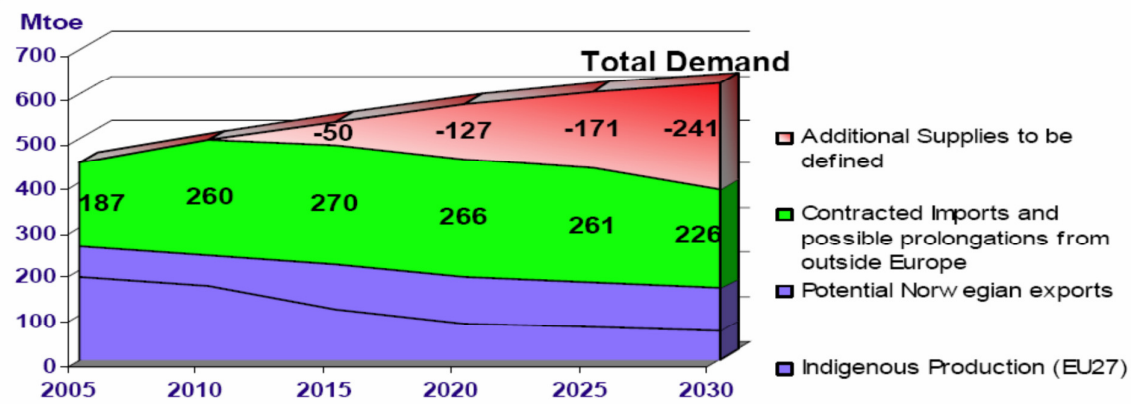


Figure 4- EU 27 Supply/Demand Outlook

It is also relevant to add that in 2010 one fourth of natural gas imports in EU were in LNG form thus making the LNG a promising dynamic market with a great role for EU countries. Out of eighty six LNG terminal points over the globe, twenty operate in EU with nine being located in Mediterranean Sea making the long term strategic goal of ROC of building an LNG terminal for exports the ideal option at this moment.

ISSN 2076-9202

Because of its flexibility, LNG is probably the most attractive export option, both for the government and for international investors, provided sufficient quantities of gas are available. Cyprus initial LNG potential could amount to 5 to 10 mtpa. (6.8-15.5 bcm), a relatively small volume but large enough to make one to two LNG trains commercially viable. But to make such a project viable, the government would need to make sufficient quantities available for export to permit the conclusion of long-term contracts.

3.1 The Local Energy Content

Cyprus until 2011 was a small and disregarded energy system without any electricity interfaces or natural gas or oil reserves up to recent years. Cyprus imports all of its petroleum products primarily from fellow European Union member countries to meet internal demand, with residual fuel oil and distillate fuel oil comprising approximately 65% of all petroleum imports in 2010.According to CERA, energy local demand is settle to be around 1-1,5bcm per/year until 2035(Figure 5).

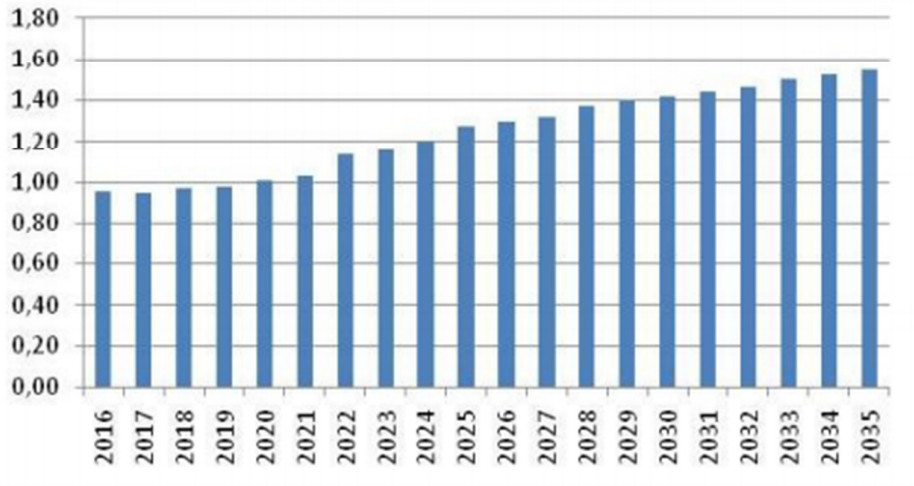


Figure 5-CERA estimation for Cyprus domestic energy consumption (bcm)

After Noble Energy's appraisal along with latest news of Block 12 and taking into consideration the Geological studies from USGS we can inevitably say that Cyprus will likely have sufficient resources for developing export capabilities regardless of the extent of domestic gas substitution in the years to follow and become an energy hub in the Mediterranean region. Furthermore, comparing the country's rather small energy consumption relative to the size of (just) the Aphrodite field at this report, it is reasonable to assume that Cyprus will substitute natural gas for oil in some parts of the economy. Even if Cyprus gasifies its power sector, and does not export the gas from Aphrodite field, it will roughly last ninety years (Figure 6). In addition, taking exporting options into consideration, the field would last approximately sixteen years. On this account, designing the development of export capabilities can be accomplished without risking domestic use. The preceding facts signalize a new era for oil and gas in Cyprus, in which could easily become from a

ISSN 2076-9202

hydrocarbon consumer to a production and exporting nation in the Mediterranean region and an attractive destination for many IOCs as we will discuss further in the paper.

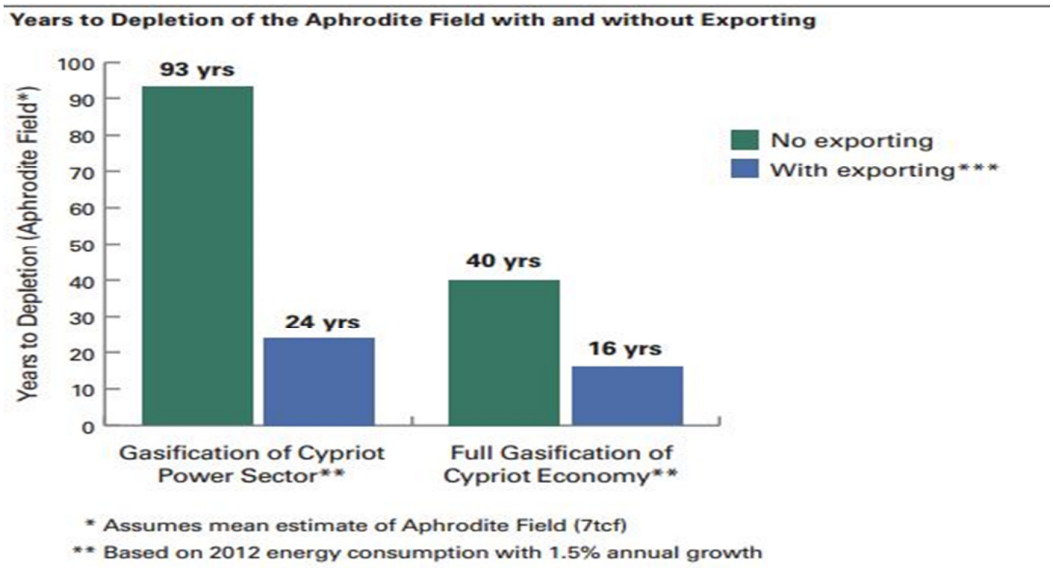


Figure 6-MITreport pg. 12

4. International Oil Companies moving to Cyprus

4.1 Attractiveness and motives for foreign investment

Attractiveness describes the degree to which the country's host market is described for business operations by foreign firms. Multinational firms including IOC's may be attracted because of the host country's market size. In addition market size it attractive to foreign firms because it offers greater potential for growth, profit and stability of operations. To market size option, per capita income is good measure of a country's attractiveness for market seeking IOC's/multinationals. Furthermore those same companies may be benefited from an unsolicited proposal or a host country's attractiveness by exporting to a foreign market. According to John Dunning there are four motives for establishing an investment in a foreign location (Dunning 1993; Narula and Dunning 2000):

- Natural resource seeking. An IOC may seek to invest in a foreign country in order to obtain natural resources
- Market seeking. An IOC may seek to invest in a foreign country in order to service a large domestic market and adjacent regional markets, to overcome existing barriers to exporting to a country or to locate closer to customers

ISSN 2076-9202

- Efficiency seeking. An IOC may seek to invest in a foreign country in order to decrease costs through cheaper labor or materials or to benefit from better integration of international activities
- Strategic asset seeking. An IOC may seek to invest strategically in a foreign country in order to obtain important knowledge resources ,accelerate innovation or learn from different consumer preferences

The first 3 motives primarily help a multinational firm to exploit assets in other countries by using the firm's existing capabilities. The last motive the strategic asset seeking serves to improve the firm's capabilities through learning in foreign locations. Firms can have different motives for foreign investments based on 2 different firm specific factors (Frynas & Mellahi, 2011).

Firm size: In this factor, size of the firm matters since bigger firms tend to internationalize more than the smaller ones. The aforementioned factor is relevant to our topic since all of the IOCs operating or planned to operate in EM, are of considerable size. Large firms tend to possess more managerial and financial resources, attain high levels of economies of scale and tend to be associated with lower levels of perceived risks in international operations.

International appeal and timing of entry: Production of a unique service with an international interest could act as a stimulus for international expansion. In addition, firms may also decide to enter a market for a particular time for wider strategic reasons. In some previous research from the same authors, it was emphasized the strategic importance of the timing of market entry suggesting that first movers in foreign markets perform better than later market entrants(Mascarenhas, 1997; Isobe et al. 2000; Geng and Hon-Kwong 2005: Frynas et al 2006). In the second quarter of 2014, Halliburton and Schlumberger, two of the world's largest oilfield services companies, have chosen Cyprus as their base of operations for the eastern Mediterranean supporting ROC's stability of the region along with the prospect that Cyprus and consequently the EM gas will have. In addition taking into consideration the literature review above, we can definitely see a prime example John Dunning four motives for foreign investment happening in Cyprus and EM concurrently. First with Noble Energy in 2012 and then with the Halliburton and Schlumberger following the path of competition in a foreign location. When one firm internationalizes in this case Noble as the pioneer, its competitors may fear being left behind if the internationalizing firm gains competitive advantages in foreign locations. Therefore, the internationalization of one firm may sometimes create the so called' bandwagon effect' among international competitor, that means firms initiate the internationalizing firms strategic move to expand overseas such as Halliburton, Schlumberger ENI, TOTAL. We will discuss about IOCs bandwagon effect in the next chapter.

4.2 The possible threats

4.2 .1 Resource Impact-The possibility of a resource curse

In a global content, oil resources really matter at a national level oil whether a country is an importer or exporters. In the case of oil importers, the resource is often a major drain on the balance of payments and has

ISSN 2076-9202

a positive correlation with the inflation rate (Nordhaus, 2009). It also raises important concerns over import. Dependence and supply security. For oil exporters, while it may seem large scale oil exports are a benefit, they can cause problems. The country can be become dependent upon oil revenues and therefore vulnerable to fluctuations in oil prices. Large-scale revenues can also damage an existing economy – crowding out the manufacturing sector and agriculture. This can be the result of too much government involvement in the economy as the government dispenses the oil revenues. It can also be the result of a bad attack of Dutch Disease i.e an over-evaluation of the exchange rate because the hydrocarbon revenues create inflation and also cause the exchange rate to appreciate as the currency is seen to be a petro-currency. More generally these negative effects on an economy have been labelled "Resource Curse". The term was first used in the formal economics literature in 1993 (Auty, 1993).However, while many countries did appear to suffer a 'curse' as a result of the inflation of large natural resource revenues, other counties reportedly did not . Thus the 'resource curse' phenomenon '… is not an iron law, rather it is a strong recurrent tendency' (Auty, 1994a: 12). Yet another dimension of the so called 'curse' is that it tends to be associated with greater conflict in a society (Collier and Hoeffler 2000; Ross 2001). According to Stevens (2003), many factors are involved. Large-scale resource revenues create a revenue pot that is worth fighting for since whoever is in power is better able to seize that pot. The projects themselves can often divide local populations, especially if there already exist separatist tendencies. This can happen either through causing local environmental damage or because there is a feeling that resources are being carried away from the region to the capital. Yet another characteristic of 'resource curse' is that natural resource abundance 'retards political change' (Auty 2001b: 11) and entrenches regimes. Thus an abundance of resources 'significantly weakened underdeveloped democratic institutions, repressing political parties so that power is weakly contested, public finances are opaque and corruption both by the elite and bureaucracy is excessive'. On the same subject as literature review highlights, resource rich countries run the risk of violent conflicts and poor democracy accountability. According to Melhum et al. (2006) this difference in the growth performance of rich-resource countries is due to the rent distribution through institutional arrangements, corruption included, which reflects directly to the inability of governments to manage large resource revenues in a sustainable way. What this is and how to avoid it has become a key issue in international oil and gas investments the last couple of decades. Oil and gas projects tend to be large and therefore often have very important linkages mainly in local level. They can also carry important local environmental dimensions. In more recent years another local issue has been the relationship between the oil operations, the central government and human rights issues. This has been especially relevant when local people feel their interests have been ignored by the oil companies and their own governments. Such issues as environment and human rights are increasingly influencing the behaviour of large oil corporations who are concerned about their public image if found to be involved in despoiling the local environment or helping to infringe human rights. In November of 2014, an incident of local authorities ignoring environmental regulations and permits, in Aradipou area where both Schlumberger and Halliburton have their operations, has taken place. More specifically, the ROC labour inspection department has formulated no action plan for handling radioactive waste products and at the same time rubberstamped the permits for letting the 2 IOCs fully operating. This phenomena could be relevant for countries like the ROC that is thought to possess natural resources, even though at a primary stage in the

ISSN 2076-9202

exploitation process. According to Coutinho, (2011) "It is crucial that from the outset these countries follow the right policies to maximize the benefits that can accrue to this, as well as to future generations, and avoid some of the mistakes that other resource-rich countries have repeated in the past". This is a critical stage of the resource exploitation and good management perspective in the EM including Cyprus. These expectations are legitimate and genuine given the fact that oil and gas revenues that have been properly managed in countries like Norway, Canada and Brazil amongst others have acted as strong economic incentives for propelling economic and social development thus creating a resource blessing effect. On the other hand, poorly managed oil and gas resources such as in Nigeria, Chad and Trinidad and Tobago amongst others, have also led to oil crisis due to the inadequate or the complete mismanagement of local expectations of oil and gas discovery and revenue (Von Kemedi, 2003; Bategeka, Kiiza, and Ssewanyana, 2009; Addei, and Broni-Bediako, 2010; Gary, 2010).

4.3 The 'bandwagon' effect arising

Competing IOC's tend to observe evaluate and imitate each other strategic move's especially in industries with only a few domestic players. International expansion can provide a firm with competitive advantages Vis a Vis its competitors in the home market, for instance, by obtaining cheaper materials, new knowledge and expertise or even larger economies of scale (Frynas & Mellahi, 2011). If one firm internationalizes, its competitors may fear being left behind if the internationalizing firm gains competitive advantages in foreign locations. Therefore the internationalization of one firm may sometimes create the so called' bandwagon effect' among international competitors that means firms initiate the internationalizing firms strategic move to expand overseas and vice versa (Knickerbocker 1973; Head et al. 2002; Gimeno et al. 2005). Local authorities in ROC need to encourage IOCs that have the experience and expertise to move to the next phases of exploration, construction, and production. These same companies may be competing, but they're also talking to one other and if one of those companies is unsatisfied operating in Cyprus, word spreads.

4.4 The Role of Israel and Turkey in the area

The international relations of the EM region have been shaped by political clashes over land boundaries including the unresolved dispute between Cyprus and Turkey, the ongoing dispute over Israel and Lebanon, as well as the established conflict between Israel, and Palestine. As previously mentioned Israel's largest gas field 'Leviathan' was discovered in June 2010.The size of the discovery, in addition to the previous reserves that Israel holds make its presence in the region even more eminent. Moreover the political revolutions, that have the focus of many Arab countries since 2011 have turned neighbouring Syria into a field of different minorities in such a way that the new discoveries of natural gas could have a distinct geopolitical influence. The stake of ROC in the area and the congenial relationship with Israel have added a counter to Turkish pressure on Cyprus especially in future cooperation on gas and possible oil exploration. The latest discovery of Cyprus Aphrodite field, and more notably the probable further research of the rest of reserves as a result of the upcoming Total and ENI-Kogas consortium exploration programme for the second quarter of 2015,

ISSN 2076-9202

could begin positive motivation towards a settlement of the Cypriot dispute; provided that ROC is able to somewhat balance off Turkey's geostrategic dominance while at the same time encouraging the Turkish-Cypriots to follow a more comprehensive settlement in the ongoing negotiation processes. Assuming that Turkey continues its geostrategic holdback over Cyprus, an interest to reach a compromise based on United Nations Resolutions Purposes and Principles will not develop. The aforementioned resolutions are based on the Purposes and Principles of the United Nations, which provides the bodywork for a fair solution of the dispute and are mandatory upon UN Member-States. In this respect, it should be mentioned that the 25th article of the U.N. Charter provides that the "Members of the United Nations agree to accept and carry out the decisions of the Security Council in accordance with the existing Charter". The confrontation for the ROC and all parties involved is to evaluate the relevant mix of motivations for Turkey and the Turkish-Cypriots that would generate the momentum for a just and viable compromise without violating 4 basic parameters:

4.1 Putting in danger its sovereignty

4.2 Legally recognizing the so-called "TRNC"

4.3 Freezing its hydrocarbon development in case a resolution of the Cypriot Dispute is not reached

4.4 Violating the already established Cypriot EEZ and continental shelf

Within the island, the vast majority of Greek-Cypriot parties have originated a zero-sum game approach with regards to Turkey and the Turkish-Cypriot minority community. This zero-sum game approach would accept to share part of the hydrocarbons generated revenue only after a comprehensive solution of the Cyprus Dispute is reached. However, as long as Turkey attempts to deter ROC with its practices, the dignity within the international community and EU becomes even more detached. Turkey does not recognize the existence of the ROC. As a result it has claimed the near entirety of Cyprus' EEZ (Figure 7) either directly and has attempted to use its military might coercively in order to deter Nicosia and Noble Energy from carrying out the exploratory drilling that discovered the Aphrodite reserve.

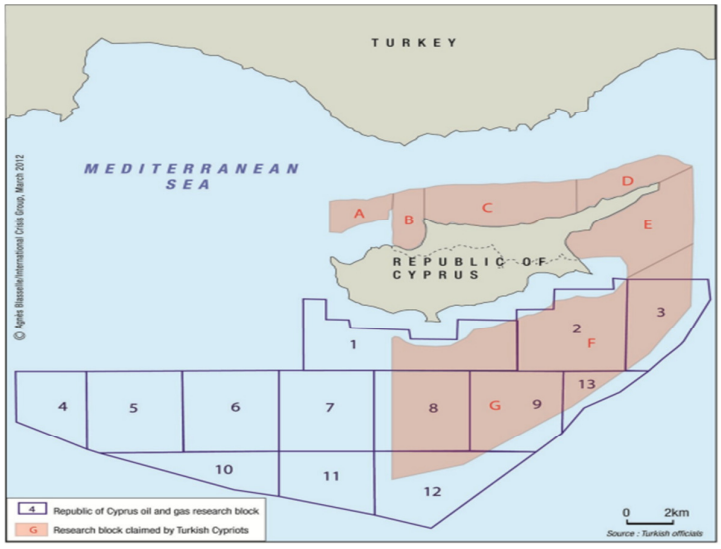


Figure 7-"TRNC" claims on Cyprus EEZ

ISSN 2076-9202

For Turkey, the rising energy alliance between Israel, Greece and Cyprus serves as a new game in the EM geopolitical scene. Indeed, this cooperation and the prospect it that offers can be seen as alliance in the defence sector, thus creating a suspicion from Turkey. In addition, Turkey's PM Erdogan suspended trade and military cooperation with Israel after the Gaza flotilla raid in 2010. Since then Israel has pursued and cooperated with Cyprus and Greece on military drillings. In February 2012, Benjamin Netanyahu following the EEZ agreement with ROC became the first Israeli PM to visit Cyprus and discuss the co-operation between the two countries on a number of levels, including energy agriculture and marine exploration. The Turkish press offered extensive coverage of Netanyahu's visit to the island and its significance with regard to Turkish foreign and security policy in the Eastern Mediterranean, while also reporting that ROC might grant air force access to its bases. The international support that ROC is enjoying at the moment, could neutralize Turkish opposition and provide a supply diversification in the EU.

4.5 Latest updates on regional conflict

As of October 20, a Turkish survey vessel, the "Hayreddin Barbaros Pasa", accompanied by a frigate of the Turkish Navy, has been carrying out seismic surveys within the continental shelf and the EEZ of Cyprus. The area of operations is very close to block 9, where the Italian oil company ENI is drilling for hydrocarbons on behalf of the ROC. Although these activities have sparked rigorous reactions on the part of the ROC, the "Barbaros" has yet to terminate its operations up to today. On November 8th after the last few year's efforts from ROC government, the Cairo Declaration was finally adopted. The particularly important document epitomised the initiatives undertaken by the three countries in various fields. The declaration included the common interests and the recognition of the need to address the regional challenges to achieve stability, security and peace in the volatile region of the eastern Mediterranean. In addition the discovery of hydrocarbon deposits served as an incentive to strengthen regional cooperation and a further enhancement of Cyprus' role in the region and show a need for a regional security to existing IOCs. The declaration adumbrates the general framework of the tripartite cooperation between the three neighbouring countries. As specified from the latest news the first step for the trilateral cooperation between Greece, Cyprus and Israel will happen in the second half of 2015.

This session is the first step to institutionalize the trilateral cooperation form between Greece, Cyprus and Israel. The agenda of the upcoming meeting will include the following topics:

1. Cooperation between the three countries in international organizations.
2. Discussion of Israel relations and the European Union.
3. Cyprus and Turkey Chapter (Challenges in the Cypriot EEZ)
4. The situation in the Middle East.

Cyprus constructive and stabilizing role in the Eastern Mediterranean region as well as recent developments concerning the Cyprus dispute, can be in the agendas of upcoming meeting with the countries in the region. The continuous geopolitical unsteadiness of the region could open new collaboration fields for ROC, along

ISSN 2076-9202

with building potential external relationships thus attracting foreign investments.

5. Global Management of Change

While all types of strategic change in any small or large IOC, incremental or radical are to a varying degree difficult to manage, strategic change in multinational firms is much more difficult to manage than change in firms operating in a single country (Bamford 2006). This is because in addition to the different stakeholders involved in the change employees and management in different countries and regions hold different managerial values and are used to different managerial practices (Frybas & Mellahi, 2011). Kay (115:15) makes an interesting contrast between US and UK views on leadership and those of the rest of European Union nations. In the US and the UK the chief executive is seen as the master of organizational and business success becomes the chief executive vision (Frybas & Mellahi, 2011). In the oil and gas industry middle managers play a significant role in the management change. Hampden-Turner and Trompenaars (1993) make the point in the US, the top teams specify the strategy in a very precise way: top management knows what is required for the future strategic plans. This way of operating is often carried over into the international sphere, with the US head office providing what is required for their foreign subsidiary managers to carry out.

5.1 IOC's Stakeholders Management

The traditional and most relevant definition of a stakeholder in an organization is "any group or individual who can affect or is affected by the achievement of the organization's objectives" (Freeman E., 1984). In general the concept is about what the organization should be and how it should be conceptualized. Friedman (2006) states that the organization itself should be thought of as grouping of stakeholders and the purpose of the organization should be to manage their interests, needs and viewpoints. In addition, (Freeman R. E., 2004) has continued to use this definition in a modified form: "those groups who are vital to the survival and success of the organization"-ROC key stakeholders following (Freeman definition could be identified in Figure 8).

Figure 8. Table produced by author-Republic of Cyprus stakeholders of hydrocarbon industry

ROC Key Stakeholders	**Stakeholders assumptions**	**Oil and Gas Industry assumptions**
Local Communities	• CSR and Philanthropy • Human Rights and Community Development • Protection of the Environment	• Cooperation • Comprehension of • Stakeholders assumptions • Right to operate
Government & Decision makers	• Preserve the Citizens rights • Obey the confines of	• Right to hire employees • Access to natural resources

ISSN 2076-9202

	the local and international law • Work for the citizens good welfare	
NGO's	• Environmental protections • Sustainable development	• Compromise and understanding
Shareholders	• Earn Profit • Growth & Development Innovation • Transparency & Accountability	• Prudent Decision Making
Employees and Managers	• Shared vision • Transparency • Psychological Contract	• Dedication • Loyalty • Dedication
Suppliers and Customers	• Fair & just tendering processes • Fair & just prices/costs	• Fair & just tendering processes • Fair & just prices/costs

5.2 Identification of the Key Stakeholders with IOC's

International Oil Companies are more and more urged to respond to the expectancies of their stakeholders, as the management of these expectations has become a key factor for economic success (Berens, 2012).Incidents in the past, i.e. Shell Group plan to dispose Brent Spar platform, proved that stakeholders can be able to influence the companies' environment considerably. Today, the tight networking of stakeholders and interest groups due to the various possibilities provided by media coverage specifically internet, a similar incident would in all probability cause more than financial losses to the affected company (Berens, 2012). One of the major difficulties of stakeholder management consist in pondering conflicting stakeholder interests as well as in balancing stakeholders' and the company's objectives (Berens, 2012). Fulfilling stakeholders' demands generally affects the financial performance of a company, this makes an efficient choice of relevant stakeholders and their expectations necessary (Berens, 2012).Based on the stakeholder definition selected (Freeman E., 1984) and in analysis techniques such as Bryson's basic analysis technique (1995), the power vs interest grids and stakeholder influence diagrams (Eden & Ackermann, 1998) and the participation planning matrix (Bryson, 2004) The following key stakeholders in the Oil and Gas Industry have been identified in this report. It is noteworthy to mention that every

ISSN 2076-9202

shareholder is a stakeholder but not every stakeholder is a shareholder (Figure 9).

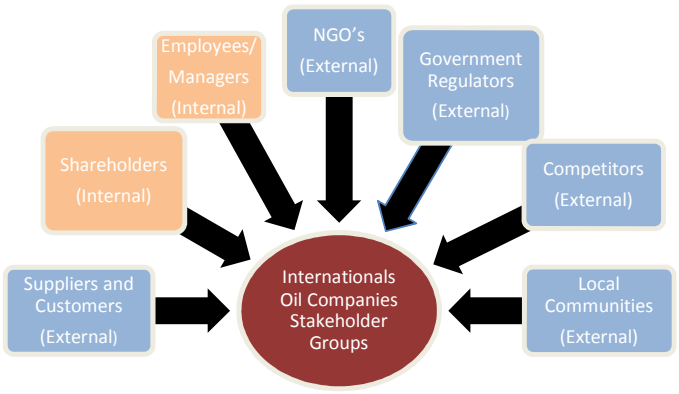


Figure 9: Figure produced by author based on Carroll & Buchholtz (2012:10)-IOC's Stakeholder groups

A prioritization of stakeholder groups depending on their relevance for a company is one main aspect. The higher the importance of the stakeholders, the higher is the need for an in-depth analysis of their expectations (Berens, 2012). Determining the saliency of the stakeholders is essential for the company, by assigning a stakeholder to a priority group it is determined to what extent resources should be invested in response to the respective request (Berens, 2012).

6. The Social Contract between the Oil and Gas Industry and its Stakeholders

6.1 The Concept of the Social Contract in the Culture of Society

The aforementioned concept was developed by early political philosophers, a social contract is a set of rules and assumptions about behaviour patterns among the various elements of a society (Weiss, 2009). Stakeholder theory suggests that there exists a social contract between "business and society that provides a moral basis for the social control of business activity" (Weiss, 2009). This assumes that the actions of IOCs can be constrained legally and morally and that corporations have moral obligations because they are "creatures of society" (Donaldson & Preston, 1995). As a result, much of the social contract between stakeholders is embedded in the culture of society. While not a physically written principle, a social contract often involves a quid pro quo exchange similar to that of a legal contract (Bekefi, et al., 2006). According to Kultgen (1986), Donaldson indicates that productive organisations require from society:

1. Recognition as a single agent, especially in a legal sense, and
2. To the company:
    (a) to own or use land and natural resources
    (b) to hire employees

Donaldson also argues that because productive organizations require and receive special status under the law in most countries and use society's resources, they can be morally obligated to serve the public's interest (Weiss, 2009).Based on this concept, for stakeholder theory to be effective, the claim on the business must

ISSN 2076-9202

be a moral obligation in order to legitimise the claims of the stakeholders, regardless of culture, customs or country (Kultgen, 1986). This is done by claiming a preceding, implied social agreement exists to which all members of society are parties. This concept also responds to the argument that the interests of internal stakeholders are already accounted for because they are engaged in voluntary transactions (Savage, Nix, Whitehead, & Blair, 1991). It also allows stakeholder management initiatives to identify and legitimise the interests of external stakeholders, such as local communities, who may be indirectly affected due to the activities of the business (Bekefi, et al., 2006). In a more narrowly focused context, ROC communities near to the onshore oil and gas facilities, may suffer various adverse effects from its operation:

• Oil and gas activities may create environmental damage and interfere with local production.

• The labour hiring that is done by the operator forces up local wages and costs, thus adversely affecting those not employed directly in the operation.

• The location of the facilities may be viewed by local communities as taking place on their traditional land, while the taxation agreements with the government do not ensure adequate local compensation for their loss of resource.

On the contrary, some NGOs and local communities may exert pressure on firms by engaging in environmental or social activism due to the numerous individual and community/social costs associated with hydrocarbon land activity. For example potential property damages increased insurance premiums and reductions in property value etc. (Lewin, Strutton, & Paswan, 2011). Local community groups commonly can exercise pressure on firms by electing local public officials representing their interests, making citizen lawsuits, organizing letter-writing campaigns and boycotts (Delmas & Toffel, 2010) (Chiu & Sharfman, 2011). Although these problems could be addressed by specific policies designed to take into account the exact grievance, it may also be that governments see local content practices as a way of bringing jobs and income to an area where there is considerable dissatisfaction for the presence of the oil and gas operations (Tordo, et al., 2013).

7. Local content policies as local context that shape IOCs business practices

Empirical evidence from the international business literature suggest that how multinational companies in the natural resource industry respond to a host country's local requirements determines what difference they make to economic development (Liu,2011; Henisz et al., 2013) The business practices of IOCs in the context of local content include actions taking to increase sourcing of local supplies (Blalock and Simon, 2009) dealing with local supplier opportunism and developing global human resources strategies (Bjorkman et al., 2007; Egels-Zanden, 2014) that can be adapted and implemented to enhance local legitimacy (Reimann et al., 2012) in specific host developing country. The success of such practices also depend on the formulation of clear business policy choices relating to financing, organisational forms and implementation (Chow et al., 2012).Murtha and Lenway (1994) suggest that the success of multinational corporations in a host country depends on well design strategies and practices to ensure effective responses to major changes in the country's institutional policies. Given the above reasoning, the business practices used by IOCs to respond to local content practices/policies can be understood in terms of two inter-related areas, namely, technology capacity development and human capacity development, both of which come into play to shape IOCs' wider contribution to economic development (Figure 10 in appendix). According to Tordo et al.

ISSN 2076-9202

(2013), local content practices can refer to 'jobs or value-added that is created anywhere in the local economy as a result of the actions of an oil and gas company, or it can more narrowly refer to jobs that are created in the neighbourhood of the oil production plant. Whereas, policies mainly refer to local content without specifying its location within the economy, it is common that the communities closest to and possibly most affected by oil or gas installations will also exert the most pressure for jobs. In addition, local content can be examined from different standpoints along the value chain of the oil and gas industry (Tordo, 2011), as described in appendix (Figure 11, 12 in appendix). In terms of technology and capacity development, IOCs are under pressure to source equipment from local suppliers and/or support the upgrading of local manufacturing capacity to a point where they can serve as preferred suppliers. In terms of human capacity development, IOCs are required to give preference to host-country nationals when recruiting and/or to develop their capacities/capabilities to work in IOCs' local operations. As the former executive chairman of the Cyprus National Hydrocarbons Company cited, over the course of their operations in Cyprus the same IOCs' could thus hire and train hundreds of locals force. The interplay of technology and human capacity development increases the productive capacity of the economy (jobs and revenue) and can contribute to efforts aimed at deal with the resource curse problem by enhancing economic development (Klueh et al.,2009; Warner, 2011; Kazzazi and Nouri, 2012).

8. Conclusion

The successful development of Cyprus hydrocarbon resources could bring substantial economic benefits to an ailing economy and strengthen the country's and EM region energy security. However, the road to Cyprus becoming a gas producer and exporter is a long one yet greatly promising. Over the next few years, the ROC government and IOCs operating there will be confronted with many complex and difficult decisions. The above report, demonstrates that there are several steps to be taken to ensure the smooth exploitation of hydrocarbons activities. There is no doubt that the energy finds in the Eastern Mediterranean introduces an opportunity for regional cooperation to increase the benefits for and prosperity of everyone in the region. But in the current climate of conflict and distrust, such energy potentials could also fuel further contention. Clearly, energy will be a dominant factor in the future of the countries of this region. Another aspect for success in hydrocarbons industry lies on the ability and skill that the ROC would present in negotiating with the current and any forthcoming IOCs, along with neighbouring countries. Whether it will be a force that promotes stability and prosperity or one that stirs up regional and international conflict is yet to be seen. Resource exploitation in Cyprus could potentially prove favourable for the country if the adequate regulation is provided to the industry by the state and proper negotiations are conducted with foreign investors, IOCs and neighbouring countries, following consultation of the experience of other provinces successful in the field. What is much more important for Cyprus and IOCs operating there, besides the economical and geopolitical concerns of the gas discoveries, is the management and control of the overall hydrocarbon activities. It is of essential importance that ROC maintains diversity in its economy, with efforts to stimulate investments in other sectors apart from hydrocarbons thus having a positive resource impact along with training and hiring local force for any support services. Cyprus will then be able to utilize its hydrocarbons to the maximum, and perhaps solve the majority of any internal problems that

ISSN 2076-9202

could arise such as the establishment of effective institutional and regulatory structures, and the efficient and transparent management of gas revenues as well as development. In addition, ROC government is suggested to see local content practices as a way of bringing jobs and enhance the local economy. The key issue for ROC is how to manage skilfully this new role and how international companies adjust to the challenges and local content practices and avoid any negative resource impact from the hydrocarbon exploitation.

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CSR PRACTICES OF ISLAMIC BANKS IN BANGLADESH: A COMPARATIVE STUDY

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ABSTRACT
Apart from the liberal social services by the business firms, the new idea of corporate social responsibility (CSR) is a rising one. CSR is a type of corporate self-guidelines incorporated into a plan of action. Globally, banks pursue CSR practices from self-initiative. As being established on Islamic Shariah, Islamic banks ordinarily get the obligation of ensuring the enthusiasm of its clients and employees just as shielding the general public in the society and the earth from any mischief out of any of its activities. CSR is a concept where business associations apart from their profitability and growth show enthusiasm for cultural, societal and environmental welfare by taking the responsibility of effect of their activities on partners, stakeholders, employees, investors, clients, suppliers and common society. Likewise the Islamic financial institutions everywhere throughout the world, Islamic banks in Bangladesh are also being occupied with several social engagements as a part of their duties & responsibilities. A definitive point of the study is to give through comprehension of the practices of CSR by Islamic banks in Bangladesh by considering the scenario of banks from 2017 to 2018. It is evident from the present study that only 15 of 22 prescribed areas of CSR activities are participated by all the Islamic banks in Bangladesh while 7 areas where there is no contribution from any banks and only 3 areas where each bank its participation as well as others are only between 4-9. Among the 8 banks IBBL has the highest participation areas (13) followed by SIBL (9) where AIBL showed the lowest contribution. IBBL's contribution to CSR activities is absolutely greater in amount as well as in percentage of its profit compared to others. It is also found that the participation in CSR activities by different Islamic banks is considerably limited as compared to their yearly profit which is absolutely a matter of concern. This study discovered CSR practices of Islamic banks are very exiguous rather than profit. The study uncovers that Islamic banks are attempting to propagate their contributions as per the rules endorsed by Bangladesh Bank.

Key Words: Islamic banks, Corporate social responsibility, Environment, Annual report, Profit, Sustainability, Community.

INTRODUCTION

It is commonly believed that investing in today is building for tomorrow. Business organizations must believe that their future is their society. Corporate social responsibility (referred to as corporate citizenship)

ISSN 2076-9202

as a procedure continuing commitment with a view to squeezing responsibility for the banking industries so as to ensure & invigorate an ethically positive impact through its activities toward the socio-environment, staffs, clienteles, communities, stakeholders as well as other individuals from the common public circle. CSR has become a standard of sustainable strategic approaches. To participate in CSR implies that, in the ordinary course of business, banks are operating in manners those improve society and the environment, rather than contributing adversely to it. It is believed that financial sustainability goes connected at the hip with the advancement of the communities and environment in which business associations do their operations.

According to EU Commission, "…CSR is a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis."

Milton Friedman (2012) mentioned as "There is one and only one social responsibility of business-to use it resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud".

Carroll (1979) defined as "The social responsibility of business encompasses the economic, legal, ethical and discretionary expectations that a society has of organizations at a given point in time."

Mallenbaker Definition: "CSR is about how companies manage the business processes to produce an overall positive impact on society".

The World Business Council for Sustainable Development (WBCSD): "Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large".

CSR reporting has been getting a decent type of need over the ongoing two decades, which is a genuine achievement of banking industry. CSR includes wide regions of issues running from business ethics, corporate ethics, corporate governance and socially responsible investing to environmental sustainability and advancement of community (DAS, 2012). CSR as corporate citizenship frames the self-regulation of a substance toward the incorporation of business culture and studies how that business finds a balance between economic and social goals (Masud, 2011).

Financial establishments, for example, banks, don't create risky synthetic concoctions or release dangerous toxins into the air, land or water and in this manner apparently they might be seen as uninvolved with ecological issues. In any case, through their financing rehearses they are supporting business activities that finally debases the indigenous habitat. Besides CSR isn't simply altruism and complying with the laws, rather an endeavour to ensure their own survival and profitability. In Bangladesh banking sector has a past filled with inclusion in kind-hearted exercises like donate to various beneficent associations, needy individuals and religious institutions, education, sports, city beautification and disparage art and culture etc. Corporate Social Responsibility (CSR) or Sustainable Responsible Business is a type of corporate self-guideline incorporated into a plan of business action. Ideally, CSR approach would function as an inherent, automatic system whereby business would monitor and ensure their adherence to law, ethical principles and national or global standards. It is a promise to improve community prosperity through

ISSN 2076-9202

discretionary strategic approaches and commitments of corporate resources. However it isn't charity but it is a core business technique of an association. Today corporate social obligation is turning into an undeniably significant movement to organizations broadly and universally. The study has taken an attempt to observe the CSR activities and practices of Islamic banks in Bangladesh. As the main regulatory authority of banking sector of the country Bangladesh Bank is very concern of the matter today. Bangladesh bank has stepped up different initiatives to encourage business associations in CSR activities and also giving tax rebate for CSR activities.

RESEARCH OBJECTIVES

The focusing objective of this study is to explore the CSR practices of banking industries especially Islamic banks in Bangladesh. In particular, this study will consider the following:

i. To accumulate the knowledge & information regarding CSR exercises of Islamic banks.
ii. To identify the major areas where CSR activities are being performed by Islamic banks.
iii. To compare and analyse the contribution of CSR activities by Islamic banks in Bangladesh.

RESEARCH METHODOLOGY & DATA SAMPLING

Among fifty-seven Commercial Banks operated in Bangladesh in this paper concentration has been drawn only upon the CSR of 8 full-fledged Islamic banks [Islami Bank Bangladesh Limited (IBBL), ICB Islamic Bank Limited (ICB), Al Arafa Islami Bank Limited (AIBL), Social Islami Bank Limited (SIBL), Shahjalal Islami Bank Limited (SJIBL), EXIM Bank Limited (EXIM), First Security Islami Bank Limited (FSIBL) and Union Bank Limited (UBL)] in Bangladesh. The data collected for the purpose of the study involve the examination of annual reports of selected NBFIs, documents, magazines, books, journals, various newspapers, and subject related websites and research documents.

For the purpose of the study data have been collected from secondary sources such as annual reports of the selected 8 full-fledged Islamic banks of Bangladesh, journals, research documents, magazines, books, various newspapers and subject related websites. The sample period is of 2 years from 2017 to 2018.

RATIONALE OF THE STUDY

Bank is the trader of money which is the life blood of the economy. As a developing country, banks play significant role in the Bangladesh economy as the predominant lender for the industrial and commercial activities. CSR activities are yet to be mainstreamed into corporate practice in the banking sector. As the Central Bank Bangladesh Bank has already issued a circular to encourage banks and financial institutions to embrace CSR voluntarily in their management strategies, objectives and practices and include their CSR activities in the annual reports as a part of fair disclosures. This study focuses on the CSR activities performed by Islamic banks in Bangladesh.

REVIEW OF LITERATURE

In spite of the fact that the practice of CSR has been exercised in the business associations for quite a while, formal research on this issue has been done in the 20th century. Bangladesh is a developing country and thus compared to global competitiveness and demand, the CSR practices and standards are being implemented in Bangladesh (Alimullah, 2006) poorly. Corporate social responsibility (CSR) is a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis (Gray et al. 1987). The evolution of the corporate social

ISSN 2076-9202

performance model is focusing on three challenges to the concept of corporate social responsibility: economic responsibility, public responsibility, and social responsiveness (Wartick and Cochran, 1985). Hasan & Latiff (2009) states that as per Islamic business ethics, CSR of the business organization and Islamic Financial Institutions should be seen as a benefit rather than a cost. Victoria and Mahboob (2009) explored the nature and extent of CSR reporting in the conventional banking sector in Bangladesh and to assess the need to improve CSR by such firms. They further extends their work by concentrating to the nature and extent of corporate social responsibility disclosure in the banking sector in Bangladesh. Salma (2005) states that the practice of Islamic banking and finance has been institutionalized and has experienced impressive growth over the recent decades. According to (Rana et al. 2012), social responsibility is a concept well known in the corporate world and beyond that businesses all over the world have practiced only profit making action in the past but not for long as the enterprise started to develop complexities and wideness in size and actions. Imam (2000) has conducted a survey of CSR practices in Bangladesh which shows that the CSR disclosure level is not adequate. In a study "Corporate Social Disclosure in Bangladesh: A Study of the Financial Sector", Azim et al. (2011) argued that corporate social responsibility is not the only ethical dilemma that financial institutions face in an atmosphere of corrupt corporate practice. The strategic integration of CSR in the core business of companies shows the bilateral relation between the company and the community the company operates. The means of communication between the company and its stakeholders with its disclosure of social and environmental information in annual reports, sustainability report and on websites are gaining importance (KPMG, 2011). Martin (2002) believes that companies today face increasing demands to implement CSR from consumers or market forces, partly due to globalization and increasing demands for corporate responsibility. The aim of Islamic economics is not only the elimination of interest based transaction and the introduction of the Zakah system, but also the establishment of just and balanced social order free from all kinds of exploitation. The intense commitment of Islam to justice and brotherhood demands that Islamic banks should follow their responsibility towards society (Mella et al. 1988). Few empirical studies are available on the CSR practice in Bangladesh (Azim et al. 2011; Khan et al. 2009; Sobhani etal. 2009; Belal and Owen 2007; Hossain etal. 2006). Chowdhury and Chowdhury (1996) commented on their study that some leading companies in Bangladesh voluntarily provide some information about social matters. Moreover, the importance of corresponding (whatever a social responsibility they have performed) social responsibility performance had not been recognized by the concerned management of sample companies (Uddin et al. 1999). Alam et al. (2010) Sharma (2011) in a study named 'CSR Practices and CSR Reporting in Indian Banking Sector' mention CSR recognizes an organization's commitment to operate in a socially responsible manner. But CSR activities of developing nations are not so rosy. Particularly in financial sector, there is an absence of stringent provisions regarding compliances and reporting CSR. Common CSR practices in Bangladesh by different organization are centred on mainly poverty alleviation, healthcare, education, charity activities, cultural enrichment, youth development, women empowerment, patronizing sports and music etc. Bangladeshi companies are reporting a quantity of disclosures on human resource even though this kind of disclosure is not mandatory from any regulatory authority. CSR disclosures in Bangladesh are voluntary in nature and largely qualitative (Hossain et al. 2006). Due to environmental, geographical, economic, political, administrative, social and social

ISSN 2076-9202

contrasts it would not be suitable to sum up the consequences of investigations of developed countries to developing countries. This is on the grounds that the phase of financial advancement is probably going to be a significant factor influencing CSR practices.

CSR PRINCIPLES & REALTIONSHIP

Corporate social obligation is broadly acknowledged as a deliberately significant issue for the sustainable development and intensity of business in current days. CSR offers a sole opportunity to corporate residents to contribute towards the socio-economic of the country to resolve some major problems. At present corporate social responsibility must be sustainable and be a fundamental part of every business engagement. Common CSR actions involves:

• Environmental Sustainability: ES may include factors like sustainable power source, recycling, waste management, water management, reusable materials, 'greener' supply chains, lessening paper use and adopting Leadership in Energy and Environmental Design building standards.

• Community Involvement: This can incorporate supporting nearby occasions, fund-raising for local charities, providing volunteers, sponsoring local events, utilizing local human resources, supporting local economic growth, participating in fair trade practices and so on.

• Ethical Marketing: Companies that morally market to purchasers are putting a higher incentive on their clients and regarding them as individuals who are finishes in themselves. They don't attempt to manipulate or dishonestly publicize to potential clients. This is significant for organizations that need to be seen as ethical.

Corporate social responsibility (CSR) and sustainability have been at the cutting edge of most business entities agendas for a long while – it's never again a "pleasant to have" yet a “need/obligation to have”. The 3Ps of sustainability are a notable and acknowledged business idea which allude to People, Planet and Profit.

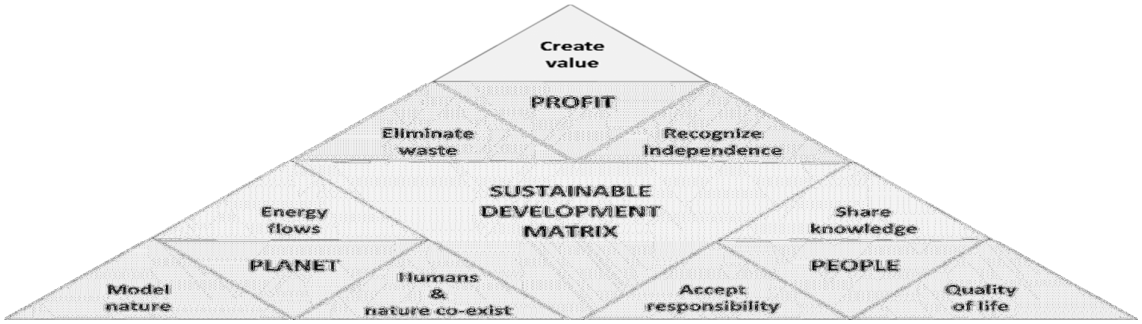


Figure-1: 3 Ps Model of CSR

Although profit is a must for business survival of every businessman it should be seen as only a part of a business plan in terms of total value. Further, profit in this case is seen as what economically benefits society at large.

Planet is the pillar concerned with ecologically supportable strategic policies, accomplished by expanding benefits while limiting impediments. It can range from gadgets reusing to business strategies that shun the utilization of risky synthetic compounds or damaging practices. In the phase of any decision making, an

ISSN 2076-9202

organization should consider the impact of its activities on the environment.

Every business association should find a way to encourage benefits for the employees of it through its operations as well as ensure betterment of the community in which it conducts business activities. The entity ought to give satisfactory remuneration to its staffs through creating a sheltered and pleasant workplace and helping them find value in their job. Now-a-days many companies effectively look for positive approaches to add to the community through activities such as charitable contributions, training & education programs and equal opportunity employment.

In spite of the fact that CSR is a sort of guideline, CSR is, by its nature, a plan of action that a business intentionally practices as indicated by its own values and objectives. It implies that CSR practices can't be forced upon an organization by law. Basically CSR model is tweaked to fit the particularities of the individual company and its stakeholders. Hence there is no one fixed size fits all CSR model. In this way, in choosing a CSR approach to deal with business, a corporation voluntarily participates in socially responsible activities or business operations that reach out past its business and lawful commitments to take part in socially responsible activities.

As stakeholders such as investors, staffs, board members, creditors, distributors, customers, community, different lawful authorities of any company of any organization are keen on the prosperity of that organization.

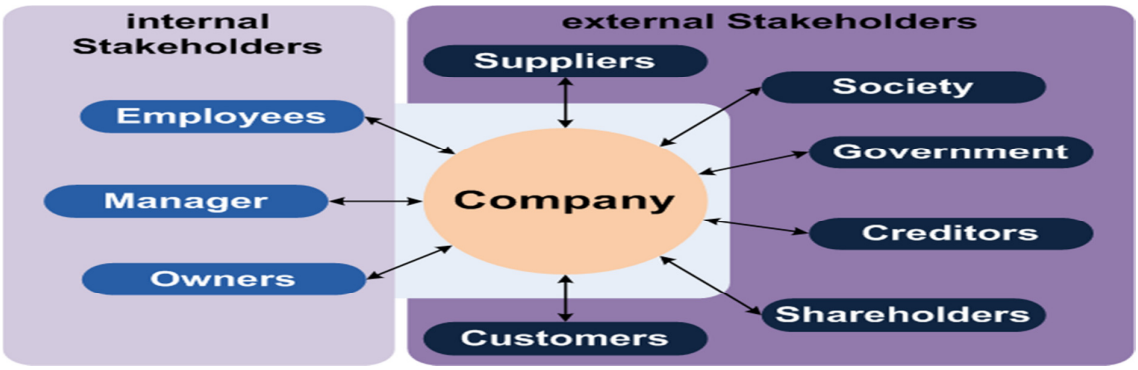


Figure-2: CSR-Stakeholders Relationship

Usually an organization's decent condition decidedly influenced its partners are influenced decidedly. Communities benefit at the point when their residents are employed and when nearby organizations are positive cellarers of the environment. Providers profit by having a consistent, profitable outlet for their items. Consumers benefit from steady venders and more competition in the market. Investors may get profits or sell high when the cost of the stock they hold rises. Company managers who wish to make shared value for partners and in this manner make their organizations to flourish, implant CSR into their business operations. Despite the CSR is positive for organizations, there's no assurance that an organization will see an expansion in profits due to CSR. Stakeholders of any organization expect 3 Ps i.e. profit, people, planet are to be set high & given more importance than profitability of companies. Organizations which embrace these expectations can receive the rewards of a positive reputation. Their positive reputation cycles back to improve the 3 Ps again. Taking part in socially responsible activities is a win-win circumstance for stakeholders, the environment and organizations.

ISSN 2076-9202

CSR & BANKING INDUSTRIES

Corporate social duty (CSR) is a demeanour that placing moral standards in the spotlight. Ethical responsibility is like a commitment to conduct business operations in a fair & logical way and to make the best choices of things in right time. Being responsible for ensuring sustainability& consistency in financial stability central banks in many countries have formulated & developed time to time their own corporate social responsibility strategies. Contrasted with numerous different sectors, a significant remark of the banking industries is that it influences a huge number and an incredible assortment of individuals. Another component of the system is that so as to guarantee the soundness of the banking sector, it is characterised by much stricter regulation (Lentner as in Yamak et al., 2005). Since the banking sector contrasts from other sectors of the economic, its CSR practices are likewise unique. Here there is more accentuation on responsibility in the areas of bank lending, investment and resource management operations, where combating bribery and money laundering are particularly important issues, being the key elements of anti-corruption efforts, which is a crucial part of the banks' CSR activities (Lentner as in Viganò– Nicolai, 2009). Over the years banks across the wrold have received the considerable amount of pressure from its differing stakeholders including shareholders, investors, media, NGOs and customers (Bhattacharya et al., 2004; Ogrizek, 2001; Frenz , 2005; Jeucken, 2001; 2004; Coupland, 2005) to run the business activities in a responsible and ethical manner. Accordingly, expanded consciousness concerning the sustainability issues for financial associations have been observed over the globe during the most recent decade.

In spite of the fact that banks have littler direct impact on the environment, their indirect environmental and social responsibility may go up in the event they offer credit to organizations which pollute the environment, produce risky & unsafe items or disregard human rights (Idowu–Filho, 2009). This way banks go about as mediators of sorts, which may cause significant harms. (Thompson–Cowton, 2004). The indirect impact may emerge not just comparable to the clienteles of banking services, yet in addition the providers. There is a need for the endorsement of social desires in CSR that are all the more legitimately connected to the bank's business activities and clientele (Lentner, 2011). Most definitely, the key desires for clientele incorporate secure products and proper data arrangement. Employees want a healthy & safe workplace that is free from discrimination and the respect of human dignity, while competitors expect fair competition. From a social viewpoint, there has been another improvement lately, in particular helping poor people. The role of business worldwide and explicitly in the developed economies has advanced over the most recent couple of decades from traditional "profit amplifying" way to deal with a social responsibility approach, where organizations are capable to its investors as well as to the entirety of its partners in a more extensive comprehensive sense. Because of growing competitiveness and demand of the present world, the CSR practices and standards are being implemented in Bangladesh to best fulfil the requirements and needs of its stakeholders.

CSR & REGULATORY FRAMEWORK

ISSN 2076-9202

On behalf of the Government of the People's Republic of Bangladesh under the Statutory Regulatory Order-SRO No. 270-AIN/IT/2010 dated 01.07.2010 the income tax wing of the NBR issued/determined 22 areas for enjoying 10% tax rebate on the amount spent to perform specified CSR activities. The including areas are (1) Donation to organizations engaged in clean water management (2) Donations to organization engaged in afforestation; (3) Donations to organizations engaged in beautifications of cities; (4) Donations to organizations engaged in waste management; (5) Donations for redressing the hardships caused by natural calamities such as cyclone, earthquake, tidal wave and flood challenged through Government organizations; (6) Donations to organizations engaged in establishment and management of old persons homes; (7) Donations to organizations engaged in the welfare of mentally or physically handicapped persons; (8) Donations to educational institutions run for the purpose of education of rootless children; (9) Donations to organizations engaged in projects on accommodation for the slum dwellers; (10) Donations to social organizations engaged in publicity of movements relating to women's rights and anti-dowry practices; (11) Donations to organizations engaged in feeding and clothing and sheltering and rehabilitation of orphan/rootless children; (12) Donations to organizations engaged in research on independence war, regaining and expansion of the consciousness of the independence war and the act of honourable living of the freedom fighters; (13) Donations to organizations engaged in health some situation in Chittagong Hill Tracts, char areas and areas surrounding breaking up of bank of river; (14) Grants to organizations engaged in treating cleft lips, cataract, cancer, and leprosy; (15) Grants to organizations engaged in treating acid victims; (16) Donations to hospitals engaged in providing free medical treatment to poor patients and specialized for developing the quality of treatment, such as cancer, liver, kidney, thalassemia, eye and cardio; (17) Donations to organizations distributing freely at the level of use of birth -control products with a view to solving the population problem and to conduct camps for voluntary sterilization; (18) Grants to public universities; (19) Expenditure incurred through educational institutions recognized by Government for providing technical and vocational education for meritorious poor students; (20) Money invested in establishing lab for providing training on computer or information technology and in establishing infrastructure or in purchasing educational materials for implementing English education in public /private educational institutions (under Monthly Pay Order or MPO); (21) Donations to organizations engaged in providing technical and vocational training to unskilled or semi-skilled labour for export of human resources; and (22) Donations to organizations involved with infrastructure of sports and provision of training at national level. This study considers the previously mentioned areas to figure the amount of contribution as CSR activities.

CSR activities of Considered Islamic Banks at a glance

Sl. No.	IBBL	ICB	AIBL	SIBL	SJIBL	EXIM	FSIBL	UBL
1	Humanitarian & Disaster Manageme	Nation Building	Health	Health	Health	Healthcare	Education	Health

ISSN 2076-9202

	nt							
2	Education	Augmentation of market position	Education	Education	Education	Educational	Health	Education
3	Health	Sponsorship of the work place	Disaster Management	Disaster Management (Family Rehabilitation)	Sports	Natural calamities	Disaster Management	Humanitarian Activities
4	Sports	Prop up to the community	Cultural Activities	Art & Culture	Arts & culture	Access to Technology (IT)	Environment	Natural calamities & Disaster management
5	Arts and Culture	Fortification of environment	Environment	Sports	Women empowerment	Environment	Culture	Others
6	Environment	Education	Others	Environment (Social Utility)	Disaster Management & Humanitarian Assistance	Infrastructure Improvement	Sports	
7	others			Others	Environment		Arts and Literary	
8							Infrastructure Improvement	
9							Income generating activities for unprivileged population	
10							Others	

Table-1: CSR activities of 8 fully fledged Islamic banks at a glance

Source: Author's own made from Annual Report of Islamic banks

Compliance with regulatory framework of 8 fully fledged Islamic banks

SL. No	Areas of CSR Activities	IBBL	ICB	AIBL	SIBL	SJIBL	EXIM	FSIBL	UBL	%
1	Engaged in clean water management	-	-	-	-	-	-	-	-	0
2	Engaged in afforestation	-	-	-	-	-	-	-	-	0

ISSN 2076-9202

3	Beautifications of cities	Yes	Yes	-	-	-	-	-	-	12.5
4	Waste management	-	-	-	-	-	-	-	-	0
5	Natural calamities	Yes	-	-	-	-	Yes	-	Yes	75
6	Old persons homes	-	-	-	-	-	-	-	-	0
7	Mentally or physically handicapped	Yes	-	-	-	Yes	-	-	Yes	75
8	Education of rootless children	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	100
9	Accommodation for the slum dwellers	-	Yes	-	Yes	-	Yes	Yes	-	50
10	Women's rights and anti-dowry practices	-	-	-	-	Yes	-	-	-	12.5
11	Rehabilitation of orphan/rootless children	Yes	-	-	Yes	-	-	Yes	-	75
12	In research on independence war, regaining and expansion of the consciousness of the independence war and the act of honorable living of the freedom fighters	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	100
13	Health some sanitation in Chittagong Hill Tracts, char areas and areas surrounding breaking up of bank of river	Yes	-	-	Yes	Yes	-	-	Yes	50
14	Engaged in treating cleft lips, cataract, cancer, and leprosy	Yes	-	Yes	Yes	Yes	Yes	Yes	Yes	87.5
15	Engaged in treating acid victims	Yes	-	-	Yes	-	-	-	-	
16	Hospitals engaged in providing free medical treatment to poor patients	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	100
17	Birth control products with a view to solving the population problem and to conduct camps for voluntary sterilization	-	-	-	-	-	-	-	-	0
18	Grants to Public Universities	Yes	-	-	-	-	Yes	-	-	25
19	Technical and vocational education for meritorious poor students	Yes	-	-	-	-	Yes	-	-	25

ISSN 2076-9202

20	Training on computer or information technology and in establishing infrastructure or in purchasing educational materials for implementing English education in public /private educational institutions (under Monthly Pay Order or MPO)		Yes					Yes	Yes	37.5
21	Technical and vocational training to unskilled or semiskilled labor for export of human resources	-	-	-	-	-	-	-	-	0
22	Sports and provision of training at national level	Yes	-	-	Yes	Yes	-	Yes	-	50
Total		13	6	4	9	8	8	8	8	15

Table-2: Compliance with regulatory framework of 8 fully fledged Islamic banks

Source: Author's own made from Annual Report of Islamic banks

The above table showed the contribution of Islamic banks in different areas of CSR in Bangladesh. Among 22 prescribed areas of CSR only 15 areas are participated by 8 fully fledged Islamic banks (68%) which simply tells that 7 areas (32%) there is no contribution from any banks here. There are only 3 areas (100%) where each bank has participation and the lowest participation is in 2 areas (12.5%). Among the 8 banks IBBL has the highest participation areas (13) and then SIBL (9). It is clear that participation in CSR activities by different Islamic banks is considerably limited because many areas where the bank has no CSR contributions which is absolutely concerning issue.

Total Contribution of CSR of 8 Islamic Banks

Name of Islamic Banks	Total Amount (in million Tk.)	
	2017	2018
IBBL	1057.77	2813.07
ICB	118.00	262.37
AIBL	157.40	121.57
SIBL	126.15	154.50
SJIBL	189.34	151.29
EXIM	565.00	410.90
FSIBL	264.65	340.21
UBL	129.80	239.54

Table-3: Total Contribution of CSR of 8 Islamic banks

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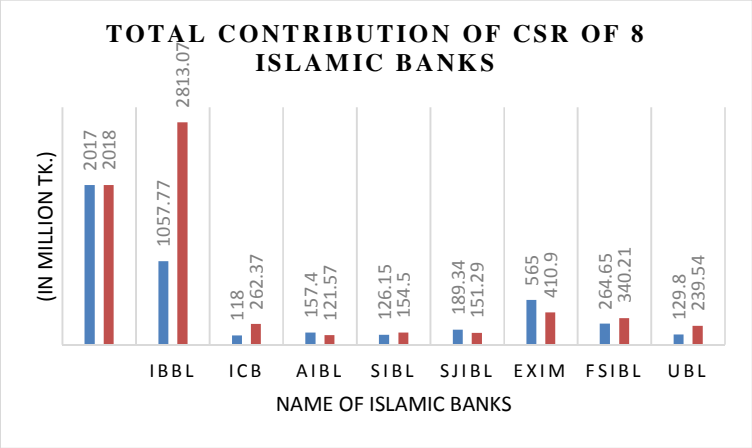


Figure-3: Total Contribution of CSR of 8 Islamic banks

From the above figure we can see the total contribution of CSR of 8 Islamic banks operated in Bangladesh in the year of 2017 and 2018. Among the 8 Islamic banks IBBL is clearly ahead of others. Most of the banks contribution is less than almost 60% of IBBL. IBBL was in the top position where EXIM & FSIBL were close to each other both in 2017 & 2018. ICB & AIBL had lowest contribution in the year of 2017 & 2018 respectively.

Relationship between CSR expenses and Profit of 8 Islamic Banks

Name of Islamic Banks	Total Amount of Profit (in million Tk.)			
	2017		2018	
	Profit	% of Profit	Profit	% of Profit
IBBL	4692.95	22.54	6075.14	46.3
ICB	-485.64	-24.3	-405.01	-64.78
AIBL	3,169.50	4.97	2,456.80	4.95
SIBL	6,166.21	2.05	6,143.12	2.52
SJIBL	1195.9	15.83	1471.18	10.28
EXIM	5856.5	9.65	6863.9	5.99
FSIBL	1389.92	19.04	1594.66	21.33
UBL	29711.2	0.44	17966.68	1.33

Table-4: Relationship between CSR expenses and Profit of 8 Islamic Banks

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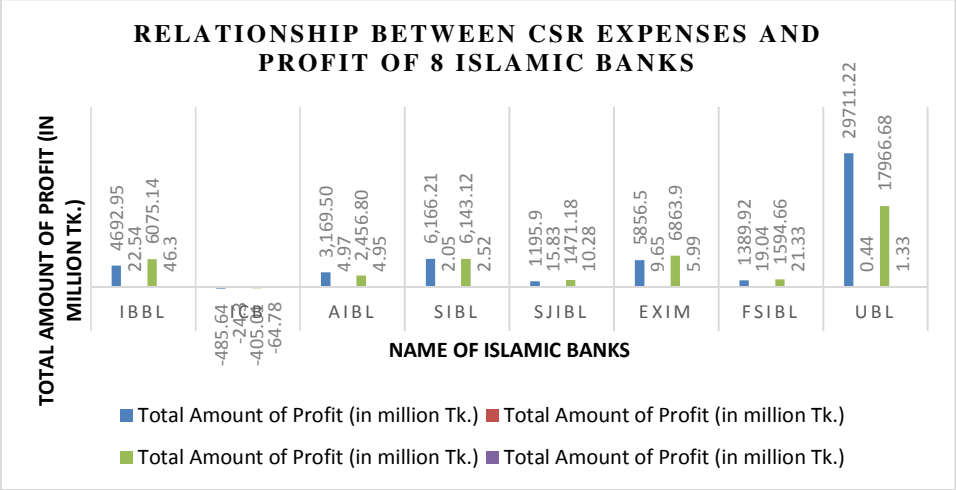


Figure-4: Relationship between CSR expenses and Profit of 8 Islamic Banks

From the above figure-4 we can see the relationship between CSR expenses and profit of 8 Islamic banks in the year of 2017 and 2018. Here, it is noticed that there were mixed trends in the profit & hence in the percentages.

Sector Wise Contribution

Contribution to Health

Name of Islamic Banks	Total Amount (in million Tk.)	
	2017	2018
IBBL	28.97	1.75
ICB	6.55	10.25
AIBL	10.80	15.03
SIBL	6.31	2.25
SJIBL	15.00	6.62
EXIM	55.15	48.65
FSIBL	2.80	25.51
UBL	4.95	5.65

Table-5: Contribution to Health

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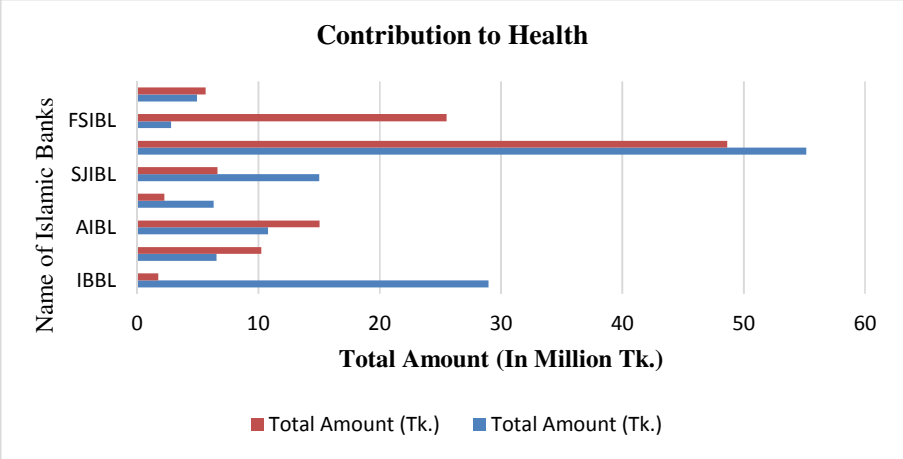


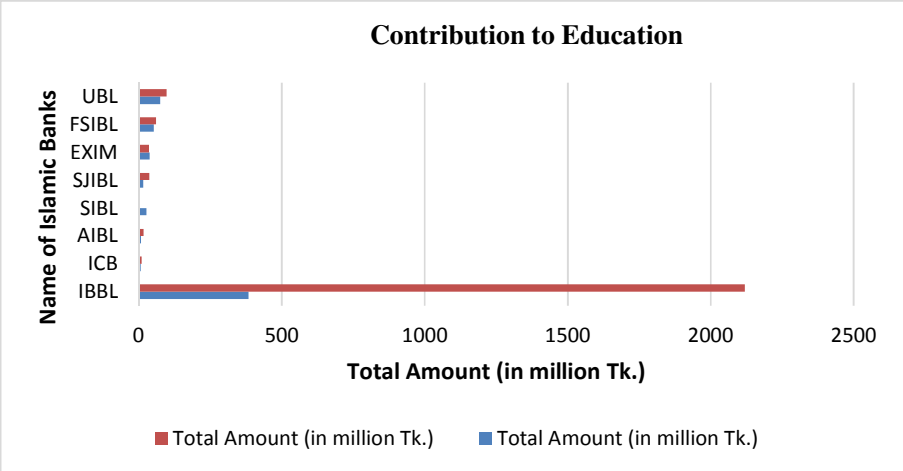
Figure-5: Contribution to Health

Figure-5 shows the contribution to health sector by 8 Islamic banks. Here EXIM bank is in the top ranking but its participation is decreasing (3.66%) where FSIBL increasing its participation significantly than others.

Contribution to Education

Name of Islamic Banks	Total Amount (in million Tk.)	
	2017	2018
IBBL	382.82	2118.56
ICB	6.45	9.61
AIBL	8.10	15.83
SIBL	27.04	3.39
SJIBL	15.00	35.82
EXIM	38.25	35.15
FSIBL	51.50	60.00
UBL	75.55	97.66

Table-6: Contribution to Education



ISSN 2076-9202

Figure-6: Contribution to Education

Figure-6 presents contribution to education sector by the selected 8 Islamic banks where IBBL shows stronger contribution than other banks. Total contribution to education in the year 2017 to 2018 has been increased almost 75% (2376.02-604.71). In case of growth IBBL is in the highest position (82%) where SIBL is in the lowest (-697.64%). In amount not a single bank is nearer to IBBL. UBL is in the second position both 2017 and 2018 in case of total amount but in growth AIBL & ICB are comparatively upper position after IBBL.

Contribution to Sports

Name of Islamic Banks	Total Amount (in million Tk.)	
	2017	2018
IBBL	21.00	8.20
ICB	2.01	3.24
AIBL	-	-
SIBL	0.56	20.30
SJIBL	-	-
EXIM	5.75	12.80
FSIBL	50.00	14.00
UBL	8.74	12.55

Table-7: Contribution to Sports

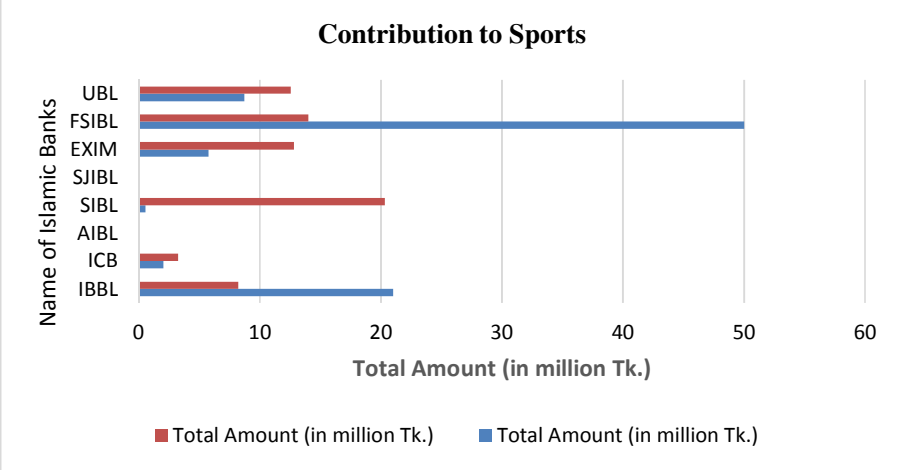


Figure-7: Contribution to Sports

Figure-7 indicates the contribution to sports by different Islamic banks in the year of 2017 and 2018. In this area of CSR, FSIBL has highest participation in 2017 but in 2018 SIBL was in the top position. AIBL & SJIBL had no contribution both in 2017 & 2018.

Contribution to Natural Disaster & Humanitarian Activities

ISSN 2076-9202

Name of Islamic Banks	Total Amount (in million Tk.)	
	2017	2018
IBBL	568.46	647.72
ICB	1.77	2.11
AIBL	2.60	1.83
SIBL	56.96	119.74
SJIBL	80.00	108.85
EXIM	32.65	29.75
FSIBL	149.70	207.91
UBL	154.35	171.28

Table-8: Contribution to Natural Disaster & Humanitarian Activities

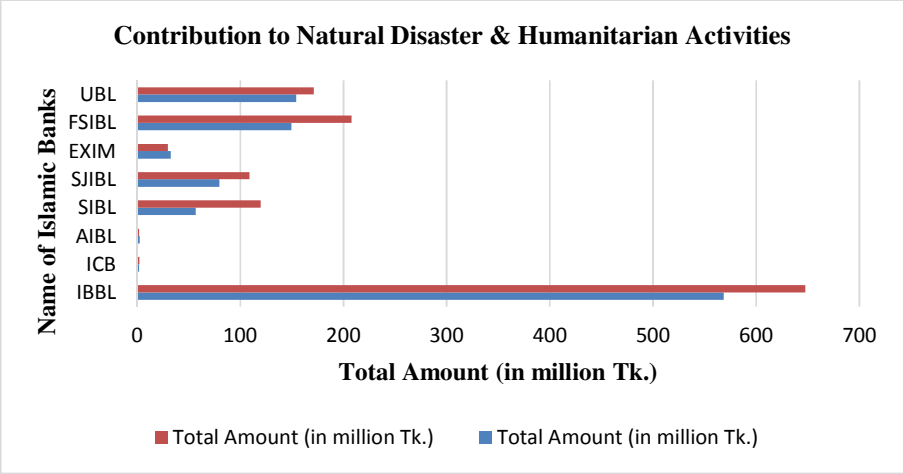


Figure-8: Contribution to Natural Disaster & Humanitarian Activities

Figure-8 shows CSR contribution of different banks in the area of natural disaster in the year 2017 & 2018. Each bank has contribution to this field and among them the contribution of IBBL is significant enough than others. Almost every bank has increased their participation in this area compared to the previous year.

Contribution to Art & Culture

Name of Islamic Banks	Total Amount (in million Tk.)	
	2017	2018
IBBL	11.50	22.59
ICB	0.71	2.85
AIBL	0.90	6.36
SIBL	1.04	0.12
SJIBL	3.00	-
EXIM	5.90	7.20

ISSN 2076-9202

FSIBL	9.70	30.00
UBL	12.25	25.52

Table-9: Contribution to Art & Culture

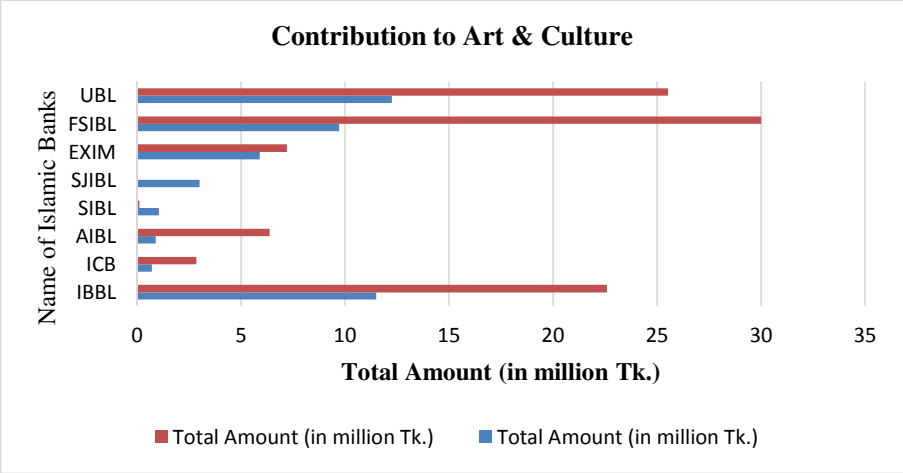


Figure-9: Contribution to Art & Culture

Figure-9 presents CSR contribution of 8 Islamic banks in art and culture. The contribution in this field is comparatively lower by each bank. Only IBBL, FSIBL & UBL have two digits contribution in the area of Art & Culture where SJIBL has no contribution in 2018.

Contribution to Environment

Name of Islamic Banks	Total Amount (in million Tk.)	
	2017	2018
IBBL	26.40	1.05
ICB	1.23	4.67
AIBL	1.70	7.13
SIBL	34.22	8.70
SJIBL	7.00	-
EXIM	20.16	23.84
FSIBL	0.95	2.80
UBL	5.66	13.26

Table-10: Contribution to Environment

ISSN 2076-9202

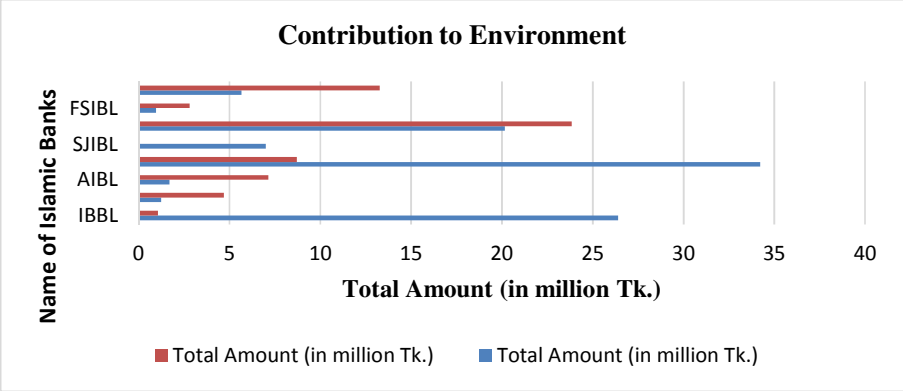


Figure-10: Contribution to Environment

Figure-10 shows the contribution to environment by Islamic banks in which they are operation their business. In 2017 SIBL had highest contribution & in 2018 EXIM was in the first position for contributing to environment where SIBL had no contribution in 2018. Total contribution has significantly been decreased (35.87) in 2018 (61.45) compared to 2017 (97.32).

RECOMMENDATIONS

The banking industries legitimately occupied with CSR activities, for the most part in the area of humanitarian & disaster relief, education, health, environment, art and culture and sports. Since this is a wilful activity most banks contribute to the education and health sectors. The study suggests that it is an astounding way to enhance the brand reputation of banks in Bangladesh through actualizing proper CSR activities. It is significant for the banks to have an unmistakable thought regarding the client needs and afterward structure such services of CSR which can satisfy those needs of target groups.

There is a need for proper coordination between tax regulations for CSR by banks and the related authorities. Tax legislation on CSR ought to be defined in such a way so that the progression of government revenue isn't hampered and simultaneously, contribution of banking industries towards sustainable development isn't hindered. In this regard, following suggestions may be considered towards effective tax legislation on CSR for banking sectors:

- As in Bangladesh banks are on the top in terms of paying taxes and doing CSR they should get a meaningful benefit of tax exemption.
- The religious manuscript is to be translated into a modern term of society-business and blueprint an ethical business guideline with particle implications.
- Islamic banks should play a leading role in CSR execution such as environmental hazard/risk management, HR development, human rights and community advancement.
- To bridge the gap of expectations and reality of CSR in Islamic banking, as it is frequently contended that Islamic banking is a new wave of the corporation and whose social goals are a lot of significant as making a profit.
- Islamic banks ought to have a more propensity to CSR on the grounds that they are guided by strict religious standards and committed to hold fast to these standards.

ISSN 2076-9202

- Islamic banks should establish independent CSR division to conduct their CSR activities meaningfully.
- Since education is the backbone of a nation & without being educated the real growth and development of a nation is not possible highest emphasis should be given to the education sector.
- Special initiatives should be taken for women entrepreneurship development & expansion of ICT knowledge.
- The rate of tax exemption on CSR activities needs to be reviewed time to time. It would be increasingly intelligent to formulate a progressive tax exemption structure that will encourage increased involvement in CSR activities by the banks.

CONCLUSION REMARKS

Since corporate social responsibility turns into an essential part of a business' plan and no longer optional, business pioneers are progressively entrusted with creating & developing social change from the back to front. It is the utmost duty of Islamic banks to do some social welfare for the community. As a realization of this sense, Islamic banks everywhere throughout the world are being engaged in different corporate social responsibilities. In Bangladesh likewise the Islamic banks from their beginning have been connecting with themselves in various CSR activities. CSR effects both on the external factors and internal factors specially the internal condition, culture of the association which at last pulls in the clients. CSR activities are not being increase much compared to the increased earnings of banks. Normally banks are participating in some common areas like natural disaster, environment, health, education, sports, culture etc. Among all the Islamic banks IBBL is in the top position for contributing more in CSR activities (22.54% in 2017 & 46.30% in 2018 of profit) & UBL is in the lowest position which also is increasing (3.99% increased) its participation in CSR. Average participation of Islamic banks are not significant enough. A prescription has given where there are 22 areas of CSR are specified but most of the banks participation is upto 15 areas where IBBL showed the highest areas (15) of contribution & others are between 4-9 only. The study showed that most of the contribution gone to the heath & education sectors.

There are many areas like engaged in clean water management, engaged in afforestation, waste management, and old person’s homes, birth control products, Technical and vocational training etc. no participation of any banks. That is very shame & also alarming for every bank.

Banks should involve themselves thoroughly in CSR activities with the goal that it will make a positive impression to their stakeholders and social community as a whole. A few banks are bringing about CSR use straightforwardly from their own spending limit, while a couple of others are doing as such through independent entities built up as the foundations/trusts in bolstered by commitments from CSR use portion of the banks concerned. Although the total contribution to CSR by Islamic banks in Bangladesh is not significant enough the participation is increasing.

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WORKFORCE PLANNING AS A WAY OF LEADING TO DEVELOPMENT OF HUMAN RESOURCES

Dr. Radhika Kapur

Abstract

The primary objective of this research paper is to acquire an understanding in terms of how workforce planning can be a way of leading to development of human resources. This task is put into operation by the members of the organization, when they form the viewpoint that it is essential to have knowledgeable, competent and well-qualified workforce to achieve organizational goals and objectives and enhance its reputation within the community. The main objective of workforce planning is to identify and address the differences between the workforce of the organization in the present and needs of future. In other words, in order to carry out their tasks and activities efficiently in future, what knowledge and skills they would require. To implement the task of workforce planning, there are certain methods and procedures, which need to be put into operation by the members of the organization. The main areas that have been taken into account in this research paper are, need for workforce planning, models and techniques of workforce planning, workforce planning Process, and workforce planning approaches.

Keywords: Approaches, Development, Human Resources, Organization, Skills, Workforce Planning

Workforce planning is regarded as the systematic process for identifying and addressing the gaps between the workforce in the present existence and human resources needs of tomorrow. It makes provision of the foundation for strategic human resource decisions. As with any other planning, the process of workforce planning takes into consideration the concepts of program management, human resources, budgeting and program staff. In the development of workforce plan, the organization needs to systematically address the issues and concerns of bringing about changes. Workforce planning addresses the needs and requirements of the staff members by reinforcement of strong management leadership and co-operative support efforts of the staff members in several functional areas. Strategic planning, budgeting, and human resources staff are key players in workforce planning. Human resources staff provides tools, machinery and technologies for identification of the needed competencies and for building of the future workforce through strategic recruitment, training, development and retention techniques (Commonwealth of Kentucky, n.d.).

Workforce planning establishes a connection between human resources planning with strategic planning. It assures that the human resources are aligned with the organizational goals and objectives. This process helps in understanding how the mission and objectives of the organization can change over the period of time. Changes in mission and objectives also leads to changes in the job requirements. Workplace planning helps in acquiring an adequate understanding of how changes are taking place in the workforce in terms of factors such as, demographics, skills, interests and performance. Major emphasis is put upon development of competencies and aptitude among the workforce. Knowledgeable and competent workforce will render a

ISSN 2076-9202

significant contribution towards the achievement of organizational goals and objectives. The emphasis is also put upon the strategies of recruitment, selection, training and development and retention techniques. These strategies need to be implemented in a well-organized manner in order to bring about effective growth and development of the workforce and organization as a whole (Commonwealth of Kentucky, n.d.).

Need for Workforce Planning

When conducting research on the need for workforce planning, there are not any specific causes that depict the need for conducting workplace planning. It can be applied in the number of environments. There are number of reasons at all levels of the organization in short-term or long-term time period. Some of the important reasons to determine workforce planning are, to determine the staff members required at a new location, to deal with the problems of retaining a highly skilled staff, manage the operative economising program and look to see where the next generation of managers will come from. Workforce planning can render a significant contribution in leading to progression of the organization. It can allow for a more efficient and operative workforce, help ensure that replacements are available to fill important vacancies, provide accurate staffing predictions for budgeting purposes, provide a clear rationale for connecting the expenditures for training and retraining, development, career counselling and recruiting efforts, help maintain and make improvements among workforce and help prepare for restructuring, reducing and expanding workforce (Sinclair, 2004). When understanding the need of workforce planning, three aspects need to be taken into account, these are stated as follows: (Sinclair, 2004).

Thinking about Future

Workplace planning allows staff time and space to think ahead. It is vital for the organizations to remain aware in terms of future. The members need to plan the future. In planning future, there are number of aspects that need to be taken into consideration. These include, measures and ways to augment productivity and profitability, formulation of new approaches, methods and programs, initiating modern, technical and pioneering methods in the production processes, initiating new projects, bringing about changes in the working environmental conditions and so forth. When the members are thinking in terms of future, they are able to plan their tasks and activities. This process allows the organization to be better prepared regarding the future. In this manner, they also generate awareness and augment their understanding in terms of coping with problems and challenges.

Corporate Control

In recent years, there has been a reaction against the devolution of power that took precedence in the 1980s. Most of the organizations have learned and acquired an efficient understanding in terms of aligning of the behaviour in relation to the overarching common goals avoids the corporate anarchy and helps in preventing thinking in becoming too short-term in its focus. Workforce planning is one means through which the centre can regain control because it requires operating units to plan resources in a systematic and methodical manner. It is essential to exercise control over the utilization of financial resources and material resources. Financial resources are to be planned and utilized in accordance to the needs and goals of the organization. They need to be spend in areas, where it is indispensable. Whereas, material resources are the tools, equipment, technologies, and raw materials that are required in the implementation of tasks and functions. The workforce need to be aware of strategies for effective utilization of resources and prevent wastage.

ISSN 2076-9202

Therefore, it can be stated that corporate control leads to appropriate workforce planning and progression of organization.

Integrating Actions

The actions that are implemented by the workforce and other members of the organization have the main objective of achieving organizational goals. The members at all levels need to ensure that they carry out their tasks and activities in a well-organised manner, which may facilitate in the achievement of desired outcomes and attain job satisfaction. Within the organization, the individuals cannot work in seclusion. It is crucial for them to work in collaboration and integration with others. When the members are working in co-ordination and integration with others, they are able to benefit in number of ways. These include, providing solutions to problems, generating new ideas, obtaining support and assistance from others in the achievement of desired goals, maintaining good terms and relationships with others and incurring job satisfaction. Therefore, it can be stated that irrespective of goals and objectives of the organizations, the members need to work in co-ordination and integration with each other.

Models and Techniques of Workforce Planning

A number of models and techniques are available in the organizations to carry out the task of workforce planning. Though there are differences in the processes, most of the models in most cases are similar. The workforce planning involves an analysis of the present workforce competencies, identification of the competencies that are needed for the future, a comparison of the present workforce to future needs to identify competency gaps and surpluses and formulation of measures and plans for the building of the required workforce and competencies. Some of the models have been designed specifically for use in particular frameworks. Many organizations have developed their own models. Number of models and techniques have been designed for short-term planning process, such as the emergency services and call centres. Research has indicated that when the members of the organization are putting into operation the models in an appropriate manner, they will be able to carry out their job duties in a well-organized and systematic manner (Sinclair, 2004).

A body of academic research continues to refine complex models of workforce planning. Complicatedness in the models prove to be major impediments within the course of achievement of desired goals and objectives. Development of a non-linear model accounts for different knowledge levels and training needs of entry-level staff. Through applying their principles to a semi-conductor manufacturer, they found that previous planning by the organization had underestimated the ideal number of workers that are required in the higher knowledge levels. There are also number of sophisticated software packages emerging on the market to make provision of help and assistance to the organizations to conduct workforce planning. In other words, in the implementation of the task of workforce planning, it is necessary to be well-equipped with the usage of technologies. Furthermore, the organizations may also make use of statistical models due to the occurrence of instability within the working environmental conditions. It is vital to make effective use of models to stabilise the working environmental conditions (Sinclair, 2004).

However most of the organizations and most of the planning situations do not require a complicated technique or complicated software. Except for few organizations that allow it. It is unlikely for the organizations to make use of complicated statistical packages. The software packages tend to offer a number

ISSN 2076-9202

of benefits besides workforce planning. They are often expensive and HR software is frequently reported as being difficult to use. Furthermore, they are also surplus to the requirements of the workforce planning activity. The availability of simple spreadsheet models, tailor-made and based on accurate and complete data are all that is required. Although, there have been many approaches to workplace planning. The practicality of such approaches depends on how easily, they can be implemented and the ease with which they can be tailored to the situation. When the organizations are required to make use of models, they need to take into consideration the nature of the situation, the timeliness and the framework, which determines the techniques and models that need to be put into operation. The simplest approach is regarded as the best approach to carry out various tasks and activities (Sinclair, 2004).

Workforce Planning Process

Workforce planning is the process of analysing the current workforce, determining the future workforce needs, identifying the gap between the workforce and the future needs, implementing actions to address shortages, surpluses and skill mismatches, monitor and evaluate actions and understand the organization and its environment. It is convenient to describe workforce planning as the series of steps, and it is equally important to understand that it is an iterative process and not direct. The major steps in the workforce planning process have been stated as follows: (Workforce Planning Practice, 2018).

Analyse the Current Workforce

In conducting the analysis of the internal environmental conditions, one can make use of the workforce segmentation techniques and processes to identify the knowledge, skills, abilities and other factors required for current and future workforce roles. There are two approaches to workforce segmentation. The first identifies different types of jobs, families, functions, roles and competencies within the organization. The second segment roles are described by value or type of work performed to put emphasis upon the most critical roles. This will vary in terms of the size, sector and industry of the organization. In the fast-paced business environment, innovation, agility and resilience are essential for organizations to retain their competitive advantage. Collecting and analysing workforce data can provide organizations with the information, they need to increase or develop the capability in such areas. A comprehensive range of metrics can be used to conduct an analysis of the workforce, glossary of measures and their definitions. Workforce analytics is not only in terms of understanding individual measures, but also how factors operate together. Analysis of the current workforce includes certain benefits. These are, streamlining of job and pay bands, improvement in talent management by defining potential measures, speedy evaluation of jobs, determination of pay structure, identification of training needs and clear explanation of roles and responsibilities.

Determining the Future Workforce Needs

In the determination of the future workforce needs, there are five rights, which need to be taken into consideration. These are, right shape, right skills, right size, right cost and right location. Right shape is referred to the right workforce composition in terms of organisation, purpose and ratio of managers and professionals and administrative staff members. Right skills are referred to the competencies, and abilities that are necessary to meet future goals and bridge current gaps. When the workforce will possess the essential skills and abilities, they will be able to carry out their job duties in a well-organized manner. Right size is the number of people for the jobs and skills needed to achieve goals in an efficient and operative

ISSN 2076-9202

manner. It needs to be ensured that within the organization, the workforce is appropriate in number. Right cost is referred to the effective employees and cost ratio, benchmarking pay and reward, training budgets, cost of recruitment, development and mobility costs. Right location is referred to the availability of individuals with the right educational qualifications, competencies, aptitude, personality traits and experience in various job positions. It needs to be ensured that the workforce are well-aware in terms of job duties.

Identifying the Gap between the Workforce and the Future Needs

It is vital to identify the gaps between the workforce and future needs. There are gaps where likely or unlikely availability of individuals is lower as compared to the needs, this requires more staff to be recruited and developed. The negative gaps, where there are more individuals in certain groups than needed, so one may need to consider retrenchment or redeployment. There are in some cases, gaps in the skills of the workforce. It is vital to generate information in terms of technical and pioneering methods to perform one's job duties in an appropriate manner. Training and development programs are regarded to be of utmost significance in facilitating the development of skills. Workforce groups where recruitment, retention or both present the resourcing challenges and alternative resourcing options may therefore be considered. These gaps may cover all the functions in a particular group or they may apply especially to some locations and teams. Changes taking place in the organizations could lead to radical changes in the workforce and skills needs. Strategy change may be as a result of competitive pressures, a new approach to product manufacturing and marketing, caused by developments in technologies and desire to lead to a reduction in costs.

Implementing Actions to address Shortages, Surpluses and Skill Mismatches

It is important to implement actions to address shortages, surpluses and skill mismatches. Within the organization, in some cases, the workforce may not be well-equipped with certain job functions. In other words, they lack the skills and abilities, and this lack is regarded as the major barrier within the course of performance of job duties. Therefore, it is vital for the human resources to up-grade their skills and abilities. They are assigned different job positions and have job duties and responsibilities to perform in accordance to the job positions. Therefore, they need to ensure that they possess the essential skills and abilities which may enable them to carry out their job duties satisfactorily. The implementation of actions involves three major steps. These are, selecting the most critical gaps, identification of potential actions and prioritize actions. When there are more than one alternatives available, it is vital for the members of the organization to conduct an analysis of the alternatives and make selection of the most suitable ones. In order to lead to progression and goodwill of the workforce and organization, it is vital to put into operation the managerial functions of planning, organizing, directing, staffing, co-ordinating and leading in a well-organized and satisfactory manner.

Monitor and Evaluate Actions

It is an important job duty of the individuals, who are in leadership positions to monitor and evaluate the actions of the workforce. When the workforce are recruited, they are required to undergo the training and development programs, in which they are provided with information in terms of various aspects of the organization, such as, history, departments, personnel, goals and objectives, infrastructure, facilities,

ISSN 2076-9202

working environmental conditions and job duties. When the job duties are complicated, it is vital for the supervisors to monitor and evaluate the actions of the workforce. The supervisors need to check whether workforce are able to perform their job duties in a satisfactory manner and provide solutions to problems and challenges that they experience. In evaluation of the performance of the employees, they need to implement various methods and approaches. Workforce plans need to be reviewed by the management teams on regular basis. It usually takes place more than once a year. The HR function, often through HR business partners, needs to stay in contact on a regular basis with local management teams in order to check the progress and respond to changes. Changes take place in the internal and external environmental conditions of the organization.

Understand the Organization and its Environment

Understanding the organization and its environment are crucial aspects, when focusing on workforce planning. Within the organization, there are number of aspects that need to be taken into consideration, when putting emphasis on the planning of the workforce. These include, goals and objectives, working environmental conditions, infrastructure and facilities, training and development programs, materials, tools, equipment and technologies. The job duties of all the members of the organization are primarily focused towards attainment of organizational goals and sustaining their livelihoods in a better way. When the members are dedicated towards the performance of their job duties, they need to acquire an efficient understanding of all the factors that are part of the organization and its environment. When the members are unaware or not well-equipped in terms of various factors and skills that are essential for the effective performance of job duties, they need to identify the skills gap and upgrade their skills and abilities. Furthermore, in order to perform ones job duties satisfactorily, it is essential to make use of technologies, tools and equipment. It is essential for the members at all levels to be well-equipped in terms of usage of technologies and utilization of materials in an operative manner. Therefore, it can be stated, understanding of all aspects of the organization helps in leading to progression and well-being.

Workforce Planning Approaches

The workforce planning approaches have been stated as follows:

Recruitment of Candidates **-** Workforce planning approaches are primarily concerned with conducting the analysis of the job positions and filling them with recruitment and selection of well-qualified and competent candidates (Romero, 2002). When there are vacancies within the organization, there are advertisements posted on the websites or in newspapers. In the advertisements, they clearly specify the job duties and educational qualifications and skills that they require in candidates. The candidates, who possess the essential educational qualifications, competencies and experience, who feel they meet the job requirements apply for jobs. Organizations have their own methods and approaches for recruitment. The candidates, who meet the job requirements are meant to go through interviews, written tests and other methods, which are needed to recruit them. When they are successful in various procedures that are needed for selection purposes, they get selected. Hence, before implementing any methods and procedures for workforce planning, it is vital to recruit candidates, who are suitable for the job duties.

Implementation of Grievance Redresser Procedures – Within the organization, individuals experience number of problems and difficulties. These problems and difficulties may take place regarding number of

ISSN 2076-9202

aspects, these include, infrastructure, materials and technologies, civic amenities and facilities, electricity, lighting, ventilation, temperature, working environmental conditions, job duties, responsibilities, other members of the organization and so forth. When they experience problems regarding these factors, they redress their grievances to their supervisors. There is an appropriate grievance redresser procedure, which aim to provide solutions to the problems of the employees. In the present existence, there have been extensive usage of technologies and individuals are redressing their grievances online. Problems can become major impediments within the course of attainment of desired goals and objectives. Therefore, the implementation of appropriate grievance redresser procedures render an important contribution in providing solutions to problems and facilitating the performance of job duties satisfactorily.

Identification of Future Work and Skill Gaps – The identification of future work and skill gaps is one of the indispensable factors in workforce planning. In this case, the workforce as well as the supervisors and managers need to put into operation the strategies and approaches to identify the tasks and activities that they would carry out in future. Furthermore, in the implementation of future work, the employees need to generate awareness and augment their skills and abilities. For instance, previously, they were carrying out the production processes manually, but in future, they are encouraged to make use of modern and technical methods. Therefore, they need to upgrade their skills and abilities in terms of modern, scientific and innovative methods. In order to meet this objective, there are initiation of training and development programs within the organizations. The workforce are even required to get enrolled into training and development programs within the course of performance of their job duties. In this manner, they are able to hone their knowledge, skills and abilities.

Identification of Potential Retirements and Losses in Skills and Capabilities – The identification of potential requirements and losses in skills and capabilities generate awareness among individuals in terms of deficiencies that they have experienced in terms of skills and capabilities. Research has indicated that after the individuals have generated information in terms of ways to carry out the job duties, when they have got enrolled in training and development programs to up-grade their skills and abilities, they need to ensure that they do not forget what they have learned. Getting engaged in continuous practice is one of the essential aspects in retaining one's skills and capabilities. It is of utmost significance to identify the potential requirements and losses in skills and capabilities. This would help the individuals to implement measures to up-grade their skills and capabilities and also make sure that they are able to make use of them in promoting well-being of the organization.

Development of Alternatives – When the workforce or other members of the organization are working on a task or project, it is apparent that they have to work diligently and conscientiously. But in some cases, having just one alternative may not be worthwhile and they make an attempt to look for other alternatives. When they encounter impediments within the course of implementation of one alternative, they feel that they need to discuss with their superiors or colleagues in terms of implementation of other alternatives. The development of alternatives normally prove to be worthwhile and help in providing solutions to various problems. In order to develop alternatives, there are various ways that are put into practice. These include, communicating with other members of the organization, using internet, reading books, articles and other reading materials and so forth. One should make selection of alternative, which proves to be beneficial to a

ISSN 2076-9202

major extent.

Negotiations – Negotiations are the process through which individuals or groups can resolve disputes, settle business transactions or prepare working agreements. The process of conducting negotiations involves creating and claiming value at the bargaining table and can be classified as either distributive or integrative in nature. Within the organizations, negotiations skills are important in both informal day-to-day interactions and formal transactions, such as negotiating conditions to carry out business transactions. When negotiations are conducted in an appropriate manner, they can prove to be beneficial to the organization to a major extent. They help in building better relationships, deliver lasting and quality solutions, which would help both parties to come to an agreement and helps in alleviating conflicting situations and disagreements. Negotiation requires give and take. One should aim to create a constructive interaction that is a win-win situation for both the parties. A good negotiation leaves each party satisfied and they are able to carry out business transactions in a lucrative manner (Negotiating Successfully, 2019).

Promoting Effective Communication – Effective communication between the members of the organization is regarded as the major approach. When the member are engaged in effective communication, they are able to maintain good terms and relationships with each other, create amiable and pleasant working environmental conditions, provide solutions to problems and difficulties and contribute effectively towards the achievement of desired goals and objectives. Communication can take place in a verbal and written form. Verbal communication takes place either face to face or through phone, whereas, written communication takes place through letters, notices, emails, messages and so forth. When the members of the organization are communicating with each other, they need to ensure they make use of decent and polite language and treat everyone with respect and courtesy. Communication takes place in an upward form i.e. from subordinates to superiors, downward form i.e. from superiors to subordinates and in a horizontal form, i.e. between colleagues. It is indispensable to promote effective communication in order to carry out the task of workforce planning satisfactorily.

Conflict Resolution Methods – In some cases, conflicts and disagreements do take place among the members of the organization. These may take place among colleagues or superiors and subordinates. When the superiors feel that their subordinates have not performed their job duties in accordance to the expectations, they may depict their frustration. The occurrence of conflicting situations between the members of the organization are disappointing and individuals may not incur job satisfaction. Therefore, in order to promote effective workforce planning, it is essential to implement conflict resolution methods in a peaceful manner. In the case of occurrence of conflicting situations, the individuals involved need to conduct an analysis of the factors that gives rise to conflicts and disputes. After the analysis is conducted in terms of the factors, the individuals need to make sure they possess effective listening skills and communicate with each other in a polite manner. The implementation of peaceful conflict resolution methods helps in efficient functioning of the organization.

Formation of Amiable Working Environment – When the working environmental conditions will be amiable, the members of the organization at all levels will be able to carry out their job duties in a well-organized manner. They will be able to render a significant contribution in the achievement of desired goals and objectives. Furthermore, they will be able to develop motivation towards the performance of job duties and

ISSN 2076-9202

incur job satisfaction. In order to create an amiable working environment, there are certain factors that need to be taken into consideration. These include, effective communication among members, making provision of all the amenities and facilities, development of infrastructure, ensuring the availability of technologies, materials, tools and equipment, generating awareness in terms of adequate implementation of job duties and responsibilities, augmenting understanding in terms of modern and pioneering methods, factors such as, lighting, temperature and electricity should be appropriate and there should be provision of heating and cooling equipment in accordance to the weather conditions. Therefore, it can be stated, when the individuals will take into account these factors, they will be able to form amiable working environment.

Equal Rights and Opportunities – Within the organization, the members are different from each other in terms of number of factors. These include, caste, creed, race, religion, ethnicity, gender, age, personality traits, job positions and socio-economic background. It is vital that they should be provided with equal rights and opportunities and there should not be any kind of discrimination on the basis of these factors. Both men and women should be given equal pay for the same work performed. Research has indicated that within the organization, women have experienced discriminatory treatment. They were not provided with equal rights and were given lesser pay as compared to their male counterparts for the same work performed. This is regarded as the major barrier within the course of implementation of tasks and functions. Therefore, it is indispensable for the effective functioning of the organization to make provision of equal rights and opportunities to both men and women.

Making Effective Decisions – Decision making is an integral part of the organization. The members are required to make effective and meaningful decisions regarding various aspects of the organization. These include, management of financial, human and technical resources, implementation of administrative, clerical, technical functions, bringing about development in infrastructure, civic amenities and facilities, usage of technologies, materials, tools and equipment, training and development programs, recruitment and selection of employees and so forth. When the heads, directors, managers and other individuals are making decisions, they need to ensure they are beneficial to the workforce. Normally, the individuals, who are in leadership positions are vested with the authority of making decisions, but in some cases, particularly when the decisions are concerning the functioning of the organization, they are meant to organize discussion meetings and provide opportunities to other members as well to participate. Therefore, it can be stated that making effective decisions are regarded as indispensable not for the workforce planning, but also for the functioning of the entire organization.

Conclusion

Workforce planning is regarded as the methodical process for recognizing and addressing the gaps between the workforce in the present existence and human resources needs of tomorrow. It makes provision of the foundation for strategic human resource decisions. Some of the important reasons to determine workforce planning are, to determine the staff members required at a new location, to deal with problems of retaining a skilled staff, manage the operative economising program and observe where the next generation of managers will come from. Workforce planning can render a significant contribution in leading to progression of the organization. Thinking about future, corporate control and integrating actions are the factors that need to be taken into consideration, when analysing the need for workforce planning. A number of models and

ISSN 2076-9202

techniques are available in the organizations to carry out the task of workforce planning.

The major steps in the workforce planning process are, analyse the current workforce, determining the future workforce needs, identifying the gap between the workforce and the future needs, implementing actions to address shortages, surpluses and skill mismatches, monitor and evaluate actions and understand the organization and its environment. The workforce planning approaches are, recruitment of candidates, implementation of grievance redresser procedures, identification of future work and skills gap, identification of potential retirements and losses in skills and capabilities, development of alternatives, negotiations, promoting effective communication, conflict resolution methods, formation of amiable working environment, equal rights and opportunities and making effective decisions. The members of the organization are required to put into operation these approaches on a continuous basis. They need to generate awareness and augment their understanding in terms of factors that are necessary to carry out the task of workforce planning in an efficient manner. Finally, it can be stated that putting into operation, the task of workforce planning will lead to promotion of well-being and achievement of goals and objectives in a well-organized manner.

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IMPORTANCE OF RECRUITMENT AND SELECTION IN LEADING TO PROGRESSION OF THE ORGANIZATION

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Abstract

The processes of recruitment and selection are regarded as indispensable in leading to effective growth and progression of the organization. In order to implement various types of organizational tasks and activities in an appropriate manner, it is vital to make sure right candidates are selected in the right positions at the right time. Furthermore, the candidates need to possess the essential knowledge, competencies and abilities. In implementing these functions, there are various factors that need to be taken into consideration. These include, educational qualifications, competencies, aptitude, personality traits, experience, job requirements and so forth. The candidates are required to go through various rounds of interviews and in some cases, may even have to undertake other methods such as, written tests, group discussions etc. before, they are finally selected. When the candidates are selected, one of the important factors that need to be taken into consideration is, they are able to carry out their job duties in accordance to the expectations of their employers. The main areas that have been taken into account in this research paper are, characteristics of recruitment and selection, recruitment and selection process, sources of recruitment and principles of recruitment and selection.

Keywords: Candidates, Efficiency, Management, Organization, Recruitment, Selection

Recruitment and selection constitutes the staffing function of management. It focuses on making selection of the right candidate for the right job. Recruitment and selection continues as the staffing function of management. Scientific selection ensures that right man is selected for the right job. For the formation of the team, it is necessary to create a team of capable, efficient and loyal employees and proper attention needs to be paid towards selection of employees in an appropriate manner. When the employees are selected, it needs to ensure, they possess the essential educational qualifications, competencies and aptitude needed to carry out one's job duties efficiently. Job experience is also regarded as one of the indispensable factors that enables the individuals to become well-equipped in terms of various aspects that are necessary to carry out one's job duties satisfactorily (Chapter – IV. Recruitment and Selection Process, n.d.).

Recruitment and selection are termed as processes of getting the human resources into the organization, departments, sections and jobs. Recruitment is regarded as the art of discovering and procuring potential applicants for actual and anticipated vacancies within the organizations. In the process of recruitment, locating, maintaining and contacting the sources of human resources are required to be of utmost significance. The organizations are required to search for prospective employees, stimulate their mind-sets and encourage them to apply for various job positions (Chapter – IV. Recruitment and Selection Process, n.d.). Selection on the other hand, is referred to the processes involving screening of the candidates and then

ISSN 2076-9202

appointing the one, who is most suitable for the jobs, taking into consideration the needs and requirements of the jobs. It is vital to conduct job analysis, when making selection of the candidates. Job analysis will help in identifying, what qualifications and competencies candidates need to possess to be recruited and selected.

Characteristics of Recruitment and Selection

Effectual and meaningful recruitment and selection policies are regarded as appropriate measures that can save the organization from undergoing situations such as, unproductive tests and interviews due to non-availability of right candidates in the pool of applicants, compromising on selection of good candidates, high attrition rate, low productivity and profitability and low levels of motivation among employees. These are the limitations that arise as a result of inconsistencies in the policies and measures. Therefore, when tasks and activities take place within the organization, it is vital to ensure that the members are well-aware of methods and approaches that are required to carry out various tasks and activities appropriately. The success of the organization is dependent to a major extent upon the efficiency of human resources (Chapter – IV. Recruitment and Selection Process, n.d.). The characteristics of recruitment and selection have been stated as follows: (Chapter – IV. Recruitment and Selection Process, n.d.).

1. The selections of the candidates need to be made at the central place of the organization.
2. The whole process of selection and recruitment has to be in accordance to educational qualifications, competencies, aptitude and personality traits of the candidates.
3. It is vital to determine the number of employees in accordance to the job requirements and goals and objectives of the organization.
4. When the employees are recruited, the organization should not give them any kind of assurance, which may not be followed in future.
5. The higher positions must be filled in accordance to the activity of promotions. When the employees are performing their jobs well, it is certain that they will be given promotional opportunities. Hence, availability of promotional opportunities will help in recruitment and selection of employees at higher level positions.
6. It is vital to take into consideration various traits, such as, educational qualifications, skills, capabilities, job experience, terms of service, salaries and reimbursements, and job duties.
7. Apart from factors such as, educational qualifications, competencies and abilities, there are other factors also that need to be taken into consideration, such as, age, residence, religion, personality traits and communication skills. These factors are regarded as significant in the case of jobs in various organizations.
8. The skills and abilities of the employees must be in accordance to the job requirements. It is comprehensively understood that individuals would apply for jobs in accordance to their interests and abilities, hence, they need to work towards up-gradation of their skills, so they can perform their job duties in a well-organised manner.
9. Within the organization, it is vital to work towards the opening of new posts. This would help the human resources to acquire promotional opportunities. Furthermore, the other individuals also would be able to apply for jobs. The members of the organization need to work in co-ordination and integration with each other in opening of new posts.

ISSN 2076-9202

10. Recruitment and selection policies need to be fair and flexible. The individuals applying for jobs are different from each other in terms of number of factors, such as, educational qualifications, skills, personality traits, behavioural traits, socio-economic background and so forth. Therefore, it is vital to make sure that they are not discriminated on the basis of these factors. Though it is lawful to ensure that educational qualifications, and competencies are suitable to the job requirements.

Recruitment and Selection Process

The recruitment and selection process needs to take into consideration various stages, which have been stated as follows: (Recruitment and Selection, 2013).

Stage 1- Job Vacancy

This is regarded as the first and foremost stage, when there are job vacancies within the organization, then the hiring authorities take into consideration the aspects that are necessary to fill up vacancies. In the case of occurrence of job vacancies, it is vital to conduct an analysis of factors, due to which vacancies take place. The common factors are leaves and suspensions. The leaves may take place due to various reasons, such as, personal problems, getting new employment opportunities, migrating to another city or country and so forth. When the job vacancies exist the hiring authorities make an attempt to implement certain aspects to facilitate the recruitment of well-qualified and experienced candidates. There are cases, when the potential candidates are recruited from within. In this manner, there can be a reduction in recruitment and the existing employees observe that there is a potential career path within the organization.

Stage 2- Job Analysis

Job analysis is regarded as one of the indispensable factors, when recruitment and selection of candidates takes place. It is vital to conduct an analysis of job needs and requirements. The job analysis helps the employers to identify the potentials, competencies and capabilities that the employees should possess in order to carry out their job duties in a satisfactory manner. In various jobs, the individuals are not meant to perform just one job duty but several job duties. For instance, in higher educational institutions, heads and directors are required to perform various job duties, such as, participating in the management and administrative functions, formulating lesson plans, organizing seminars and workshops, organizing discussion meetings, giving lectures, and so forth. In organizations, managers and supervisors too may have to perform more than one job duty. Therefore, job analysis helps in identifying not only the requirements of the job, but also the educational qualifications, competencies and aptitude that are necessary to carry out their job duties in a well-organized manner.

Stage 3- Attracting Candidates

In order to attract candidates in various job positions, the organizations need to put advertisements in newspapers and on the websites. In the advertisements, they need to clearly state in terms of the jobs and what qualifications and skills are required on the part of the candidates. In attracting candidates, the major factors that need to be taken into consideration are, educational qualifications, work experience, skills and knowledge, physical attributes, communication skills and personality traits. When the candidates look at the advertisements, and feel that they are suitable for the jobs, they apply. Organizations normally accept number of applications. The hiring authorities look at the applications and then call the candidates for

ISSN 2076-9202

interview purposes. There are two forms of recruitment, i.e. internal and external recruitment. Internal recruitment takes place from within the organization. On the other hand, external recruitment takes place through various sources, such as, websites, local newspapers, trade journals, recruitment agencies, consultants, employment fairs and seminars.

Stage 4 – Screening Candidates

The screening process is referred to the narrowing down of the field. When the organizations receive large number of applications, they need to screen the applications and make decisions in terms of the candidates, who need to be called for interview. In some of the organizations, the interview is conducted on telephone as well. This will help in identifying, which candidates would be suitable. When the hiring authorities communicate with the candidates over the phone in order to call them for the interview, they observe how they interact. Only suitable candidates are called. In this manner, one can spend time with the candidate, while interviewing them. In some cases, the candidates are required to go through various rounds of interviews, before making the final selection. Screening candidates is regarded as one of the indispensable stages and hiring authorities need to work as a team.

Stage 5 – Interviewing Candidates

In interviewing candidates, there are certain aspects that need to be taken into consideration. It needs to be ensured that they are given adequate date and time, the address of the organization need to be clearly specified, upon arriving within the organization, they need to be aware, who to contact and they need to be well-aware in terms of documents that they would bring to the interview. When the stage of interviewing candidates is to be implemented, it needs to ensure that place or office, where interviews are conducted comprise of adequate infrastructure, facilities, and there should be proper sitting arrangement. In the interviewing stage, the questions asked are of two types, i.e. open ended and close ended. Open ended questions are the ones that require elaborate answers, whereas, close ended questions are the ones, which require one word answers, mostly yes or no. When they are going for interviews, the candidates need to ensure they are well-prepared and well-aware of various aspects in terms of job duties.

Stage 6- Selecting and Appointing Candidates

It has been comprehensively understood that interviews are regarded as common methods of selecting and appointing candidates. In some organizations, besides interviews, written tests and group discussions also take place. Normally, after the completion of interviews and written tests and other methods, the candidates are usually asked to wait for some time, which can range from couple of days to one week. Then the candidates, who are to be selected are called. Whatever selection method is to be used at the end of the process, one must still make decisions in terms of selection and appointment of the candidates. This decision needs to take place after all the candidates have been interviewed. If one candidate, who has been interviewed first and is well-qualified and capable for the job, cannot be appointed unless all the candidates have been interviewed. At the time of appointment, there are certain aspects that need to be taken into consideration, these are, giving offer letter, medical check-up, if appropriate and giving of various information in terms of work timings, salary and reimbursements, job duties and so forth.

Stage 7- Induction and Training

Induction is referred to the process of receiving and welcoming candidates, when they first join the

ISSN 2076-9202

organization. In addition, they are provided with information, which require them to settle in their jobs. When they join the organizations, they are required to go through training and development programs. These programs enable the human resources to augment their understanding in terms of various aspects. These include, history of the organization, goals and objectives, personnel, departments, job duties, infrastructure, materials, technologies and equipment, and overall working environmental conditions. The main objective of induction and training is to generate information among the human resources in terms of the factors that would enable them to carry out their job duties in a well-organised manner and achieve the desired goals and objectives. It is vital for the trainers to augment their understanding and make use of technical and innovative teaching and learning methods.

Stage 8- Employee Evaluation

Employee evaluation is regarded as one of the indispensable methods of improving performance of employees. When the employees are working diligently and conscientiously towards their job duties, it is vital that they need to generate awareness in terms of methods and approaches that are needed to perform their job duties satisfactorily. Furthermore, they also need to know how they are performing their jobs. Therefore, evaluation methods need to be put into operation by the employers in order to assess the job performance of the employees. The main objective of employee evaluation is to identify the limitations and put into operation the methods to bring about improvements. In various organizations, the employers are making use of various methods and approaches to conduct employee evaluation. The process of employee evaluation can also state, whether the processes of recruitment and selection takes place in a well-organized manner.

Sources of Recruitment

It is vital for the organization to generate information in terms of sources of recruitment. There are two sources of recruitment, internal and external (Chapter – IV. Recruitment and Selection Process, n.d.).

Internal Sources

Internal sources of recruitment consist of personnel, already working in the organization. Most of the organizations fill the job vacancies through promotions and transfer of existing staff and it also refers to filing open jobs with the current employees of the organization. It is a process designed to create sufficient interest among the current employees to cause them to formally depict an interest in a given position. The position applied for may represent a promotion, transfer or even demotion in the organization. The major sources of internal recruitment have been stated as follows: (Chapter – IV. Recruitment and Selection Process, n.d.).

Present Employees – The most common source of internal recruitment is through existing employees of the organization. The organization maintains the inventories of qualifications to make selection of the employees for suitable positions. The usual method of creating a group of internal applications through job position. They evaluate job opportunities relative to their skills, experience, interests and career goals. Promotions and transfers from the present employees are examples of internal sources of recruitment.

Employees Referrals - It is also termed as one of the effective sources of internal recruitment. Employees develops good prospects for their families and friends by acquainting them with the advantages of a job with the preparation of letters and notices of introduction and encouraging the individuals to apply.

ISSN 2076-9202

This source is regarded as effectual because many qualified individuals have been recruited at low cost. A major limitation of employee's referrals is that the referred individuals are likely to be similar in type to those, who are already employed in the organization.

Former Employees – Former employees are another internal source of recruitment. Some of the retired employees may be willing to come back to work on a part time basis or recommend someone, who would be interested in working within the organization. In some cases, the individuals have left the organization for various reasons and others depict interest and enthusiasm towards the performance of job duties. An advantage of this source is that the employers are well-aware of their performance and recruit them when they feel they possess the essential skills and abilities.

Merits of Internal Sources

The merits of internal sources have been stated as follows: (Chapter – IV. Recruitment and Selection Process, n.d.).

1. The employees remain pleasurable, contented and in high morale.
2. It creates a sense of security among employees. When they continue to remain employed within the same organization, they do not have to be concerned regarding looking for employment opportunities outside and feel safe and secure.
3. Employees are well-aware that they stand the opportunity of promotion to higher positions. This induces them to work harder so as to prove to their effective growth and development.
4. Internal recruitment ensures continuity of employment and organizational stability. The human resources are well-aware of all the aspects of the organization. Hence, they do not have to be concerned in terms of enhancing knowledge in terms of history, departments and personnel.
5. Prospects of transfer to new posts inspire employees to augment their knowledge on continuous basis. In this manner, they are able to acquire experience as well, which promotes their development. Therefore, working towards honing their knowledge is regarded as one of the essential aspects in leading to progression.
6. Filling of the vacancies from internal source is stated to be quite economical and convenient. The organization does not have to spend any time on advertisements, tests, and interviews. The reason being, the employers are well-aware of skills, competencies and aptitude of the employees. There is not any need for orientation of the employees for preparing them for the new job.

Demerits of Internal Sources

The demerits of internal sources have been stated as follows: (Chapter – IV. Recruitment and Selection Process, n.d.).

1. The present employees may not be completely qualified and possess the essential skills and abilities that are required for the new job. The required talent may not be available among the present staff. Hence, due to this limitation, the employees may not be able to carry out their job duties in accordance to the organizational goals and objectives.
2. All vacancies cannot be filled through the internal sources. The enterprise has to depend upon the outside sources for employment opportunities at the entry level. Therefore, they need to be aware

ISSN 2076-9202

that recruitment of new employees will enable the individuals to carry out their job duties in a well-organized manner.

3. Internal candidates acquire familiarity with the working patterns, methods and approaches that are necessary to carry out the tasks in a well-organized manner. But they may lack originality and fresh outlook. Therefore, internal recruitment involves refinement of ideas and viewpoints.
4. The method of internal recruitment narrows the choice and does not make provision of opportunities to the outsiders to apply for jobs. In this manner, other individuals are unable to make use of their skills and abilities in contributing effectively towards well-being of the organizations and communities.

External Sources

The major external sources have been stated as follows: (Chapter – IV. Recruitment and Selection Process, n.d.).

Advertising – Advertising on the websites, newspapers and journals is regarded as one of the most popular sources of recruitment from outside. It is stated to be convenient and economical method. In advertisements, detailed information is provided regarding the jobs. Furthermore, the organizations also state phone number and email address. In this manner, the candidates, who feel interested in applying for jobs, may email their resume or find answers to various questions, they may have. Through advertising regarding the jobs, they receive information in terms of location of the enterprise and how to apply for jobs. In some cases, the advertisements also specify salary.

Educational Institutions – Universities, colleges and other institutions of higher education are regarded as popular sources of recruitment for individuals, belonging to various fields, such as, engineering, education, health care and medical, technology, management, administration, and so forth. In educational institutions, there are organization of job fairs, which make provision of knowledge to the individuals in terms of employment opportunities. Placement bureaus are run by educational institutions to assist students in finding employment opportunities related to their field.

Personnel Consultants – A consulting organization is regarded as the specialized agency. It helps the client organizations in recruitment of personnel. It serves as an intermediary between the organization and job seekers. On a requisition form, the client organization advertises the vacancies and recruits applicants. The applications may be passed to the client organization and conduct tests and interviews of the candidates. It charges fee from the client organization. This source is generally used for the recruitment of executives.

Jobbers and Contractors – These are the sources of recruitment for the unskilled and manual labour. These individuals have close connections with the urban and rural communities.

Employment Exchanges – Public employment exchanges are regarded as important sources for the recruitment of personnel. Job seekers register their names with these exchanges. Employers report the job vacancies to these exchanges that pass on the names of suitable candidates to the employers.

Leasing – This method is often used by public sectors organizations. Under it personnel from civil services, defence services and private sector are employed for specific periods due to the shortage of managerial personnel.

Unsolicited Applicants – Due to the problem of unemployment within the country, business concerns

ISSN 2076-9202

receive a large number of unsolicited candidates at the main gate or through mail. Such job seekers may be considered for causal vacancies or for the preparation of the waiting list for future use.

Relatives and Friends – In the present existence, acquisition of employment opportunities is not regarded as an easy job. Individuals, who are well-educated experience problems in looking for employment opportunities. Therefore, individuals in higher level positions may recruit their relatives and friends too, provided when they possess the required educational qualifications, competencies and aptitude.

Technology and Internet – Technology and internet are regarded as indispensable aspects in looking for various types of employment opportunities. Through internet, the applicants are able to augment their understanding in terms of jobs related to various fields and apply for them. Therefore, in this manner a connection is establish between the organizations and candidates.

Career Counselling – The career counsellors are professionals, who have specialised in making provision of information to the individuals, who are looking for employment opportunities and augmenting their career prospects. These individuals are knowledgeable and competent in providing career counselling to the individuals, who are looking for employment opportunities. They also make provision of information to them regarding the companies and employment opportunities related to their field.

Merits of External Sources

The merits of external sources have been stated as follows: (Chapter – IV. Recruitment and Selection Process, n.d.).

1. One of the important merits of external sources are the organization can make selection of the personnel from among large number of applicants.
2. The candidates recruited from the external sources bring originality and fresh viewpoint. They are free from the in-built preferences and prejudices.
3. Experience is regarded as one of the important aspects that help in retaining candidates. It is comprehensively understood that when the individuals will be experienced, they will be able to carry out their job duties in a well-organized manner.

Demerits of External Sources

The demerits of external sources have been stated as follows: (Chapter – IV. Recruitment and Selection Process, n.d.).

1. Some of the candidates that have been selected from external sources may not be successful in adjusting themselves to the new environmental conditions. Due to this aspect, they may feel frustrated within the working environment and may not depict interest and enthusiasm towards the performance of job duties.
2. The organizations are required to spend adequate amount of time and money on advertising, tests and interviews in making selection of the candidates. In this manner, external sources of recruitment are stated to be expensive.
3. The individuals, who are currently employed may feel insecure regarding their jobs. They form the viewpoint that due to recruitment of new personnel, they may not feel recognized within the working environment.

ISSN 2076-9202

4. The present employees may form the viewpoint that the management may not pay attention towards their tasks and they would also encounter barriers in the acquisition of promotional opportunities. Therefore, in this manner, present employees may develop frustration and lack of interest.

Principles of Recruitment and Selection

The success of the organization is dependent to a major extent upon whether selection of human resources has been made in an appropriate manner. In the appropriate selection of human resources, it is vital to make sure that they are able to carry out their job duties in accordance to the job requirements. The human resources of the organization need to be well-equipped in the implementation of managerial functions of planning, organizing, directing, staffing, co-ordinating, controlling and leading. Furthermore, they need to augment their knowledge, competencies and aptitude in terms of making use of advanced techniques in the implementation of tasks and functions. The human resources are also required to formulate measures and programs that are necessary for the effective functioning of the organization. Therefore, it can be stated that human resources need to be well-equipped and proficient in leading to overall functioning of the organization. The principles of recruitment and selection have been stated as follows: (Chapter – IV. Recruitment and Selection Process, n.d.).

Clear Policy of Recruitment – The policy of recruitment must be definite and clear, so that it may be manageable to put into operation the same. The main objective of the policy is to structure the methods and procedures, necessary in the processes of recruitment and selection of human resources. Furthermore, the individuals are assigned certain duties and responsibilities related to the processes of recruitment and selection. It needs to be ensured that all the steps and processes are carried out in a methodical manner (Kelleher, 2017).

Observation of Rules and Policies – Before formulation of the policies of recruitment and selection, it is vital for the organization to generate awareness in terms of government rules, regulations and laws. These need to be carefully understood by the members of the organization, before, they are implementing recruitment and selection of human resources. Hence, it can be stated that observation of rules and policies will facilitate the implementation of tasks and functions in a well-organised manner.

Recruitment Policy in accordance to the Organization – The recruitment policies have to be in accordance to the goals and objectives of the organization. It is comprehensively understood that when the hiring authorities are recruiting and selecting human resources, they need to ensure they possess the essential knowledge, competencies and abilities that are needed for the effectual performance of job duties. Furthermore, the policies need to be formulated in a manner, which may help in the recruitment and selection of candidates, which may render a significant contribution in the achievement of organizational goals.

Flexibility – Flexibility is an important factor, which helps in bringing about changes. For instance, when recruitment and selection of individuals takes place for technical and clerical positions, it is essential that they would need to possess computer skills and knowledge in terms of usage of other technologies, such as, printers, scanners, photocopiers etc. But when there are implementation of training programs within the organization, which provide them training in terms of various computer skills, then the recruitment and

ISSN 2076-9202

selection of individuals is based on possession of basic technical skills. Furthermore, their skills can be honed by getting enrolled in training and development programs that have been initiated by the organizations.

Impartiality – The recruitment policy must be such that fair selection of the candidates must be assured. The candidates, who apply for jobs are different from each other on the basis of number of factors. These include, caste, creed, race, religion, ethnicity, gender, age, educational qualifications, attitudes, behavioural traits, and socio-economic background. When the candidates are to be recruited and selected, it is appropriate to conduct the analysis of factors, which may enable them to carry out their job duties satisfactorily. These include, educational qualifications, skills, aptitude and personality traits. On the other hand, it is unlawful to discriminate on the basis of factors, such as, caste, creed, race, religion, gender, age, ethnicity and socio-economic background.

Recruitment by Committee – The right to recruit the human resources need to be assigned to the committee of capable, experienced, efficient, diligent and conscientious officers of the organization. The entire work of the process of recruitment and selection would be carried out by the committee and not by any individual officer. The right of recruitment is assigned to the committee in order to ensure fair selection of the individuals is made.

Opportunity of Development to the Employee – When the individuals look for employment opportunities in organizations, they have the primary objectives of making efficient use of their educational qualifications and competencies, sustaining their living conditions in a better way, augmenting their career prospects and achieving organizational goals. The employees will be able to achieve these goals and objectives, when they are provided with the opportunities by the organization to depict as well as augment their skills and abilities. Therefore, it can be stated, it is one of the indispensable principles of recruitment and selection to provide opportunities of development to the employees.

Job Security – Job security is regarded as an essential aspect of the individuals at all levels. When the human resources get recruited and selected within the organizations, they not only are required to augment their knowledge and skills in order to implement their job duties satisfactorily, but they also need to ensure that their job is secure. In order to promote job security, there are certain aspects that need to be taken into consideration, these are, performing one's job duties efficiently, maintaining good terms and relationships with other members, augmenting communication, decision making and time management skills, maintaining regular attendance, and making use of technologies, materials, and other resources in an efficient manner. It is vital for all members of the organization at all levels to generate information in terms of factors to enhance job security.

Promoting Consistency – Promoting consistency in the recruitment and selection processes will help the individuals in implementing their job duties in a well-organized manner. They are able to ensure that they make selection of right individuals in the right positions at the right time. The consistency principle states that once one adopts an accounting principle or method, they need to continue to follow it consistently in future. Only the changes taking place in the principle or method if the new version in some way improves reported financial results. If such changes are to be implemented, then the members of the organization need to make sure, consistency is promoted (The Consistency Principle, 2019).

ISSN 2076-9202

Modernization of Production and Services – The modernization of production and services is not only organizational and technical in nature, but also relies on the development of human resources and their skills and aptitudes. Human resource management and training are regarded as crucial for the modernization of the processes of recruitment and selection. In the present existence, with the advent of modernization and globalization, the individuals are making use of scientific and innovative methods in the processes of recruitment and selection. Therefore, it can be stated, modernization of production and services is regarded as an important principle of recruitment and selection (Human Resources Management and Training, 2013).

Conclusion

Recruitment and selection are regarded as essential aspects in functioning of the organization. The organization needs to ensure right individuals are selected in the right positions at the right time. Furthermore, it needs to be ensured that they possess the essential educational qualifications, competencies and abilities to carry out their job duties in a well-organised manner. Whereas, in the selection processes, the individuals are required to go through various stages, which may enable them to make selection of suitable employees. The recruitment and selection processes needs to take into consideration various stages, these are, job vacancy, job analysis, attracting candidates, screening candidates, interviewing candidates, selecting and appointing candidates, induction and training and employee evaluation. In the implementation of these stages, it is vital for the members of the organization to generate awareness in terms of various factors that may enable them to carry out the tasks of recruitment and selection in an appropriate manner.

The sources of recruitment are of two types, internal and external. In internal sources, recruitment consist of personnel, already employed within the organization. Whereas, external sources are, when recruitment of individuals takes place from outside. In understanding the principles of recruitment and selection, the main factors that need to be taken into account are, clear policy of recruitment, observation of rules and policies, recruitment policy in accordance to the organization, flexibility, impartiality, recruitment by committee, opportunity of development to the employee, job security, promoting consistency and modernization of production and services. When the recruitment and selection of human resources takes place, it is vital to ensure that they are well-aware of pioneering methods that are used in the production processes in terms of products and services. This is one of the major reasons that experienced individuals are preferred. The processes of recruitment and selection takes place throughout the functioning of the organization and members of the organization need to carry them out efficiently.

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DESIGN AND IMPLEMENTATION OF A MALWARE DETECTION SYSTEM ON SMARTPHONES.

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ABSTRACT

Due to innovative advancement, Smart phones developed into in fact and practically refined gadgets called mobile phones. Giving far reaching abilities, Smart phones are getting progressively well known for the focused on clients as well as all. Malware has been a significant issue on cell phones. General countermeasures to Smart phone malwares are at present restricted to signature-based enemy of infection scanners which proficiently identify known malwares, yet they have genuine inadequacies with new and

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obscure malwares making a lucky opening for assailants. As Smart phones become a host for delicate information and applications, broadened malware recognition instruments not basing on marks are important com-utilizing with the asset limitations of current cell phones. In this work, we tackle the field of cell phone malware. We give a reasonable clarification on what a cell phone really is. Dynamic and static investigation was utilized in the proposed framework. In the field of dynamic investigation, an observing framework is presented assembling conduct and framework based data that are handled by a distant framework utilizing AI for oddity discovery. In the field of static investigation, we examine its pertinence to the space of various cell phone stages, in particular Symbian OS and Android. This paper adopted the object oriented analysis and design method (OOADM), and utilizations the way to deal with model true cycles, activities and information in an all the more deftly, productively and sensibly way.

Keywords: Malware intrusion detection, Smartphones, Dynamic and Static analysis.

1.0 INTRODUCTION

Android has become the most mainstream open source working framework for cell phones and tablets with an expected piece of the overall industry of 70% to 80%, [Canalys 2013]. A shipment of one billion Android gadgets has been gauge in 2017; more than 50 billion applications have been downloaded since the first Android telephone was delivered in 2008. The normal number of utilizations per gadget expanded from 32 to 41 and the extent of time spent by clients on cell phone applications nearly approaches the time spent on the Web (73% versus 81%) [Nielsen 2012].

Android is an open source working framework for cell phones and tablets. It was dispatched by Google and Open Handset Alliance in September 23, 2008. Android has experience a huge development since its origin due to its ease of use, open source, simplicity of creating and distributing applications. Android has become the most broadly utilized working framework on Smartphones with an expected piece of the overall industry of 81% in 2015 [1]. As indicated by report around 432 million cell phones were sold with Google's Android OS making up 81.7% of the market followed by Apple's iOS with 17.9% of the general piece of the pie [2].

The fast development of cell phone advancements and their far reaching client acknowledgment came all the while with an expansion in the number and refinement of malignant delicate product focusing on mainstream stages. Malware (short for noxious programming) created for early cell phones, for example, Palm stages and highlighted cell phones was identified preceding 2004. The presence of malware specifically produced for them (generally Symbian OS) developed exponentially with the expansion of cell phones with in excess of 400 cases somewhere in the range of 2004 and 2007 [Dunham 2008], [Shih et al. 2008]. The iPhone and Android OS were delivered later on and turned out to be quickly the transcendent stages. This offered ascend to a disturbing acceleration in the number and advancement of vindictive programming focusing on these stages, especially Android OS. Over 250.000 Android clients have been survivor of an extraordinary portable assault when they downloaded pernicious programming camouflaged as genuine imate applications from the Android Market in 2011 ([Lookout 2011], p. 4). As per the portable danger report distributed by Juniper Networks in 2012, the quantity of novel malware variations for Android OS has expanded by 3325.5% during 2011 [Juniper 2012a]. A comparative

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report by F-Secure uncovers that the quantity of vindictive Android OS applications got during the first quarter of 2012 expanded from 139 to 3063 contrasted with the first quarter of 2011 [F-Secure 2012] and it as of now speaks to 97% of the absolute portable malware before the finish of 2012 as per McAfee [McAfee 2013]. A few strategies have been proposed and actualized to recognize, forestall and diminish malware assaults on Android telephones. Procedures utilized for recognizing Android malware can be grouped into Static, dynamic, mixture and AI methods. Static investigation doesn't execute an application yet statically review application and dismantling their code. Static investigation includes checking different boundaries like mark confirmation, network addresses, API calls, authorization examination and so forth. Dynamic investigation which includes identification of malware at run-time, screens application powerfully during their execution. During dynamic examination, a few highlights like framework calls, API following, of an application are removed to see whether that application is amiable or malevolent.

2.0 THEORETICAL BACKGROUND

Android is an open-source operating system for mobile phones, tablets etc. It was built based on Linux kernel, developed by Google and released on September 23, 2008 [3]. Android offers a friendly development environment through a variety of tools such as Android Software Development Kit (SDK), Android Native Development Kit (NDK), Android Debug Bridge (ADB), Android Developer Tools (Eclipse). Google PlayStore is the official distribution center for Android Apps which are developed by Google or third-parties. It allows Android users to browse, install, and update the apps.

2.1 MALWARE DETECTION APPROACHES AND COUN-TER MEASURES

Countermeasures, which help to secure a system, can be usually taken by installing certain hard- or software. Three main systems for computers can be identified: firewalls, antivirus software and intrusion detection systems

Firewalls are purported "white list" - based frameworks, which implies that there is an uncommon rundown of rules expressly permitting certain ports to speak with inward or outside peers13. On the off chance that noxious programming can take on the appearance of believed programming utilizing a confided in port, an essential firewall will permit all correspondence exercises [4]. Antivirus scanners use "boycotts" so as to distinguish certain dangers remembered for the boycott. An infection scanner can impede infections, worms, and Trojan ponies with continuous checking or manual examining. Malware is recognized by filtering for and finding a specific string or example, additionally called signature. There-front, the malware must be known by the scanner. Infection scanners typically incorporate a particular cleansing schedules relating to the recognized marks [5]. Interruption Detection Systems (IDS) once were frameworks that observed organization traffic. Logged traffic was utilized by network directors so as to identify irregular conduct [6]. Countermeasures like shutting ports or bolting frameworks could be taken by the overseers. IDS advanced into interruption anticipation frameworks (IPS) which can recognize certain irregular practices and take preventive measures naturally. Base on anomalous practices, interruption discovery and avoidance frameworks (IDPS) are fundamentally ready to recognize malware movement while they do not have the expulsion schedules known from infection scanners. Infection scanners and Intrusion Detection Systems

ISSN 2076-9202

present the premise of our methodologies. While firewalls center on confining organization traffic, infection scanners and Intrusion Detection

Systems attempt to identify vindictive programming and exercises utilizing static and dynamic examination.

2.1.2 STATIC ANALYSIS AND DYNAMIC ANALYSIS

Infection scanners and Intrusion Detection Systems attempt to distinguish noxious programming and exercises utilizing static and dynamic examination. The significant distinction among static and dynamic analysis is the way the information is procured. Strategies that are utilized to analyze the checked information can be the equivalent for the two methodologies.

Static Analysis Static analysis speaks to a methodology of checking source code or ordered code of uses before it gets executed. Static examination can utilize basic example search activity or marginally more mind boggling AI approaches so as to identify blemishes and powerless nesses in the code of programming. A basic inquiry may target finding in-secure capacity brings in C programs. A more mind boggling approach may be the use of factual techniques so as to decide events of specific calls.

Dynamic analysis examines the conduct of the application in a run time condition and screens the application's dynamic conduct and framework reactions. It executes the dubious application inside a controlled domain regularly called sandbox. The dynamic highlights observed are network associations, work calls, assets utilization, framework calls and so on.

The significant distinction among static and dynamic analysis is that dynamic examination alludes to information obtained on runtime while static analysis doesn't. Static examination can exclusively depend on information removed from pairs in a static way. Strategies being applied to the obtained information for distinguishing malware can essentially be the equivalent to for the two variations [7].

2.2 REVIEW OF RELATED LITERATURE

At the present time, survey a part of the past techniques used by investigators for recognizing malicious applications. Various strategies have been used to distinguish malicious applications and they can be by and large amassed into static, dynamic and peculiarity based methodology. Underneath, we give a succinct review of exploration thinks about that have been coordinated using static and dynamic examination.

According to [8], present a standard based framework so as to demonstrate pernicious capability of Android applications. Hence, they gathered the top311 applications from android market and checked them for events of certain authorization set in an arrangement document of each. This

Check demonstrated that five of these applications executed perilous functionalities. Another five additionally indicated perilous authorizations however these could be contended through gave usefulness of those applications.

In [9], study introduced a cell phone double safeguard insurance system that permits official and elective Android Markets to identify malignant applications among those new applications that are submitted for open delivery. This structure comprises of workers running on mists where engineers who wish to deliver their new applications can transfer their product for check reason. The confirmation worker first uses

ISSN 2076-9202

framework call measurements to recognize expected noxious applications. After check, on the off chance that the product is perfect, the application will at that point be delivered to the significant business sectors. The test results utilizing 120 test applications (which comprise of 50 malware and 70 typical applications) demonstrate that we can accomplish 94.2% and 99.2% exactness with J.48 and Random woodland classifier separately utilizing this structure.

As indicated by [10], proposed another system to get and examine cell phone application movement. They found that observing framework calls is one of the most precise procedures for deciding the conduct of Android applications. The creator built up a lightweight customer called Crowdroid. This application utilizes publicly supporting way of thinking where a client sends non individual however conduct related information of every application they use to the worker. This is trailed by malware recognition dependent on the call vectors by the worker. The exploratory outcomes did by the writer had 100% identification rate for self-composed malware.

In [11], express that implanted gadgets, as mobile phones, shrewd cards or installed network sensors are generally compact, convey remote and are battery controlled or if nothing else vitality restricted. The plan of security for implanted frameworks contrasts from customary security plan, as various attributes can be found for every sort. There are two principle gatherings of qualities that separate the security engineering from Embedded System from that of workstations and workers: asset impediments and physical openness. In their work, Hwang et al. guarantee that inserted security can't be comprehended at single security deliberation layer and subsequently present safety efforts for all reflection layers.

In [12], introduced TaintDroid, a productive, framework wide data stream following apparatus that can all the while track different wellsprings of delicate information. We additionally utilized our TaintDroid usage to consider the conduct of 30 famous outsider applications, picked indiscriminately from the Android Marketplace. Our investigation uncovered that 66% of the applications in our examination display dubious treatment of touchy information, and that 15 of the 30 applications revealed clients' areas to far off promoting workers.

In [13], a basic, but then profoundly compelling procedure for identifying malevolent Android applications on an archive level was proposed. The procedure performs programmed classification dependent on global positioning framework calls while applications are executed in a sandbox domain. The method was actualized in an apparatus called MALINE, and performed broad experimental assessment on a set-up of around 12,000 applications.

According to [14], proposed a proactive plan to spot zero-day Android Malware without depending on malware tests and their marks to spot potential security hazards presented by untrusted applications. They created Risk Ranker, a robotized framework that scalably dissect applications whether they display perilous practices. They performed static investigation on the figured out Dalvik bytecode contained in each application by separating the information stream and control stream from the code way. They gathered 118,318 applications from different Android advertises and handled it inside four days. From their examination they revealed 3281 hazardous applications.

In [15], utilized both static and dynamic examination to distinguish malware in android applications. They consolidated the static investigation (consent) and dynamic examination (System call following) with AI.

ISSN 2076-9202

They performed static examination by separating authorizations from the Android's manifest.xml document and contemplated the distinction between the quantity of consents mentioned by kind and noxious applications. They understood that the quantity of consents mentioned by favorable and pernicious application is marginally the equivalent. This strategy was tried on different amiable and noxious applications.

In [16], Kirin security administration which performs lightweight affirmation of utilizations was proposed for Android to alleviate malware at introduce time. Kirin proclaims that a mix of consents could be risky. Kirin comprises of three parts, installer, security administration and information base of security rules. The installer separates security arrangement from the AndroidManifest.xml document. Their outcome shows that affirmation method fizzles for just 1.6% of uses in their dataset subsequently Kirin can be sensible for essentially moderate malware.

According to [17], proposed DREBIN, a lightweight strategy for recognition of Android malware that empowers recognizing noxious applications legitimately on the cell phone. DREBIN plays out a wide static examination, removes a lot of highlights from the application's AndroidManifest.xml (equipment segments, mentioned authorizations, App segments, and separated plans) and dismantled code (limited API calls, utilized consents, confined API calls, network addresses) to create a joint vector space. At the point when tried with 123,453 considerate applications and 5,560 malware tests, DREBIN effectively identified 94% of the malware with a bogus positive pace of 1%.

According to [18], extricates six sorts of data Permission, Intent channel, Intent channel, Process name, Intent channel, number of re-imagined consent from show records and uses them to identify Android malware. Results show that the strategy can identify obscure malware tests that are imperceptible by a straightforward mark based methodology. This methodology is modest to execute in light of the fact that solitary the show record is examined.

In [19], introduced a quick, versatile, and exact framework for Android malware location and family distinguishing proof dependent on lightweight static investigation. DroidSieve utilizes profound review of Android malware to assemble successful and strong highlights reasonable for computational learning. Their discoveries show that static examination for Android can succeed in any event, when gone up against with obscurity methods, for example, reflection, encryption and progressively stacked local code. While essential changes in attributes of malware stay a generally open issue, DroidSieve stays tough against cutting edge obscurity methods which can be utilized to rapidly determine new and grammatically extraordinary malware variations.

According to [20], presents an authorization based Android malware recognition framework, APK Auditor that utilizes static investigation to describe and order Android applications as benevolent or malevolent. APK Auditor comprises of three parts: A mark data set to store removed data about applications and examination results, an Android customer which is utilized by endusers to give application investigation demands, and a focal worker answerable for speaking with both mark information base and cell phone customer. 8762 applications were utilized to test framework execution. Result shows that APK Auditor can recognize most notable malwares and features the ones with a potential in roughly 88% exactness with a 0.925 specificity.

ISSN 2076-9202

3.0 ANALYSIS OF THE PROPOSED SYSTEM

The proposed framework is an application that sudden spikes in demand for an Android OS. We propose an Android malware discovery framework that recognizes malevolent applications precisely. The proposed application is utilized by Android telephone clients, analysts and the general Smartphone clients. Thinking about the impediment of the current framework, the proposed framework looks to address a portion of the innate issues recognized by viably filtering applications and distinguishing noxious applications. The proposed framework plays out the accompanying movement to examine and identify malware in Android Apps.

- Get the list of already installed applications.
- Extract the source_dir of the application
- Upload the source_dir on VirusTotal database
- Receive response from VirusTotal database
- Interpret the result to user/researcher
- Present result to user

Apart from the ability of the system to scan application, it also educate the end user on necessary security tips to keep their device and file safe.

3.1 DESIGN OF THE PROPOSED SYSTEM

The proposed system's design is described with the following operations:

- Application Listing: system fetches all the applications installed on the device and display the list to the user to scan.
- Install-Time Scanning: System provide the functionality to scan an application that is being installed automatically at install time. This module listens to messages broadcasted by Android by default signaling an installation. When this module receives a message indicating the addition of a new application to the system, it notifies the user to scan the application before use.
- Static Analysis: System scrutinize the application to be scanned and extracts the source-dir of the application.
- Real-Time Scanning: After extracting the source_dir of a given application, System sends it to VirusTotal's aggregated data which comprises heuristic engines, known-bad signatures, metadata extraction, identification of malicious signals, etc.

- Instruction Module: Based on previous work, it was ascertained that majority of Smartphone users do not know the necessary security precautions to reduce the widespread of malware. This module adds the functionality of educating user about the permission system, importance of checking the user review section and need to download applications from official android market.
- Display of Result: This module implement a feature that is not seen in previous work. After a user scan an application, System generates a result that contains, the nature of the application – benign or malicious, the family of the malware, the damage it might cause to the device/files and an option to uninstall the app.
- : Implementation Architecture of System

ISSN 2076-9202

4.0 WALWARE DETECTION TECHNIQUES

Techniques utilized for identifying malware can be classified comprehensively into two classifications: abnormality based recognition and mark based discovery. An inconsistency based identification strategy utilizes its information on what comprises ordinary conduct to choose the noxiousness of a program under examination. A unique sort of inconsistency based discovery is alluded to as determination based recognition. Determination based procedures influence some detail or rule set of what is substantial conduct so as to choose the perniciousness of a program under investigation. Projects abusing the determination are viewed as bizarre and typically, malignant. Mark based location utilizes its portrayal of what is known to be malignant to choose the noxiousness of a supportive of gram under assessment. As one may envision this portrayal or mark of the malevolent conduct is the way in to a mark based discovery technique's adequacy. Every one of the recognition procedures can utilize one of three unique methodologies: static, dynamic, or mixture. The particular methodology or examination of an abnormality based or signature-based procedure is controlled by how the strategy assembles data to identify malware. Static investigation utilizes grammar or auxiliary properties of the program (static)/measure (dynamic) under examination (PUI) to decide its perniciousness. For instance, a static way to deal with signature-based identification would just use basic data (for example succession of bytes) to decide the noxiousness, though a powerful methodology will use runtime data (for example frameworks seen on the runtime pile) of the PUI. When all is said in done, a static methodology endeavors to distinguish malware before the program under assessment executes. Alternately, a powerful methodology endeavors to distinguish noxious conduct during program execution or after supportive of gram execution.

4.1 SYSTEM ARCHITECTURE

The system will be designed based on a typical 3-tier system architecture. The presentation tier, the middle tier and the data tier. The presentation tier shows the programming that provides the graphical user interface (GUI) and application-specific entry forms or interactive windows. The middle tier is tier that performs the runs the code which acts as an intermediary between the presentation and data tier. The data tier is the repository for date needed to be presented to the user.

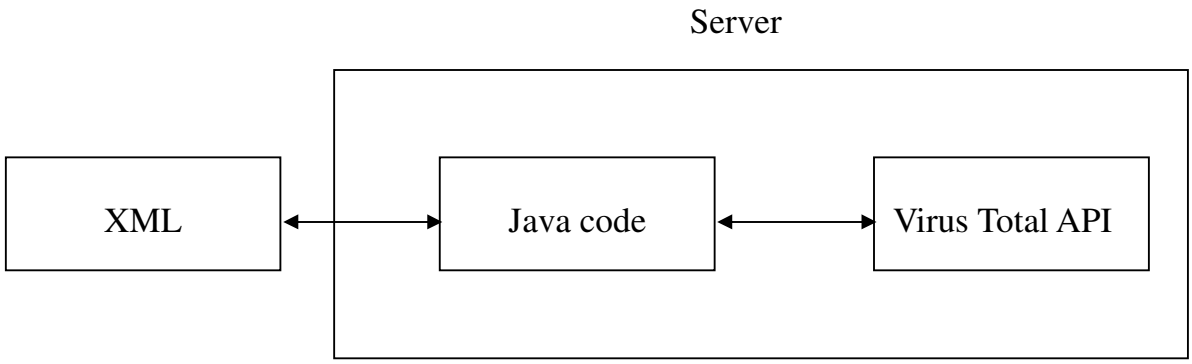


Figure 4.1: Architecture of the proposed system

4.2 IMPLEMENTATION ARCHITECTURE

ISSN 2076-9202

The proposed system is a lightweight and flexible system that scans applications to detect malicious code. The architecture of the system is based on five modules, the module of retrieving application, the module of analysis, the module of interpretation of results, the module of presentation of results and the module of preferences. Figure 4.1 shows the logical view of the architecture for implementing the system.

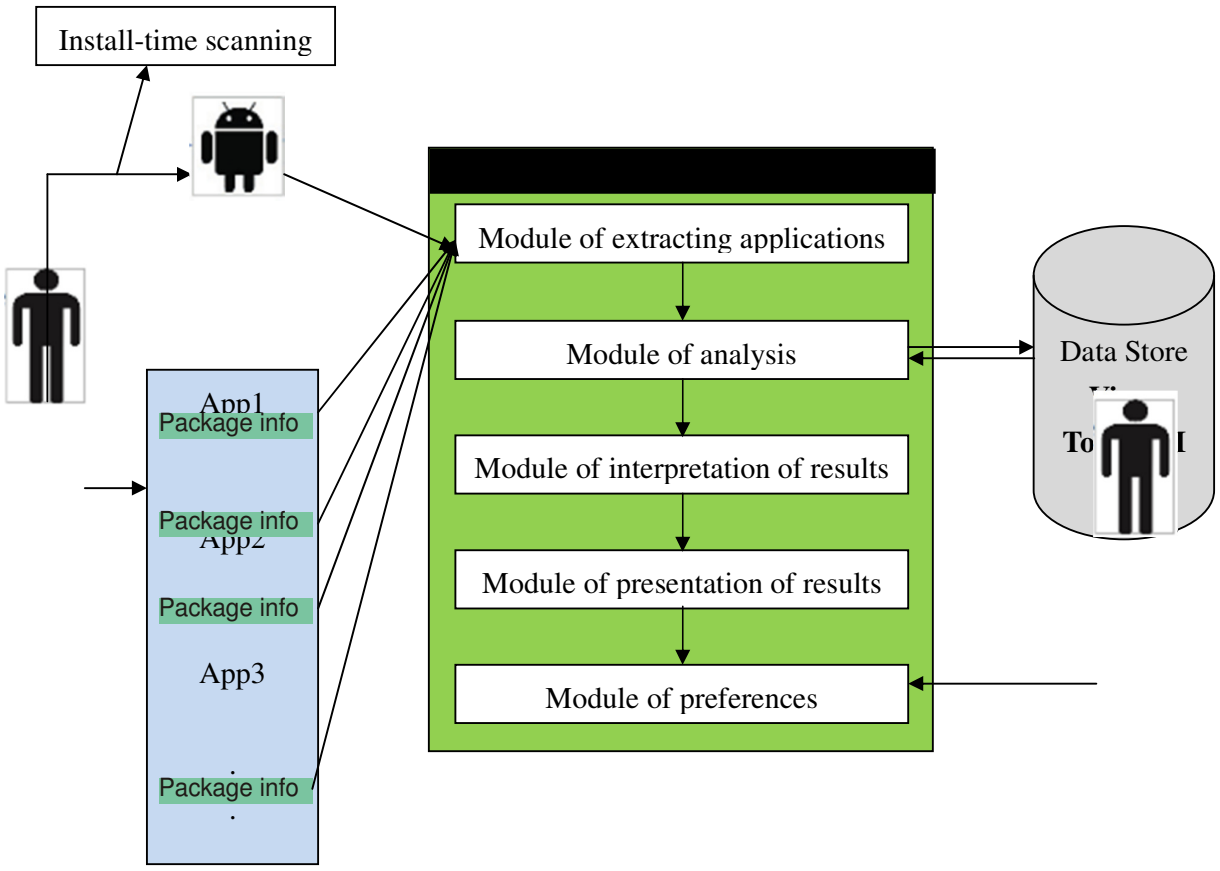


Figure 4.2: Implementation Architecture

5.0 RESULTS AND DISCUSSION

Android malware growth has been increasing drastically along with increasing the diversity and complicity of their developing techniques. This research work provides an effective and efficient technique to detect malicious code in Android Application. We have been able to design and develop an application that can scan already installed Android applications and newly installed applications to detect whether they are Benign or Malware. The system was developed using Android Studio, Android SDK written with Java and XML. The Object Oriented Analysis and Design Methodology (OOADM) were used for the analysis, design and development of the system using Unified Modelling Language (UML) to model the system.

ISSN 2076-9202

5.1 CONCLUSION

Mobile devices mostly running Android OS have become the new personal computer, storing as much data as a PC but providing greater flexibility and portability. Smart devices equipped with powerful computing, sensing, and networking capabilities have increasingly become the platform of choice for many users, outselling the number of PCs worldwide. Online banking, commerce, and other business applications put daily business and financial transactions at user fingertips. Users are at every turn stipulated to download applications for further increasing the value of their mobile devices. As mobile devices grow in popularity, so do the incentives for attackers. Mobile malware is clearly on the rise, as attackers experiment with new business models by targeting mobile phones. This increase is in some cases accompanied by sophisticated techniques purposely designed to overcome security architectures and detection mechanisms.

This research work studies various methods and approaches that have addressed Android Malware, designed, analyzed and developed an efficient and effective mechanism to detect Android malware.

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IMPACT OF THRIVING ON ORGANIZATIONAL CITIZENSHIP BEHAVIOR; WHILE MEDIATING ROLE OF INTRINSIC MOTIVATION AND WORK ENGAGEMENT.

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Abstract

Organizational citizenship behavior is an important factor for every organization. It shows how much an employee is satisfied and how his voluntary commitment to employees. Thriving as an independent variable, Intrinsic motivation and work engagement as mediator and Organizational citizenship behavior as dependent variable has been used. Both variables fully mediate the relationship. The participants of this study were 153 job holders working in different industries in Pakistan. The simple random sampling technique was used. The Hayes's Process model has showed partial mediation. Further, Confirmatory factor analysis has been conducted. The results of the factor analysis study also supported the proposed hypotheses of the study. The intrinsic motivation helps to create OCB. If employees thrive only at the workplace, but they are not motivated then their Organizational citizenship behavior will not increase.

Keywords: Thriving at work, Intrinsic motivation, Organizational citizenship behavior, Work engagement

Introduction

Organizational citizenship behaviour (OCB) is a critical factor of the workplace, while evaluating employees performance (Astakhova, 2015).OCB is considered necessary for the productivity of the organization, but it is very difficult to predict the behaviour of the subordinates that is required to gain the goals of organizations and is defined in the job description (Deluga, 1994). According to (Borman, Penner, Allen, & Motowidlo, 2001), "citizenship performance" play a significant role in the effectiveness of organization because it cause to generate social, psychological and social context that is important to perform job's formal responsibilities. Citizenship behaviour function as a lubricate toward organization authentic leader's social machinery as it enhances efficiency and reduces the friction of employees (John Dovidio, Jane Allyn Piliavin , David A. Schroeder, 2006). OCB is related to the outcomes of the individual, or unit-level or organizational level including performance of employees, turnover intention or employees in role behaviour (Allen & Rush, 1998; Chen, 2005), Performance at unit level (Podsakoff, Whiting, Podsakoff, & Blume, 2009), efficiency, organizational level productivity, decrease the costs, and satisfaction of customers(Walz & Niehoff, 2000; Yen & Niehoff, 2004).

Thriving is a psychological state of individual in which an individual experienced learning and

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vitality at workplace (G. Spreitzer, Sutcliffe, Dutton, Sonenshein, & M.Grant, 2005). Vitality is defined as positive feeling of employee's energy and to be alive when learning, it means that the individual is gaining knowledge and getting new skills (G. Spreitzer et al., 2005). And according to Porath, Spreitzer, Gibson, & Garnett, (2012) learning and vitality is being used to build confidence. Researchers support the evidence that thriving at work show cognitive and affective elements of the psychological experiences; the learning refers to the cognitive dimension and; vitality refers to the affective dimension. And these both cause to enhance each other (Porath et al., 2012; G. Spreitzer et al., 2005). Employees who thrive at workplace predict many workplace outcomes such as cause to decrease absenteeism, innovative behaviour at work, good job performance, organizational citizenship behaviour, job satisfaction and organizational commitment. Moreover, it cause to decrease turnover intension, job strains and has an impact on turnover(Abid et al., 2014; Carmeli & Spreitzer, 2009; Paterson, Luthans, & Jeung, 2014; Porath et al., 2012)

Moreover, thriving cause to decrease many negative outcomes i.e. burnout, mental and physical health and well-being of employees (Sreitzer, Porath, & Gibson, 2012). Like thriving, another essential factor is "work engagement" that also helps in upgrading the employee's sustainable performance. It is a positive energy of employees. It is a feeling of positivity; and satisfying and fulfilling the work. It is categorized in three dimensions dedication, vigor, and the absorption (Wilmar B. Schaufeli, Marisa Salanova, & Vicente Gonz´Alez-Rom ´A Arnold B. Bakker, 2002, p. 74). The employees with work engagement infer that they are more focused, dedicated and energetic that significantly influence their performance at workplace (Bakker, 2010). Work engagement is important for the well-being of employees and for the productivity of organization (odríguez-Muñoz, Sanz-Vergel, Demerouti, & Bakker, 2014).

Another important element of workplace environment is motivation. It is considered as an important construct in the psychology of organization as it allows to comprehend the behaviour of the employees and also the reasons behind employees' behaviour in the organization (Donovan, 2001). Intrinsic motivation means an individual's desire to fully involved in the work because the work is very satisfying and interesting (Amabile, Hill, Hennessey, & Tighe, 1994). And the extrinsic motivation is the desire of an individual to obtain a specific outcome such as recognition or any reward (Amabile, 1993). Intrinsically motivated activities have been categorized as self-expression form (Amabile, 1993). Motivational orientation was recognised as the state of situation-specific that is generated by the social environment, conventionally

Intrinsic motivation and work engagement are two important mechanism of workplace that significantly cause organizational citizenship behavior. It is critical for the organization and the managers to sustain employee's performance and high organizational citizenship behaviour at workplace. Many studies have investigated these variables individually, but these are not been studied combinedly in the workplace environment. So, this study empirically investigates these factors at workplace environment. Moreover, this is important to study that how the OCB can be enhanced. As the employers are concerned about enhancing employee's performance but don't know about those factors that generates high workplace performance. The work engagement and intrinsic motivation are critical factors that significantly enhance OCB at workplace. Managers can encourage OCB by motivating employees intrinsically and have high work engagement. Intrinsic motivation and work engagement are two important mechanism that cause OCB.

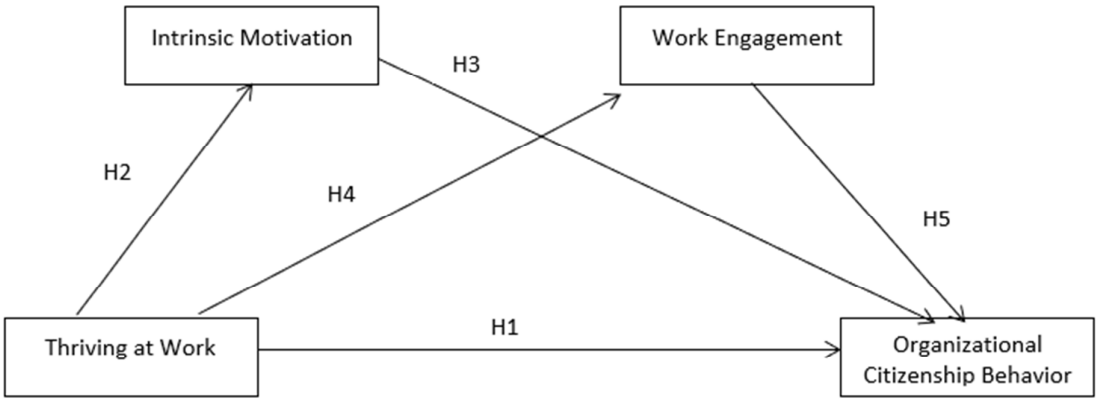
The main objective of this study is to investigates a) the impact of thriving at work (learning and

ISSN 2076-9202

vitality) on organizational citizenship behaviour. How much employee's in-role and extra role performance increased when they experience learning and vitality. b) impact of work engagement and intrinsic motivation on the OCB. c) This study also investigates the mediation of work engagement and intrinsic motivation in the relationships of thriving at work and OCB.

This study is significant for the managers and employers at the workplace. As this study helps them to know that if employees are thriving at workplace (experiencing learning and vitality) and have high work engagement and intrinsic motivation, then these factors cause high organizational citizenship behaviour. So, this study helps the managers to enhance citizenship behavior of employees in their organization.

Theoretical Framework



Theoretical background and Hypothesis Development

1. Thriving and OCB.

Thriving at work means the feelings of vitality and learning that an employee experienced while working (G. Spreitzer et al., 2005). Vitality means energized state in which an individual is energized and show his passion and enthusiasm for their wok (Nix, Ryan, Manly, & Deci, 1999). Learning refers to when an individual obtain new skills and knowledge and utilize these skills and knowledge that cause to build their confidence (Carver, 1998). Learning and vitality are two crucial dimensions of thriving at work. Such as I an individual give attention to learn new knowledge and skills, but he has low enthusiasm and vitality toward his work, it seems like he is tired and exhausted while working. But if a person has enthusiasm and zest, but he has less chances and opportunities to learn new knowledge and skills, then, then he may be suffering from inactivity or stagnation (Mingze Li, Han, Wenxing Liu and Yi, 2016). And these two has an impact on the performance of an individual. According to researchers in psychological research, the both dimensions of thriving are two important types of psychological experiences when one is going through the developing and growing process, that are also named affective and cognitive process (G. Spreitzer et al., 2005). When an individual is trying to grow himself, he focused on both, first he reinforced the recognition process and secondly, he focused on affection. Thriving is known as dynamic process such as active, lively process instead of still or a state of being static in specific situations (Ryff, 1989), that influence the employees' organizational performance.

ISSN 2076-9202

OCB refers to a voluntary behaviour of employee, that is not directed toward the organizational reward. With the passage of time, it cause the effective and efficient working of the organization (Organ, 1988). According to Podsakoff M.P., Mackenzie B.S., Paine B.J., & Bachrach G.D., (2000), suggested that it enhance the effectiveness and efficiency of the organization and also cause many outcomes such as, cause to enhance productivity of management and co-workers, free some resources that can be utilized better and for productive work, the need for scarce resource is reduced that are used in the functioning of organization, enhance stability in the performance of the organization, and allow the organization to familiarize and adapt the effective changes of the environment.

The employees' organizational citizen behaviors, is influenced by thriving at work. When employees are thriving, they are able to obtain new skills and knowledge and develop their confidence. The build-up of the knowledge resulted in the form of self-learning, and it cause to enhance the opportunities and abilities of employees to notice the problems and issues of the organization and they take step to improve these situations (Magni & Maruping, 2013). On the basis of above discussion, it is hypothesized that:

H1: Thriving at work has positive relationship with OCB.

2. Thriving is positively related with IM.

Thriving consist of two dimensions learning and vitality, that an individual practices during his work (G. Spreitzer et al., 2005). Vitality refers to an individua's state of being energized and passionate for the work (Nix et al., 1999). And learning refers to obtaining more knowledge and skills (Carver, 1998). If an individual is passionate and wants to learn more, then he will be deeply indulged in his work. Motivation is defined as combination of energetic forces creates both forces the within and outside an individual to pledge or take step or initiate their behaviour that is related to the work (Pinder, Craig, 2008). Whereas intrinsic motivation is an individual's desire to complete involved and indulge in the work due to interesting work (Amabile et al., 1994). According to Amabile, (1993), if an individual is motivated intrinsically, then he will engage in the activities.

An individual who is intrinsically motivated, engaged in any task or activity only because it is interesting and satisfying, so these. Intrinsically motivated activities have been categorized as self-expression form (Amabile, 1993). Motivational orientation was recognised as the state of situation-specific that is generated by the social environment, conventionally. Many studies examined different aspect of the situation that cause to increase or weaken the intrinsic motivation (Deci, 1971; Kunda & Schwartz, 1983; Lepper, Greene, & Nisbett, 1973). On the other hand, new tendencies of motivation are as dispositional (Amabile, 1993; Amabile et al., 1994), but people have difference in tendency to indicate that whether their behaviour is motivated intrinsically or extrinsically.

According to (G. Spreitzer, Porath, & Gibson, 2012), examined that the millennials as compare to earlier generation have expectation to thrive, but they are actually not satisfied with their work, they want to get position in their jobs, so they thrive at work. They at a workplace can develop and grow in their routine life and thrive and have purposeful and meaningful work that does not affect their personal life. So, it is said that intrinsic motivation is also originated due to this.

H2: Thriving is positively related with IM.

3. **Intrinsic motivation is positively related to OCB.**

ISSN 2076-9202

The role of intrinsic motivation of employees to engage in OCB has been explained by many studies. Such as, the relationship of the antecedents of intrinsic and extrinsic OCB has been inspected by Tang & Ibrahim, (1998), the researchers examined this in the public sector organization, among 378 employees of middle east and 155 American employees. They found that self-esteem based on organization, the intrinsic job satisfaction and achievement need are outcomes of OCB'S altruism dimension. The researcher analysed different means of motivation of employees and that show that OCB is originated from it (Barbuto, 2003). Then a large sample was used to analyse this relationship. Barbuto & Story,(2011), examined positive relationship of self-concept of individual's intrinsic motivation and OCB and also examined five means of motivation. Moreover, the relationship of intrinsic motivation and the organization direct toward the citizenship behaviour (OCBO) by Finkelstein, (2011). So, from the above study it is hypothesized that:

H3: IM is positively related to OCB

4. Intrinsic motivation as a mediator

If the employees experienced high level of work engagement and intrinsic motivation, and they are eager to solve the problems of the organizations, and it also cause an improvement in the team performance (Zhang & Bartol, 2010). So, it not only causes to show the willingness of employees to improve the organizational quo status but also enhance the opportunities and the ability to make a faultless organization. Therefore, this state not only equips employees with the willingness to better the status quo of an organization, but it also increases their chances and abilities to perfect the organization and, thus, promote their change-oriented OCBs

H4: IM mediate the relationship of thriving at work and OCB

5. Though the thriving at work and work engagement

Conceptually overlaps with each other to some extent, but actually they are two different constructs (Bakker, Schaufeli, Leiter, & Taris, 2008). The thriving at work and work engagement consist of a common element energy, respectively known as vitality and vigour; but the thriving at work consists of learning also, while the work engagement consists of absorption and dedication. The thriving at work concept has been originated by the work of Alderfer, (1972); Maslow, (1943); Porath et al., (2012); and Rogers, (1961).

People will feel momentum, impetus and developed; when they thrive at the work (G. Spreitzer et al., 2005), they developed their confidence and enhance their capabilities (Wallace, Butts, Johnson, Stevens, & Smith, 2013). It is proclaimed that thriving at work help employees for the activities directed toward the goal, and the conditions that are changing. Moreover, it plays an important role in the physical and mental health of employees (G. Spreitzer et al., 2005). Thriving plays an important role for employees as it provides assistance to the employees to regulate and adjust to the work context. The employees who thrived are in better position to analysed and evaluate their individual development to improve and recover their effectiveness in short-term and helps employees in the adaptability of work environment in long-term (Wallace et al., 2013). So, the employees are satisfied and get fully involve in their work, that enhance work engagement. From the above discussion, it is hypothesized that:

H5: Thriving is positively to WE.

6. Work engagement and organizational citizenship behavior

ISSN 2076-9202

Work engagement is important for the well-being of employees and for the productivity of organization (Christian, Garza, & Slaughter, 2011; Cole, Walter, Bedeian, & O'Boyle, 2012; odríguez-Muñoz, Sanz-Vergel, Demerouti, & Bakker, 2014). When the individuals got challenging job characteristics and these are meaningful, then employees thrive in the challenging environment. It especially happens when individuals having abilities of being conscientiousness, responsible and it has positive impact on workplace environment (e.g., Christian et al., 2011; Demerouti, 2006). Work engagement consist of three dimensions and it is a feeling related to work being positive and satisfying. And it has characteristics of vigour, the dedication and the absorption (Schaufeli, Taris, & Van Rhenen, 2008). *Vigour* means the work engagement related to physical component such as high energy level and the mental resilience during working. It is the willingness of a person to invest his efforts in one's work and continuously facing the difficulties (Coetzee & de Villiers, 2010). *Dedication* is related to orientation of duty and mystical perspective, that someone perform his duties with great devotion, that means to find meaningfulness in their work,(Pardasani, Sharma, & Bindlish, 2014). According to Coetzee & de Villiers, (2010), dedication is related to work's emotional perspective such as efficacy, significance level, inspiration, enthusiasm, pride and challenges of work. *Absorption* is cognitive component of work. It means completely focus on their work, and highest concentration is being experienced while performing the task (Coetzee & de Villiers, 2010).

The earlier research indicates that there is negative relationship of turnover intention and work engagement and positive relationship among work engagement and organisational commitment and job satisfaction (Schaufeli et al., 2008). The researchers proclaimed that if employees are more engaged in their work, their performance will increase, and they will enjoy good health and positive healthy emotion (Calitz, 2013); they will be fortified to face the workplace problems including stress and the change (Rice, 2009). They will play an important role in the organizational success and (Krueger & Killham, as cited in Rice, 2009).

According to Bakker, Albrecht, & Leiter, (2011), there are two main antecedents of work engagement such as job resources and personal resources. Job resources means support of supervisor, information, gratitude, recognition and innovativeness (Rice, 2009, p. 5), that has direct link with the performance of employees and personal resources is defined as an employee's optimistic psychological condition of self-development that is categorised as, self-efficacy as being confident to put the efforts that are essential to get success in challenging work tasks, being optimistic to be successful in future, and be determined for the goals and directed toward achieving them to become successful, be active and sustained and lively, when faced an adverse problem or situation (Bakker et al., 2011, p. 7). These all antecedents help to increase the performance of employees and results in OCB increases.

H6: Work engagement is positively related to OCB.

7. Work engagement as a Mediator

Thriving is a psychological state of employee that is formed and affected at the workplace; it is a temporary internal situation of an employees, not remain stable over time (Porath et al., 2012; G. M. Spreitzer, Lam, & Fritz, 2010; G. Spreitzer et al., 2005). The thriving and employee engagement contains a

ISSN 2076-9202

common element of energy (Van der Walt, 2018), but actually these both are separate and different constructs (Bakker et al., 2008). If employees have high level of energy, then they will be more enthusiastic about their jobs, and they will be happily and fully absorbed in their work (Miner, Bickerton, Dowson, & Sterland, 2015). Work engagement is also known as the passion of employees to do their work (Van der Walt, 2018). The employees regulated and adjust at their workplace with the help of thriving and it enable the employee to evaluate and measure their self-development to improve their short-term productivity and efforts and to adapt the work environment of workplace in long-term (Wallace et al., 2013)

Researchers examined in many studies that employee engagement predicts OCB (Bruce Louis Rich & Lepine, 2010). One reason behind it is that OCB depends on social exchange theory and the principle of reciprocity (it means when an individual received something, then give something back to the individual). The OCB is directed by the employees as it consists of an emotional element (Bennett & Robinson, 2000). This supports the evidence that the employees' extra role behaviour is the outcome of employee emotions (Miles, Borman, Spector, & Fox, 2002). There is a link between emotion-based explanations and the social exchange as the reciprocate desire and positive and favourable emotions of employees resulted only because of positive treatment of the organizations (Rhoades & Eisenberger, 2002). The employee engagement predicts OCB. If the employee engagement is high, then the employees will be indulged and busy in positive, productive and responsible behaviour at workplace. Such as OCB.

H7: WE mediate the relationship of thriving at work and OCB.

From the above purposed hypothesis; H4 and H7, it is purposed that IM and WE mediate the relationship of thriving at work and OCB.

Methodology

Sampling Procedure

Data was collected using purposive sampling technique from the job holders of Pakistan. Total 152 questionnaires were filled. 26 questionnaires were self-administered. But the other 126 questionnaires were filled through online survey technique. The link of questionnaire was shared in different groups and requested to fill it. The people doing jobs in different organizations filed the questionnaire. 54 % were male and 46% were female. 79% were single and 21% were married. From the sample size the qualification was, 10% undergraduate, 20% Graduated, 47% have MPhil, 23% of sample has post graduate degree.

Measures

Intrinsic motivation

Intrinsic motivation was measured by four items from a six-item scale used by (Kuvaas, 2006b) on 5-point Likert scale ranging from (1=strongly disagree to 5= strongly agree). A sample item of IM is" the tasks that I do at work are enjoyable". The reliability of scale was .88.

Organizational Citizenship Behaviour (OCB)

OCB was measured by 7-item helping behaviour scale that was validated by Van Dyne & LePine, (1998) using 5-point Likert scale ranges (1=strongly disagree to 5= strongly agree). One sample item for OCB is "I volunteer to do things for my work group". The reliability of scale was .85.

ISSN 2076-9202

Thriving at work

Thriving at work was measured by 10-item scale of Porath et al. This scale consists of 5 items of learning and 5 items of vitality. Measured on 5-point Likert scale ranges from (strongly disagree = 1 to strongly agree = 5). The sample item of learning is as: "I continue to learn more and more as time goes by" and for vitality is: "I feel alive and vital". The reliability of scale was .86.

Work engagement

Work engagement was measured through the 9-item scale of Wilmar B. Schaufeli et al., (2002). 5-point Likert scale ranging from (1= never, to 5= very often). One item as a sample of scale includes "At work, I feel full of energy". The reliability of scale was .85.

Data Analysis

Table 1 shows mean, standard deviation and bivariate correlation of all variables of study. The correlations coefficients (r) supports the study hypotheses. The intrinsic motivation has positive correlation with thriving at work .608** (r=.608**, P<0.01). there is weak correlation between OCB and IM (r=.378**, p< 0.01), and WE and OCB have weak positive correlation (r=.397**, p< 0.01). the Cronbach alphas values are shown in diagonal in parentheses.

Table 1: Descriptive statistics and Correlations

	Mean	Std. Deviation	Gender	Marital Status	Age	Education	Emp Status	Experience	Thrv	IM	OCB	WE
Gender	1.46	0.50	1									
Marital Status	1.21	0.40	-0.089	1								
Age	1.80	0.80	-.194*	.496**	1							
Education	2.83	0.89	-.178*	.261**	.394**	1						
Emp Status	1.73	0.44	-.173*	0.095	.311**	.257**	1					
Experience	2.41	1.07	-.211**	.420**	.718**	.288**	.292**	1				
Thrv	4.01	0.58	0.03	-0.118	-0.031	-0.055	0.042	-0.128	**0.86**			
IM	3.71	0.77	0.11	0.006	-0.075	-0.109	-0.014	-.220**	.608**	**0.88**		
OCB	3.99	0.55	0.082	0.062	0.027	0.159	0.101	-0.053	.313**	.378**	**0.85**	
WE	3.86	0.69	0.042	0.067	0.011	0.054	0.063	-0.089	.504**	.617**	.397**	**0.85**

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

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

N= 152, . OCB organizational citizenship behaviour, Thrv=Thriving IM= Intrinsic Motivation, WE Work Engagement. The Cronback alphas are reported in diagonal.

Linear Regression and mediation Results

Preacher Hayes's Mediation Process model, (Hayes, 2013) model 4was run to test the hypotheses. Mediation was checked with bootstrapping (5000). From path 1; Thriving has significant effect on IM (β= .7995, p<.01, LLCI= .6309, ULCI= .9681) supporting the H2. IM has significant effect on OCB (β= .2125, p>.01, LLCI= .0789, ULCI= .3462) and support the hypothesis H3. Thriving has significant effect on OCB (β= .2932, p<.01, LLCI= .1496, ULCI= .4369) supporting H1.

Path 2, Thrv has significant impact on WE (β= .5969, p<.01, LLCI= .4320, ULCI= .7618), it is supporting H4. WE have significant effect on OCB (β=.2542, p<.01, LLCI= .1193, ULCI= .3891) supporting H5. Thriving has an impact on OCB (β= .2932, p<.01, LLCI= .1496, ULCI= .4369) supporting H6.

ISSN 2076-9202

Table 2: Regression Analysis							
	β	**se**	**t**	**p**	**LLCI**	**ULCI**	**Decision**
H1-P Thrv-> OCB	.2932	.0727	4.0324	.0001	.1496	.4369	Significant
Path 1							
H2- Thrv> IM	.7995	.0853	9.3720	.0000	.6309	.9681	Significant
H3- IM-> OCB	.2125	.0676	3.1423	.0020	.0789	.3462	Significant
Path 2: WE							
H5-Thrv> WE	.5969	.0835	7.1519	.0000	.4320	.7618	Significant
H6-WE> OCB	.2542	.0683	3.7230	.0003	.1193	.3891	Significant
H1- Thrv-> OCB	.2932	.0727	4.0324	.0001	.1496	.4369	Significant

Note: Thriv= Thriving, POS= Perceived organizational support, Org. Reward= Organizational Reward

Mediation Results

Path 1: IM(Intrinsic motivation) mediates the relationship of thriving and organizational citizenship behaviour.

The below table shows the mediation results. The direct effect of Thriving on organizational citizenship behaviour is insignificant Effect= .1233, LLCI= -.0525, ULCI=.2992. The indirect effect of Thriving on organizational citizenship behaviour along with mediation is; Effect= .1699, LLCI= .1151, ULCI= .3179 is significant. Full mediation is found in path 1.

Table 4: Mediation path 1

Direct effect of X on Y

Effect	**SE**	**t**	**p**	**LLCI**	**ULCI**
.1233	.0890	1.3861	.1678	-.0525	.2992

Indirect effect of X on Y

	Effect	**Boot SE**	**Boot LLCI**	**Boot ULCI**
IM	.1699	.0623	.1151	.3179

Mediation Analysis Path 2: WE mediate the Thriving and OCB

The below table shows the mediation results. The direct effect of work engagement on organizational citizenship behaviour is insignificant Effect= .1415, LLCI= -.0182, ULCI=.3012. The indirect effect of Thriving on organizational citizenship behaviour with mediation is as follow: Effect= .1517, LLCI= .0598, ULCI= .3100 is significant. Full mediation is found in path 2 also.

Table 5: Mediation path 2

Direct effect of X on Y

Effect	**SE**	**t**	**p**	**LLCI**	**ULCI**

ISSN 2076-9202

	.1415	.0808	1.7510	.820	-.0182	.3012

Indirect effect of X on Y

	Effect	Boot SE	Boot LLCI	Boot ULCI
WE	.1517	.0594	.0598	.3100

Factor Analysis

Table 6: CFA: Fit statistics from measurement model comparison

	χ^2	df	χ^2/df	GFI	NFI	IFI	TLI	CFI	SRMR	RMSEA
4 Factor Model	627.383	449	1.397	0.805	0.769	0.921	0.911	0.919	0.061	0.051
3 Factor Model	878.853	461	1.906	.711	.676	.814	.797	.811	.070	.077
2 Factor Model	1057.542	463	2.284	.656	.610	.736	.712	.732	.079	.092

The confirmatory factor analysis was conducted to check the model fitness. The above table shows that 4 factor model good fit with the values of $\chi 2/(df)$ = 1.397, GFI=0.805, IFI = 0.921, CFI = 0.919, RMSEA = 0.0051, SRMR = 0.061. All of these values are in limit and shows good model fitness Hu & Bentler (1999).

Discriminate validity:

The table 7 shows the discriminate validity of data. The minimum acceptance limit of composite reliability (CR) is .07. it must have high factor loading and AVE must be greater than .05. By fulfilling this criterion, the convergent validity exists. But the table shows that only Intrinsic motivation has greater than .05 AVE. all other variables have less values. So, validity concerns exists. For Discriminate validity, the AVE of each construct must be greater than their squares correlation (Fornell & Larcker, 1981).

Table 7: Overall Reliability and Validity Concerns

	CR	AVE	MSV	MaxR(H)	IntMot	Thrving	OrgCitiZen	WorkEng
IntMot	0.887	0.569	0.464	0.906	**0.754**			
Thrving	0.870	0.414	0.464	0.947	0.681	**0.644**		
OrgCitiZen	0.857	0.470	0.142	0.962	0.377	0.322	**0.685**	
WorkEng	0.852	0.406	0.462	0.971	0.680	0.521	0.373	**0.637**

Discussion

The current research shows that thriving is positively related to OCB. If employees thrive at work and, experience learning and vitality; it will positively affect their performance. OCB enhance due to thriving. The employee's citizen behaviour is affected by thriving at work. When employees thrive at work, they are in a position to learn new skills and get new knowledge and build confidence (Magni & Maruping, 2013).

ISSN 2076-9202

The purposed hypothesis has proved. This study also contributes to the literature, as work engagement and intrinsic motivation, separately mediates the relationship of thriving at work and organizational citizenship behaviour.

If the employees thrive at work, learn new skills and knowledge, they are intrinsically motivated. And they will fully involve in their work. This hypothesis is also proved. Intrinsic motivation mediates the relationship between thriving at work and organizational citizenship behaviour. If employees feel high work engagement and intrinsically motivated, then they will keen to solve organizational problems and help to enhance organizational team-performance (Zhang & Bartol, 2010).

If employees are optimistic about their future success, and they are ready to put their efforts in challenging tasks, and they are high work engagement, then it causes to enhance employee's organizational citizenship behaviour. WE mediate between thriving at work and OCB. As the OCB consist of emotional component, and directed by the employees (Bennett & Robinson, 2000). It is evidenced that extra role behaviour of employees is resulted by emotions of employees (Miles et al., 2002).

As statistical analysis does not support H1 while mediation process. It is supported that thriving alone is not necessary for organizational citizenship behaviour. Employee engagement plays an important role. When employees thrive at work and fully involved in their work results in high work engagement, that lead to enhance employee's citizenship behaviour. Intrinsic motivation is also an important element between thriving at work and organizational citizenship behaviour. When employees thrive at work and experienced learning and vitality, then they will feel intrinsically motivated and cause the organizational citizenship behaviour. The full mediation has been found in this relationship.

Practical Implications

This study provides direction to both the researchers and the practitioners. As the researchers can conduct research with different moderating variable or test this relationship of variables with different variable. It provides direction to the professionals, managers and the leaders of the organizations. As in today's era, the workplace is dynamic and rapidly changing. So, the employees who thrive at work and experienced both learning and vitality, then they will be fully indulged in their work and have high work engagement, it causes high organizational citizenship behaviour. Similarly, if employees are not motivated intrinsically, then they will not perform well. Their citizenship behaviour will affect, and it will affect the overall performance of organization. Moreover, motivation and work engagement both are important component of workplace. They cause different outcomes such as organizational commitment, job satisfaction, low turnover and less employees absents. According to Joo & Jo, (2017), the culture of learning organization and the commitment toward their organization is significantly linked with OCB, that results in knowledge sharing.

Baek-Kyoo Joo, Sung Jun Jo

Last, to increase employees' psychological empowerment as well as OCB, it is also important for HR/OD professionals to establish preferable work environments. In this vein, we cannot ignore the importance of job redesign intervention. In particular, knowledge workers who have high growth needs and technically uncertain jobs tend to search for jobs

ISSN 2076-9202

that expand their opportunities. In a dynamic business environment, the scopes and contents of a job should be flexible and broadly defined. Organizations prefer those who are ready to go extra miles doing an extra-role behavior not written on their job description. Thus, traditional HR practices such as job specialization and detailed job description are less suitable for today's business environment

Limitations and Future Direction

As the results supported our hypothesis but there are some limitations of this study that can be focused in future. First, the data is collected from the employees of companies and industries located in Lahore, Pakistan. Industry limitation comes there. Future researchers could collect data from different cities. So, it would enhance the generalizability of study. Secondly, cross sectional data was collected, so any inference about the causality are limited. There is also opportunity to conduct longitudinal study in future. Thirdly, this study consists of heterogeneous sample. So, it is not possible to generalize this study. There is possibility to get different result, if this study is conducted on a large sample size. Fourthly, there is also another opportunity that if the study is conducted on a specific industry, then the results may also differ. As different studies have been conducted in different context such as Qiu, Lou, Zhang, & Wang (2020) has conducted study on the employees of Switzerland and similarly, Teng, Lu, Huang, & Fang (2020) has studied OCB in the context of three stars hotels of Taiwan. So, different contexts give different results. The study is conducted in Pakistan. Finally, Culture element is very much important. As different cultures may present different findings. As Joo and Jo (2017), suggested to study different interpersonal variables i.e. organizational culture or support of top-level for taking some
initiatives that might relevant to environmental factors. As in this study, there is full mediation of intrinsic motivation and work engagement has been found. The results may differ in another context.

Conclusion

This study contributes to the literature of thriving at work and investigates its relationship with another variable. This study has been conducted in Lahore, Pakistan using purposive sampling technique. The results support the evidence that work engagement and intrinsic motivation, respectively mediates the relationship between thriving at work and organizational citizenship behaviour. Therefore, the organization should focus on intrinsic motivation and work engagement. These variables' ignorance can affect the performance of the organization and also the employees.

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AN INSIGHT INTO THE DETERMINANTS ON THE CURRENCY VOLATILITY IN DEVELOPED VS DEVELOPING COUNTRIES- AN EMPIRICAL ANALYSIS

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Abstract

The paper focused on the impact of macro-economic variables and its impact on various currencies by comparing the macro-economic variables of developing and developed countries. The developing countries used for analysis are India & Singapore, US and China as developed countries also. In developing Countries that is India and Singapore, the most impactful variable was Current Account Balance which was followed by foreign direct investment determining the volatility of exchange rate. China had successfully managed to manage the exchange rate with a volatility of just 3.03 over last 20 years due to the strength in the merchandise exports. In India, inflation had also shown substantial significance in the volatility in exchange rate. Developing countries should focus much more on bringing FDI into the country and also focus on other factors to ensure the economic growth of the country. It was concluded that macro economic variables were successful in explaining the volatility movements in the exchange rate at significance level.

Keywords: Current account balance, Exchange rate volatility, Foreign Direct Investment

Section I – Introduction

In the present era of globalization, volatility in exchange rate has a considerable influence on the operations and profitability of MNCs, and also affects the small and medium enterprises. Hence the exchange rate is an important parameter for determining international competitiveness and also indicates the global position of the economy. This study considered four macro-economic variables influenced on the exchange rate volatility in developed vs developing economies. The major macroeconomic variables used in the paper to analyse the changes in exchange rate are: Inflation rate, Real Interest rate, Current Account Balance and Foreign Direct Investment. Hence, the economies that have been taken for analysis are: India, United States, China and Singapore. In India since liberalization, foreign exchange markets have experienced a tremendous

ISSN 2076-9202

growth. Over the years India has witnessed episodes of excessive volatility leading to changes in the value of Indian Rupee. Due to such volatility, international trade and investment becomes much more difficult due to an increase in the exchange rate risk. Since the interwar period, US Dollar have dominated many financial markets and also has major holdings of all market operations in the foreign exchange market. Chinese Yuan is also considered as one of the world's major reserve currency. The addition of the Chinese Yuan in the Special Drawing Rights (SDR) in 2016 makes Yuan as one of the world's major currencies. The Yuan is also the first emerging market currency to be included in the IMF's special drawing rights. The substantial rise of Singapore has also strengthened the Singapore Dollar over the years. This paper focuses on the reasons for the depreciation or appreciation of Indian Rupee, Chinese Yuan, US Dollar and Singapore Dollar in the context of economic variables. The main purpose of the paper is to identify the most influential economic variable which affects the volatility of Indian Rupee, US Dollar, Chinese Yuan and for the Singapore Dollar.

Section II- Review of Literature

This section focused on establishing the relationship between macroeconomic variables and exchange rate on the developing vs developed economies. **Broll & Eckwert (1999)** discussed the implications of a dynamic business ' volatility within exchange rates. This paper analysed to determine the theoretical basis as a positive correlation between the exchange rate and international trade. **Bergin & Sheffrin (2000),** developed a testable intertemporal model of the current account that allows for variable interest rates and exchange rates. This model showcases the volatility of current account data and explains the historical episodes of current account imbalance. Australia, UK and Canada were the three open economies used for research by the author. The main analysis and the model focused on how current account had an impact to the exchange rate of Australia, UK and Canada. The statistical test in all three countries rejected the benchmark model, which ignored changes in the interest rate and exchange rate.

Akinlo (2003) adopted cointegration approach to examine whether Nigeria's Naira depreciation had resulted in currency substitution in the country. The paper investigated whether currency depreciation had resulted in currency substitution in Nigeria or not. The paper had shown that currency depreciation could have adverse effects on the debt- service costs of domestic countries' private sectors and cause the residents to hedge external liabilities. **Bergvall (2005)** studied importance of exchange rate stabilization in Sweden had a floating exchange rate system. The results demonstrate economic stability in determining the exchange rate system. Eventually, under the imaginary floating exchange-rate system, the real exchange rate had a stabilizing effect on demand, with a stabilizing effect on supply by the central bank. The findings indicate that the option of the exchange rate system has an effect on macroeconomic stability. More precisely, the actual exchange system's variability of supply is nearly equivalent to the hypothetical floating exchange rate system, but its performance under the hypothetical fixed exchange rate structure is considerably more unpredictable.

Campa & Goldberg (2005) analysed the presented cross-country, time lines and industry-specific proof that exchange rates are being passed on into import prices across a large range of local currencies, which represents 46% of exchange-rate volatility in the short term and almost 65% over the long-term. The quantitative significance of these macroeconomic impacts in the OECD had low statistical correlations. The

ISSN 2076-9202

evidence suggests that the emphasis of the interconnection may not depend on whether foreign products rates are laid down in the producers ' currencies or the importers ' local currencies.

Bhanumurthy (2006) examined the relative importance in determination of short-term exchange rates of macro (interest rates, inflation, etc.) and micro variables (order flows, information). **Kandil (2008)** analysed interactions between exchange rate fluctuations and the macro economy in a sample of developing and developed countries. The trade balance also improves as currency depreciation boosts export competitiveness in many developing countries. In contrast, the reduction in exports with respect to currency appreciation may be matched by a reduction in the domestic value of imports in many industrial countries.

Kandil (2009) measured export growth in developing countries and given their high dependency on imports, the current account balance deteriorates with respect to currency depreciation. The analysis of this paper had focused on the effects of exchange rate fluctuations affected very much on the major components of the balance of payments in a sample of industrial and developing countries. This study found that, in the short-run (one year according to data frequency), elasticity of imports and exports determines the effects of exchange rate fluctuations on the trade balance.

Mirchandani (2013) investigated various macroeconomic variables leading to acute variations in the exchange rate of a currency. On the basis of his analysis, it can be said that Indian Rupee has shown high volatility over the years. India was receiving capital inflows even amidst continued global uncertainty in 2009-11 as its domestic outlook was positive. Oil, prices of other imported commodities like metals, gold etc. had also increased overall inflation. Even if the prices of global oil and commodities declined, the Indian consumers were not benefited as depreciation had negated the impact. **Jaratin Lily, Mori, Sang, & Asid (2014)** stated that the inflows of foreign direct investment (FDI) are important for a country's economic development, but the world market for FDI has become more competitive. They analysed the exchange rate movements and foreign direct investment (FDI) relationship using annual data on ASEAN economies of: Malaysia, Philippines, Thailand, and Singapore. The results showed that existence of significant long-run cointegration between exchange rate and FDI in the case of Singapore, Malaysia, and Philippines with all countries recording negative coefficient implying that the appreciation of Singapore dollar, Malaysian ringgit, and the Philippine peso has a positive impact on FDI inflows.

Ramasamy & Abar (2015) conducted a study on seeing whether the exchange rates play a significant role in international trade not only in fixing the prices but also in determining the nature of hedging to be arranged to avoid exchange rate risks. They used three countries yearly exchange rates with their macroeconomic variables such as relative interest rates etc to study the impact they had on exchange rates. Interestingly many variables showed the opposite relationships. For instance, interest rate, BOP and inflation rates should influence the exchange rate positively as per theory but the results show the opposite. **Akhter & Faruqui (2015)** analysed the currency of Bangladesh with different exchange rate regime, comparing the performance of previous and current exchange rate regime with selected south Asian countries. The results showed that macroeconomic variables significantly influenced the exchange rate. **Monfared & Akın (2017)** analysed the relationship between Exchange rate and inflation based on time series data, using Hendry General to Specific Modelling method and Vector Autoregression (VAR) model. As a result of the Hendry model, it was obtained that there is a direct relationship between Exchange rate and inflation. An increase in foreign exchange rates

ISSN 2076-9202

makes the inflation goes up. Ozcelebi (2018), has used the Panel Vector Autoregression (PVAR) model which is used to determine the impacts of exchange rate volatility on industrial production growth rate, consumer price inflation, short-term interest rates and stock returns for 10 OECD countries. The variance decompositions (VDCs) found that exchange rate volatility can be a secondary factor for the variations in immediate interest rates.

Section III- Research Methodology

Objectives of the study

1. To know the relation between economic variables and volatility of exchange rates of developed vs developing countries.
2. To find the most influential macroeconomic variable in the developed country compared to developing country.
3. To suggest ways to stabilize the exchange rate volatility in developed vs developing economies.

Sources of data

Exchange rate data retrieved from investing.com and the data of macro-economic variables taken from the world bank data site, to ensure standardization of data and to make the study more accurate. The data is taken yearly of each macro-economic variable and exchange rate of each economies. The yearly data ensures long term volatility and tries to show the long-term impact of macro-economic variables to the exchange rate. The data is taken from January 1 1999 till December 31st 2018.

Statistical Tools used for the study

Stationarity Test

Unit Root Test has been used for checking stationarity in time series data. Unit Root measure the shift in distribution shaped due to variation in series of time. If time series under study has any kind of non-stationarity then the data have unit root. This study test to unit root is carried out with Augmented Dickey-Fuller.

Hypothesis:

H0: Data has unit root (Non-Stationary)

H1: Data does not have unit root (Stationary).

Null hypothesis is tested with t-statistics and p-value where p-value <0.05 reject the null hypothesis at 5 per cent significance level. If results will not be determined at level then test will be done at 1st difference.

ISSN 2076-9202

Correlation Test

The test of correlation is used to measure the degree of interdependence or level of association between the multiple quantitative variables. The result of correlation is shown in a pair wise matrix where each result is described by the correlation coefficient (r). The "r" value ranges from -1 to +1. To interpret the results the significance of value is determined by checking the value closeness to -1 and +1. Where (-) sign determines negative correlation and (+) sign determines positive correlation. Correlation is also tested with the help of scatter diagram where the scattering in the diagram reflects the relationship between the variables.

Granger Causality Test.

The Granger-causality test is a univariate model which is used to find out whether one time series helps in estimating the other. In this study, the Granger causality study is undertaken to assess whether there is any potential predictability power of one macroeconomic variable for the other.

$$\Delta J_t = \alpha_1 + \beta_{11}\Delta J_{t-1} + \beta_{12}\Delta J_{t-2} + \beta_{1n}\Delta J_{t-n} + \gamma_{11}\Delta N_{t-1} + \gamma_{12}\Delta N_{t-2} + \ldots + \gamma_{1n}\Delta N_{t-n} + u_1,$$

Where, ΔJt is the first difference at time't', where the series is non-stationary, 'α' is the constant, 'n' is a positive integer, βj and yj are parameters, N and ut are error terms. The cause and effect relationship is determined by making a pair wise granger cause study on the variables under the study.

Hypothesis:

H0: Variable x does not granger cause Variable y H1: Variable x granger causes variable y

Multiple Regression Test

Regression is a statistical method used in finance, investing, and other disciplines that attempts to determine the strength and character of the relationship between one dependent variable (usually denoted by Y) and a series of other variables (known as independent variables).

$$Y = a + b1X1 + b2X2 + b3X3 + ... + btXt + u$$

Where:

- Y = the variable that you are trying to predict (dependent variable)
- X = the variable that you are using to predict Y (independent variable).
- a = the intercept.
- b = the slope.
- u = the regression residual.

Regression takes a group of random variables, thought to be predicting Y, and tries to find a mathematical

ISSN 2076-9202

relationship between them.

Variables and Equations

There is basic equation framed in the study which are followed throughout for running the test and interpreting the results thereof. These equations are:

Table 1.1 Variable used in the analysis.

Types of countries	**Country**	**Exchange Rate**	**Macroeconomic Variable**
Developing Countries	India	USD to INR SGD to INR CNY to INR	Inflation Rate (India)
			Real Interest Rate (India)
			Current Account (India)
			FDI (India)
	Singapore	SGD to INR SGD to CNY SGD to USD	Inflation Rate (Singapore)
			Real Interest Rate(Singapore)
			Current Account(Singapore)
			FDI(Singapore)
Developed Countries	United States	USD to INR USD to SGD USD to CNY	Inflation Rate (Unites states)
			Real Interest Rate(United states)
			Current Account(Unites states)
			FDI(Unites states)
	China	INR to CNY SGD to CNY USD to CNY	Inflation Rate (China)
			Real Interest Rate(China)
			Current Account(China)
			FDI(China)

Here study selected two developing countries such as India, Singapore and Developed country as United States and China respectively. Four macro economic indicators of each country used for the analysis purpose.

Section IV- Analysis

Stationarity Test

Unit Root Test (Augmented Dickey-Fuller) has been used to test the stationarity of data in India & Singapore(Developing economies).

Table 1.2 Stationarity of the data used for India, Singapore (Developing Countries)

Augmented Dickey-Fuller (ADF) test – Intercept- INDIA	**Augmented Dickey-Fuller (ADF) test – Intercept-Singapore**

ISSN 2076-9202

Data Series	At Level		At 1st order difference		Data Series	At Level		At 1st order difference	
	t- value	Prob.	t-value	Prob.		t value	Prob	t- value	Prob
CNY to INR**	-0.210	0.9217	-4.822	0.0014	SGD to INR**	-0.657	0.8421	-4.399	0.0018
USD to INR**	-0.609	0.8465	-4.602	0.0022	SGD to USD**	-1.550	0.4943	-4.314	0.0022
SGD to INR**	0.176	0.9632	-3.297	0.0305	SGD to CNY*	-4.106	0.0035	-5.439	0.0003
Inflation Rate**	-2.51	0.1313	-3.947	0.0083	Inflation Rate*	-3.270	0.0259	-7.029	0.0000
Real Interest Rate**	-2.264	0.1924	-5.593	0.0003	Real Interest Rate*	-4.785	0.0006	-9.680	0.0000
Current Account**	-1.185	0.6579	3.486	0.0211	Current Account**	-0.0256	0.9480	-6.715	0.0000
FDI**	-1.150	0.6727	-4.578	0.0023	FDI**	1.485	0.9988	-7.624	0.0000

*Indicates that the data is Stationary at only Level

**Indicates that the data is Stationary at only 1st order difference level.

***Indicates that the data is not Stationary at Level and 1st order difference level.

Unit root test was carried in addition to time series graphical representation to forecast real nature of data. Augmented Dickey-Fuller (ADF) is done to confirm the stationarity in time series data. The test is tested at 5 per cent significance level where all data series are non-stationary at level and turn into stationary at first difference. The analysis clearly shows us that the exchange rate between Singapore and China (SGD to CNY) the data is stationary at level, and other macro-economic variables like Inflation Rate and Real Interest Rate is also stationary at level. While all the other data taken for analysis is stationary at 1st order difference level.

In a stationary data or time mean, variance and autocorrelation are all constant over time. When the data is non-stationary it can cause high instability in the test such as high t-test ratio, high r-square and so on. So Unit root test has been conducted before the correlation and regression analysis.

Table1.3. Correlation Matrix between macro econonomic variables and Exchane rate of Developing Economies

Correlation between Macro economic variables of India vs Exchange rate	Correlation between Macro economic variables of Singapore Vs Exchange rate

ISSN 2076-9202

Macro Economic Variable	**USD to INR**	**CNY to INR**	**SGD to INR**	Macro Economic Variable	**SGD to INR**	**SGD to USD**	**SGD to CNY**
Inflation Rate (in %)	-0.1874	0.0881	0.1165	**Inflation Rate (in %)**	-0.1413	0.4253	0.6943
Real Interest Rate (in %)	0.1575	-0.0309	-0.0824	**Real Interest Rate (in %)**	-0.1537	-0.0999	-0.0767
Current Account	-0.2521	-0.4826	-0.5427	**Current Account**	0.8049	0.8576	0.1893
FDI	0.6030	0.7513	0.7698	**FDI**	0.9188	0.7610	0.0134

If the inflation in India increase, the Indian currency value will depreciate with respect to CNY and SGD. Current Account is negatively correlated across all the three countries currencies which prove that if the current account surplus increase, then the value of the Indian rupee will appreciate as the CNY, SGD and USD will depreciate.By considering the maco economic vaiables in Singapore, current account is positively correlated for SGD/INR, SGD/USD, SGD/CNY states that value of INR, USD, CNY will appreciate and SGD will depreciate as per the increase in current account surplus in Singapore which is a contradictory phenomena.This states that current account surplus is not the significant factor determining the currency value of Singapore dollar.

Granger Causality Test.

Granger causality test is used to determine the pair-wise short run relations in between currency value. The Granger Causality test also provides information whether the past information of volatility is useful to improve the prediction of exchange rate compared to the macro-economic variables. This study relies on the conventional F-statistics for joint exclusion restrictions. This implies that the results show whether the exchange rate and macroeconomic variables have cause and effect relationship within them or not. The observations test the cause and effect relationship between the exchange rate and macroeconomic variables through Granger causality test

Table 1.4. Cause and Effect Relationship between macroeconomic variables and exchange rate of INDIA & SIGAPORE

Granger Causality Tests (INDIA)					**Granger Causality Tests (Singapore)**				
CNY to INR	CURRENT ACCOUNT	8.581	0.009	Rejected	**SGD To INR**	CURRENT ACCOUNT	1.719	0.208	Not Rejected
	FDI	3.089	0.097	Not		FDI	0.060	0.808	Not Rejected

ISSN 2076-9202

				Rejected					
	INFLATION RATE	3.681	0.073	Not Rejected		INFLATION RATE	18.66	0.000	Rejected
	REAL INTERST	2.090	0.167	Not Rejected		REAL INTERST	1.329	0.265	Not Rejected
SGD to INR	CURRENT ACCOUNT	19.72	0.000	Rejected	**SGD To USD**	CURRENT ACCOUNT	11.10	0.004	Rejected
	FOREIGN DIRECT INVESTMENT	1.730	0.206	Not Rejected		FDI	2.446	0.137	Not Rejected
	INFLATION RATE	12.89	0.002	Rejected		INFLATION RATE	0.001	0.965	Not Rejected
	REAL INTERST	9.678	0.006	Rejected		REAL INTERST	3.927	0.065	Not Rejected
USD to INR	CURRENT ACCOUNT	3.283	0.088	Not Rejected	**SGD To CNY**	CURRENT ACCOUNT	0.752	0.392	Not Rejected
	FOREIGN DIRECT INVESTMENT	2.748	0.116	Not Rejected		FDI	0.073	0.782	Not Rejected
	INFLATION RATE	2.519	0.132	Not Rejected		INFLATION RATE	0.748	0.392	Not Rejected
	REAL INTERST	0.186	0.671	Not Rejected		REAL INTERST	2.956	0.104	Not Rejected

. The test results in India highlight that null hypothesis is not rejected in most of the cases. Causation effect has been seen for CNY to INR with the current account in India. In the case of SGD to INR, Current Account, Inflation Rate and Real Interest Rate also shows the cause and effect relation in India. Hence it is inferred that the current account in India can be used to forecast the exchange rate of CNY/INR, SGD/INR. The test results in Sigapore highlight that null hypothesis is not rejected in most of the cases. Usually the cause and effect relationship are rejected in all cases except the cause and effect of current account to the USD/SGD and the inflation rate to the INR/SGD in Singapore. So current Account is not a strong variable that determining the value of Singapore Dollar.

ISSN 2076-9202

Multiple Regression

Multiple regression allows you to determine the overall fit (variance explained) of the model and the relative contribution of each of the predictors to the total variance explained.

Table 1.5. Multiple regression analysis of Macro economic Indicators with exchange Rate in India

Currency Exchange	**R-Square**	**Significance F**	**Significance**
CNY to INR	0.720033351	0.000456556	Significant
Particulars	Coefficients	P-Value	Significance
Inflation Rate (in %)	-0.143377	0.333764	Not Significant
Real Interest Rate (in %)	0.272305	0.094278	Not Significant
Current Account	-0.000031	0.057003	Not Significant
Foreign Direct Investment (FDI)	0.000088	0.000716	Significant
Currency Exchange			
. SGD to INR	0.7535243	0.0001825	Significant
Particulars	Coefficients	P-Value	Significance
Inflation Rate (in %)	-0.7819123	0.2400493	Not Significant
Real Interest Rate (in %)	1.1667690	0.1061426	Not Significant
Current Account	-0.0000017	0.0228218	Significant
Foreign Direct Investment (FDI)	0.0000004	0.0005411	Significant
Currency Exchange			
USD to INR	0.643404	0.0025507	Significant
Particulars	Coefficients	P-Value	Significance
Inflation Rate (in %)	-1.4407698	0.0675657	Not Significant
Real Interest Rate (in %)	1.0082033	0.2137810	Not Significant
Current Account	0.0000008	0.2058921	Not Significant
Foreign Direct Investment (FDI)	0.643404	0.0025507	Significant

The above multiple regression clearly states for each currency evaluation that the H1 is accepted whereas the p-value is lower than 0.05. And then moving on the most influential variables that are significant and have a probability less than 0.05 are foreign Direct Investment for each pair of currency. So this clearly states that there is relationship between foreign Direct Investment and currency exchange rate of India & the second most important variable showing the relationship would be current account surplus/deficit in India. This clearly states that FDI Inflows from countries are the major determinant of the Indian currency value. Along with that Merchandise exports, Service exports from India are the major components in the current account determing the

ISSN 2076-9202

value of Indian currency in the market with respect to other currencies.

Table 1.6. Multiple regression analysis of Macro economic Indicators with exchange Rate in Singapore

1. SGD to INR	0.868521	0.000001850501	Significant
Particulars	**Coefficients**	**P-Value**	**Significance**
Inflation Rate (in %)	-0.454550	0.429513	Not Significant
Real Interest Rate (in %)	0.569653	0.153582	Not Significant
Current Account	0.000044	0.747233	Not Significant
Foreign Direct Investment (FDI)	0.000307	0.003156	Significant
Currency Exchange	**R-Square**	**Significance F**	**Significance**
2. SGD to USD	0.859536	0.000003	Significant
Particulars	**Coefficients**	**P-Value**	**Significance**
Inflation Rate (in %)	0.016096	0.007915	Significant
Real Interest Rate (in %)	0.005508	0.142549	Not Significant
Current Account	0.000002	0.114985	Not Significant
Foreign Direct Investment (FDI)	0.000001	0.110026	Not Significant
Currency Exchange	**R-Square**	**Significance F**	**Significance**
3. SGD to CNY	0.498105	0.026914	Significant
Particulars	**Coefficients**	**P-Value**	**Significance**
Inflation Rate (in %)	0.070171	0.005967	Significant
Real Interest Rate (in %)	-0.008512	0.574908	Not Significant
Current Account	-0.000009	0.865286	Not Significant
Foreign Direct Investment (FDI)	0.000008	0.816562	Not Significant

The most influential variables that are significant and have a probability less than 0.05 are Inflation rate for SGD/USD, SGD/CNY of each pair of currency. So this clearly states that there is relationship between inflation rate and currency exchange rate of Singapore. While the FDI aslo proves to be other variable that shows the positive significance for SGD/INR value.

Standard Deviation

Standard deviation is a statistical term that measures the amount of variability or dispersion around an average. Standard deviation is also a measure of volatility. Basically, these used to see how much each currency has changed over the years, and to figure out the volatility, the standard deviation is used.

Table 1.7. Volatility Measurement of developing country currency

Particulars	**Standard Deviation**

ISSN 2076-9202

India	19.584399
Singapore	16.176189

India shows a volatility of 19.58 which is considered very high, more over the Indian rupee has depreciated over the years with a volatility of 19.58. While the other country Singapore has shown a volatility of 16.17 which means that the Singapore Dollar has appreciated by 16.17 compared to other countries. So, the volatility of Singapore has been seen in an appreciating manner and the Indian rupee is seen in a depreciating manner

ANALYSIS OF DEVELOPED COUNTRIES

Stationary Test

Unit root rest is run to check the presence of stationarity in data sets selected for the analysis purpose.

Table 2.1. Stationarity of the data used for USA, CHINA (Developed Countries)

Augmented Dickey-Fuller (ADF) test – Intercept- USA					**Augmented Dickey-Fuller (ADF) test – Intercept - China**				
Data Series	**At Level**		**At 1st order difference**		**Data Series**	**At Level**		**At 1st order difference**	
	t value	**Prob.**	**t-value**	**Prob.**		**t value**	**Prob**	**t value**	**Prob**
USD to INR**	-1.4682	0.5351	-5.5319	0.0001	INR to CNY**	-1.2582	0.6349	-5.9133	0.0000
USD to CNY**	-2.8185	0.0681	-4.6491	0.0009	USD to CNY**	-2.8185	0.0681	-4.6491	0.0009
USD to SGD**	-1.8420	0.3537	-4.4527	0.0015	SGD to CNY*	-4.1067	0.0035	-5.4394	0.0003
Inflation Rate*	-3.4310	0.0179	-5.7604	0.0001	Inflation Rate**	-1.8522	0.3483	-3.9520	0.0057
Real Interest Rate**	-2.1858	0.2154	-3.5243	0.0147	Real Interest Rate**	-2.8615	0.0623	-4.5522	0.0013
Current Account**	-1.2540	0.6368	-4.3304	0.0021	Current Account**	-1.6398	0.4501	-4.6894	0.0008
USD to INR**	-1.4682	0.5351	-5.5319	0.0001	FDI**	-1.0095	0.7363	-5.3030	0.0002

*Indicates that the data is Stationary at only Level

**Indicates that the data is Stationary at only 1st order difference level.

***Indicates that the data is not Stationary at Level and 1st order difference level.

Unit root test carried in addition to time series graphical representation to forecast real nature of data. Augmented Dickey-Fuller (ADF) was done to confirm the stationarity in time series data. The test is tested at 5

ISSN 2076-9202

per cent significance level where all data series are non-stationary at level except the Interest Rate, and rest of the time series turn into stationary at first difference. Since the above data sets are stationary which will reject the null hypothesis. This ensures that the data taken for analysis is stationary and the data that has been chosen for China including the macro-economic variables and exchange rate has shown stationary in the data.All the variable has shown stationary data at the 1st level order difference, and the exchange rate of SGD to CNY has also shown significance at the Level.

Correlation

Correlation is the study to inspect the co-movement between the exchange rate of India in respect to the macro-economic variables through correlation coefficient, which ranges from -1 to +1 and determines the relationship between the two variables. The exchange rate is compared to each variable and each currency to know which is the most influential variable among the economic variables.

Table 2.2. Correlation Matrix between macro econonomic variables and Exchane rate of Developed Economies

Correlation between Macro economic variables and exchange rate of USA				**Correlation between Macro economic variables and exchange rate of China**			
Macro Economic Variable	USD to INR	USD to CNY	USD to SGD	Macro Economic Variable	INR to CNY	USD to CNY	SGD to CNY
Inflation Rate (in %)	-0.5185	0.4879	0.2500	**Inflation Rate (in %)**	-0.0539	-0.2953	0.6735
Real Interest Rate (in %)	-0.4495	0.6531	0.6031	**Real Interest Rate (in %)**	-0.1201	0.0208	-0.5677
Current Account	0.3865	-0.3892	-0.2306	**Current Account**	-0.2487	-0.4650	0.2051
FDI	0.4411	-0.4324	-0.4458	**FDI**	-0.7298	-0.9144	0.2609

If the inflation in United States increase, the USD will appreciate with respect to CNY and SGD. Then the inflation rate also shows the positive correlation which is very unusual and completely opposite to the purchasing power parity. The negative correlation of inflation in China shows the influence of inflation in the exchange rate volatility of China Likewise, if the interest rate in USA increases, USD will appreciate with respect to CNY and GSD. Current Account is negatively correlated across two countries currencies (CNY, GSD) which prove that if the current account surplus increase, then the value of the USD will appreciate as the CNY, SGD and USD will depreciate. By considering the FDI in USA, current account is negatively correlated for USD/CNY, USD/SGD, states that value of USD will appreciate with respect to CNY, SGD. Both the principles of purchasing power parity and international Fischer were seen in China. The negative correlation of FDI and Current Account also proves that if the current account or FDI. increases of China then

ISSN 2076-9202

the exchange rate among these countries will decrease, which will result in an appreciation of Chinese Yuan.

Granger Causality Test

Granger causality test is used here to determine the pair-wise short run relations in between Macro economic factors in the market. The Granger Causality test also provides information whether the past information of volatility is useful to improve the prediction of exchange rate compared to the macro-economic variables. This study relies on the conventional F-statistics for joint exclusion restrictions. This implies that the results show whether the exchange rate and macroeconomic variables have cause and effect relationship within them or not.

Table 2.3.Cause and Effect Relationship between macroeconomic variables and exchange rate of USA & CHINA

Granger Causality Tests (USA)					**Granger Causality Tests (CHINA)**				
USD to INR	CURRENT ACCOUNT	0.916	0.352	Not Rejected	INR TO CNY	CURRENT ACCOUNT	2.401	0.140	Not Rejected
	FDI	2.930	0.106	Not Rejected		FDI	7.623	0.013	Rejected
	INFLATION RATE	0.035	0.853	Not Rejected		INFLATION RATE	4.431	0.051	Not Rejected
	REAL INTERST	0.668	0.425	Not Rejected		REAL INTERST	1.791	0.199	Not Rejected
USD to CNY	CURRENT ACCOUNT	4.578	0.048	Rejected	**USD to CNY**	CURRENT ACCOUNT	4.107	0.059	Not Rejected
	FDI	0.038	0.847	Not Rejected		FDI	5.616	0.030	Rejected
	INFLATION RATE	06.19	0.024	Rejected		INFLATION RATE	6.456	0.021	Rejected
	REAL INTERST	0.018	0.892	Not Rejected		REAL	9.849	0.006	Rejected

ISSN 2076-9202

						INTERST			
USD to SGD	CURRENT ACCOUNT	0.942	0.346	Not Rejected	**SGD to CNY**	CURRENT ACCOUNT	0.077	0.784	Not Rejected
	FOREIGN DIRECT INVESTMENT	0.520	0.481	Not Rejected		FDI	0.013	0.909	Not Rejected
	INFLATION RATE	0.916	0.352	Not Rejected		INFLATION RATE	0.001	0.972	Not Rejected
	REAL INTERST	2.930	0.1063	Not Rejected		REAL INTERST	0.601	0.449	Not Rejected

The above observations test the cause and effect relationship between the exchange rate and macroeconomic variables through Granger causality test. The test results highlight that null hypothesis is not rejected in most of the cases. Where the macro-economic variables show a cause and effect relationship with exchange rates are:. The cause and effect of macro-economic variables such as Foreign Direct Investment, Inflation rate and Real Interest to the exchange rate is clearly seen in USA.

Multiple Regression

Multiple regression is an extension of simple linear regression. It is used when we want to predict the value of a variable based on the value of two or more other variables. The variable we want to predict is called the dependent. The variables we are using to predict the value of the dependent variable are called the independent variables. Multiple regression also allows you to determine the overall fit (variance explained) of the model and the relative contribution of each of the predictors to the total variance explained.

Table 2.4. Multiple regression analysis of Macro economic Indicators with exchange Rate in United States

Currency Exchange	**R-Square**	**Significance F**	**Significance**
1. USD to INR	0.549575	0.012930	Significant
Particulars	**Coefficients**	**P-Value**	**Significance**
Inflation Rate (in %)	-1.676289	0.401113	Not Significant
Real Interest Rate (in %)	-2.089647	0.054931	Not Significant

ISSN 2076-9202

Current Account	0.0000001	0.389055	Not Significant
Foreign Direct Investment (FDI)	0.0000003	0.026059	Significant
Currency Exchange	**R-Square**	**Significance F**	**Significance**
2. USD to CNY	0.750976	0.000197	Significant
Particulars	**Coefficients**	**P-Value**	**Significance**
Inflation Rate (in %)	0.022699	0.876018	Not Significant
Real Interest Rate (in %)	0.344578	0.000311	Significant
Current Account	-0.000001	0.122230	Not Significant
Foreign Direct Investment (FDI)	-0.000003	0.002682	Significant
Currency Exchange	**R-Square**	**Significance F**	**Significance**
3. USD to SGD	0.663175	0.001705	Significant
Particulars	**Coefficients**	**P-Value**	**Significance**
Inflation Rate (in %)	-0.039708	0.285227	Not Significant
Real Interest Rate (in %)	0.079898	0.000621	Significant
Current Account	-0.000003	0.218205	Not Significant
Foreign Direct Investment (FDI)	-0.000009	0.003625	Significant

The model shows us a significant approach towards each currency used, where the significance level is less than .05 for each currency.It shows that the most influential variable that influence the exchange rate is the foreign direct investment and the real interest rate. Real interest rate in USA has shown a positive correlation across Singapore Dollar and also to the Chinese Yuan. This proves the international Fischer effect is relevant and valid in United States. The below regression model of China shows us that all the data used is significant and also inflation rate is showing positive coefficient across all the exchange rates. This validate purchasing power parity principle in China. Foreign Direct Investment is also seen to be significant across all the levels.

Table 2.5. Multiple regression analysis of Macro economic Indicators with Exchange Rate in China

Currency Exchange	**R-Square**	**Significance F**	**Significance**
1. INR to CYN	0.696571	0.000812	Significant
Particulars	**Coefficients**	**P-Value**	**Significance**
Inflation Rate (in %)	0.013010	0.401113	Not Significant
Real Interest Rate (in %)	0.003420	0.054931	Not Significant
Current Account	0.000000	0.389055	Not Significant

ISSN 2076-9202

Foreign Direct Investment (FDI)	-0.000004	0.026059	Significant
Currency Exchange	**R-Square**	**Significance F**	**Significance**
2. USD to CNY	0.886822	0.000001	Significant
Particulars	**Coefficients**	**P-Value**	**Significance**
Inflation Rate (in %)	0.125251	0.256323	Not Significant
Real Interest Rate (in %)	-0.000798	0.990807	Not Significant
Current Account	-0.000004	0.590269	Not Significant
Foreign Direct Investment (FDI)	0.000000	0.000001	Significant
Currency Exchange	**R-Square**	**Significance F**	**Significance**
3. SGD to CNY	0.504932	0.024550	Significant
Particulars	**Coefficients**	**P-Value**	**Significance**
Inflation Rate (in %)	0.103934	0.043654	Significant
Real Interest Rate (in %)	0.018703	0.545865	Not Significant
Current Account	-0.000004	0.354319	Not Significant
Foreign Direct Investment (FDI)	-0.000003	0.618853	Not Significant

Standard Deviation

Standard deviation is a statistical term that measures the amount of variability or dispersion around an average. Standard deviation is also a measure of volatility. Basically, these used to see how much each currency has changed over the years, and to figure out the volatility, the standard deviation is used.

Table 2.6. Volatility Measurement of developed country currency

Particulars	Standard Deviation
US	22.493101
China	3.0327339

The volatility of the US and China is measured through standard deviation. The US Dollar has appreciated over the years with a volatility in the data of 22.49 while the Chinese Yuan has been stable with just a volatility of 3.03, which is due to the exchange rate regime followed by China.

It was Inferred that the most influential macroeconomic variable to the Indian exchange rate was Inflation and foreign direct investment, and current account which was also proved significant in the regression and Granger Analysis. Purchasing power parity theory proved in India which shows that if inflation increases then Indian rupee will depreciate its value and vice- versa. It proves that the 1st most influential variable to the exchange rate of Indian Rupee is the inflation rate.Foreign Direct investment

ISSN 2076-9202

showed positive correlation in Granger and Regression tests indicates that the increase in FDI will create demand of the Indian Rupee and the value of Indian rupee will appreciate .Singapore Dollar showed a volatility of 16.17, where over the years it has successfully appreciated. China has perfectly managed the exchange rate with just volatility of 3.03 over the last 20 years. They have successfully managed to keep the exchange rate low, so the exports could be cheaper which creates demand for chinese yuan. Real Interest rate is again a very important variable which has shown cause and effect relationship even in the granger test which means that the INR-CNY will definitely increase if the real interest rate decreases and vice-versa.

The most impactful macroeconomic variable to the Singapore exchange rate was Inflation, foreign direct investment, and current account which was also proved significant in the regression and Granger Analysis. Inflation was a surprising variable which was seen having a cause and effect with the Singapore Dollar. Mostly as inflation increases every year and the Singapore dollar has also appreciated over the years it is stating a cause and effect relationship.Current Account is positively correlated with Singapore Dollar which means if the balance of Current Account increases in Singapore, then the Singapore dollar will appreciate and vice-versa.

The United States exchange rate has appreciated tremendously over the years, and has also maintained consistency in the appreciation. Over the years the US Dollar has a volatility of 22.49, which is extremely high, but as the currency has appreciated most of the times, it is considered to be really good.The most influential variable in the United States is Real Interest Rate, which also proves the Fischer Effect true. The interest rate is considered a major variable which shows significance in the regression analysis. The second most influential variable in United States would be inflation which also shows cause and effect relationship in the granger test This proves the Purchasing power parity theory in USA.United States opts for the floating exchange rate regime, while India, China and Singapore opt for Fixed Exchange Rate Regime.The Chinese economy has wonderfully managed the exchange rate, by keeping it low and also ensuring less volatility, to increase the inflow of foreign direct investment and also to increase the trade balances over the years. The Chines economy was completely correlated with the exchange rate principles. The granger causality test also shows us the cause and effect relationship of various exchange rates and macro-economic variables which can be used by investors to hedge the risk of financial markets.

SECTION V - CONCLUSION

This paper focused on the impact of macro-economic variables and its impact on developing and developed countries currency value. This study used statistical tools for analysis were: Unit Root Test, Correlation, Granger Causality Test, Multi-Regression and Standard Deviation to know the relation between macro economic indicators and exchange rate. Standard deviation clearly showed the volatility of the exchange rates very high in developing countries as compared to developed countries. China had successfully managed to manage the exchange rate with a volatility of just 3.03 over last 20 years. Most influential variable in Indis determining the Rupee value was Current Account Balance which was followed

ISSN 2076-9202

by foreign direct investment. The developing countries focus much more on bringing FDI into the country and also focus on other factors to ensure the economic growth of the country. In India inflation had also shown substantial significance in the volatility in exchange rate. The Singapore government is continuously managing the Singapore Dollar to ensure stability and appreciation. The Singapore monetary authority has also allowed the interest rate to flow freely which is again a main reason for reduced inflation, and increased interest rate which results in the appreciation of Singapore Dollar over the years. In developed countries like China and United States the interest rate is seen as a major variable and also the International Fischer effect is also visible in both of these countries. Moreover, there is dynamic linkage and co-movement within the exchange rate of economies to a certain extent even when the macro- economic variables are integrated together. Hence, the macro economic variables of countries were successful in explaining the volatility movements in the exchange rate at some level of significance.

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IMPACT OF TRAINING ON EMPLOYEES RETENTION, PROFESSIONALISM AND SELF-EFFICIENCY

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ABSTRACT

This research report is based on the impact of training programs in banking sector. Training is the main factor for the success of any organization. Organization invest on employees training programs with the core objective that it will enhance the performance of employees and increase productivity. This study was conducted on the employees of National bank of Pakistan. Data was collected using two measures. First a secondary data was collected from past studies, research articles, and newspapers. Second a survey was carried out using questionnaires. Impact of training was collected in survey by collecting data with dependent variables. Retention, professionalism, and self-efficiency are the dependent variables of this study. Reliability analysis, Regression analysis, and Correlation analysis was tested on collected data. Results show the training has a positive impact on Retention, professionalism, and self-efficiency. It is concluded that training program has a positive impact on retention professionalism and self-efficiency of the employees. Successful organizations should invest on the training programs of the employees to overcome turnover issues.

Keywords: training, retention, professionalism, self-efficiency, regression analysis.

INTRODUCTION

Organizations looking at the success recognize the benefits of using of training. Employees' development is an important factor for the success of any organizations. In human resource management the training refers to a process in which trainees learned new knowledge, skills and attitudes. Human resource development consists of three main parts, (1) training and development, (2) organizational development and change, (3) development of employee's career. Employees training has been recognized as one of the best approach for maintaining organizational attractiveness. Due to this fact that organizations want employees with higher efficiency who can use their best knowledge, skills and abilities to achieving the required objectives and completing the organizational goals (Gunu et al., 2013).

Now in a competitive world, training and development has been converted into the important aspect of organization and are paying essentials role for the organizational success and value. Training of the employees and retraining him is frequently used as a measurement to address as underperformance and increasing performance of employees. Training of employees found as the most reliable tool to improve

ISSN 2076-9202

employees and organizational productivity (Bhatti and Kaur, 2009). Organizations spend millions of rupees for the development of employees every year to compete competition in market (Kauffeld et al., 2010). Employee training programs have increased investment and now more employees have trained today (Blandy et al., 2000). The number of training hours per person has increased (Heathfield, 2009). Organizations have a primary expectation with the hope that employee training programs can improve and maximize the efficiency of employees, thus increasing the production of organization (Nielsen et al., 2010, Sahinidis and Bouris, 2008). Significant organizational resources are invested on employee training programs time to time. Pakistani organizations also spend huge budget on employee training programs but still improvement is needed in the method of training of employees for achieving expected results (Dastgeer and Rehman, 2012). Training of employees is explained as "a scheduled and organized effort to change or develop new knowledge, skills, abilities and attitudes of individuals by learning experiences to understanding effective performance in any activity or a number of activities" (Garavan 1997, p41). Past studies show that if effective training programs, opportunities for development through learning have been established than they lead to numerous professional outcomes like as enhanced retention of employees, increase in the employees self-efficiency (Arnold, 2005, Herman, 2005, Govaerts et al., 2011).

Mckeown's (2002) defines retention of employee as a struggle which is attempted by the organization towards constructing and development a working environment which stimulate present employees, to stay longer period of time and loyal with organization. This would be attained by meeting all the requirements of employees. There is also a fear of the associated budget with the retention issue, such as new recruitment budget and alternatives as much as the struggle for maintaining employee with the organization. Bussin (2002) articulates that prices include encouraging businesses and at the same time as harming customers. While every organization has must keep it in mind that employees of the organization are the ultimate valued possession. No one organization can operate its function without help of its workforce. Beverly and Sharon recommended that training programs consume less cost for the development of employees instant to recruit new worker as 70% to 200%. New cost should in the form of advertisement, recruitment, training, and development of new employee, as well as the time which should be lost till the new employee will be stable in the organization. The process of recruiting new worker for the required job need more budget from the organization, it is a long-term procedure, and it has been emphasized more than the struggle to maintain an organization's old employee. Jeffery (1993) explain that when an employee leave an organization he would take with him critical information data of the organization, and employee share this information data with the competitors companies, then this will damage the setup of institution in terms of its strategies as well as confidential future plans and would seem as a challenge for organization to attain its goals.

Professionalism is being understanding a specific kinds of occupation. Professionalism is the skills and abilities in the organization that have an advantaged public status (Evetts, 2003a). A long deal has been made between social experts that work in the organization and relationships related to other enterprises apply to different ways (Evetts, 2011). For knowledge-based occupation, a human worker must attend the necessary education and professional training programs (Evetts, 2003b). Human job position is a classic form of decentralization of work control in the organization, professionalism is an important element for the development of the common society (Evetts, 2003a). To understand the ideological form of effective

ISSN 2076-9202

features occupations in long-term, professionalism is considered as controlling of the organizational high resources (Evetts, 2011). It is conceptualized by researchers that set of collective principles of employees have enabled to get special social status and strength at work (Wilensky, 1964, Vollmer and Mills, 1966, Boyt et al., 2001, Coughlan, 2001, Parkan, 2008, and Evetts, 2003a and 2011). Despite this long process, importance of professional skill has become so clearly evident, because different professions are transformed into a professional trim as Professionalism (Wilensky, 1964, Vollmer & Mills, 1966). Sociologically past studies comprised that conflicting (even self-contradictory) clarifications of professionalism (Evetts, 2003a, Boyt et al., 2001, Hammer, 2000), due to professionalism might lose it concept in social clarifications, which is creating worried situation about its hypothetical appeal. Addressing the unpredictable issue of the hypothetical concept of professionalism, a remarkable struggle to re-analyzed professionalism, by perceiving qualified attitudes and behavior level of employees from organizational traits of professionalism the occupations extent at workplace (Parkan, 2008, Evetts, 2003a and 2011, Boyt et al., 2001, Hammer, 2000). In conjunction with professionalism traditional sociology studies have a responsibility to create professional behavior, work-related struggle and positive change in workplace (Wilensky, 1964, Vollmer & Mills, 1966, Coughlan, 2001). Professional association of employee plays an important role in strengthening the values of a professional employee, beliefs, ideology and personality. It is remarkable that discourse of professionalism is not work at macro level of professional occupations, it also works as control implements of employees at micro level in organizations, it creates employees attitudes, behaviors, beliefs and confidence (Evetts, 2003a).

Self-efficiency is defined by Bandura that self-efficiency as “Self-belief is the main capabilities by which employees control over actions to achieve organizational objects” (Wood and Bandura, 1989). Self-efficiency relating to learning of individual self-confidence and belief system, capacities to effectively achieving and transferring required objective knowledge (Gist et al., 1991). Bandura (1986) states that employee with higher self-efficiency helps to achieve difficult task rather than employee with lower self-efficiency. These individuals have prospective to perform well in training programs and retain the higher motivational level for applying knowledgeable skills and approaches on the work place. Accomplishment of training outcomes, self-efficiency plays an important role (Haccoun and Saks, 1998). Salas & Cannon (2001) suggested that self-efficiency have a relationship between struggles to establish self-confidence and prospect by using learned skills on the job. Past studies verified positive relationship among self-efficiency and training (Gaudine and Saks, 2004, Chiaburu & Marinova, 2005, Kirwan & Birchall, 2006, Stevens & Gist, 1997, Mathieu et al., 1992, Velada & Caetano, 2007).

Literature Review

Retention

Retention of the employee refers to a nonstop process of the organizational ability to retain it workers longer with organization. Employee membership with the organization depends on the ability of the organization to maintain its employees. With the availability of number of jobs in the market qualified and experienced jobs, organizations have learned that the balance of power in employees' rights has changed (Brown, 2001). Increasing in the employee turnover rate often indicates the major challenge for the organization.

ISSN 2076-9202

Maintaining competent employees for long term is important for the achievement of organizational goals. Organization's management to be aware of the approaches of retention, to maintain employees with organization. Literature is available in a large quantity on the topic of retention. Ramella (2003) found that the employee's retention becomes the main policy for the organization to achieve monetary success. The retention of employee has gained significant importance for the current day organizations, although it is part of the external environment.

Initial study shows that the retention of the employee have play an important role for the success of organization. Cappelli (2000) elaborate that relevant training programs of employees working environment, opportunities for the development, reward system effect the organizational success. Another study shows that employees stay more with these organizations where they find a sense of pride, then employees play their best role in these organizations. Cole (2000) described that working environment, opportunities for growth, development of employees, and relevant training programs effect organizational success. Employee retention means the struggle of the organization to overcome turnover issue. Past studies also recommended that organizations success dependents on workers, if management of the organization made policies for the retention of loyal worker then they can easily achieve goals, and get competitive advantage in the market.

Johnson (2000) has defined retention as the capability of the organization, to keep loyal employees longer than your competitors to catch him. It has been emphasized on many studies that the analysis of employee's retention, should be considered more than one level because retention effects can occur in different stages (Clean and Kozlovaki, 2000).

Training programs are directly linked with the employee's performance, it's also increase level of motivation on workplace, and bound to stay loyal with organization, which is directly solution of retention problem in the organization. It is also founded that training programs have ability to push employees to do better with more commitment in the organization. The reward system for the employees categorized would be under two parts one is monetary reward and other is non-monetary reward. Training programs for the employees consider under the non-monetary reward. No cash is paid in non-money rewards and it may be beneficial in the form of tangible or intangible. Some examples of such benefits include participation in decision-making, improvement in working conditions, increasing self-performance of employees, work on professional tasks, job identification etc. David (2002) has given attention to the victims so that recognition programs should be encouraged to people and it can also be explained on the fact that recognition programs help to increase worker motivation at workplace in the organization, which have ability to decrease retention problems. Scott (2002) stated that the training programs are more benefitted as these are nom-monetary in the nature, the rate of non-monetary reward like as training programs of employees consume low cost as compared to recruiting new worker for retention issue.

In (American Management Association, 1999) conducted a study on workers retention problems of the organizations, and resulted that turnover of the employees took placed as a serious challenge for the organizations of the present day, for the retaining of employees, organizations are using different approaches and techniques. The human resource management now consider retention problem of employees as all-rounded element in the organization. Organization recruit right people and continuing works on the implementation of the process by which organization retain and engage it competent and loyal employees

ISSN 2076-9202

for a longer period of time (Freyermuth, 2004). Employees demand has increased several times against the previous, past when the employee is just about their salary. But the current day, employee is not only related to their salary, employees also belongs to work experience and cultural perspective, flexible, dynamic and friendly environment at the work place. In order to develop such a viable strategy, organization must understand the needs of employees. Employees retention strategy has to be set on the top in the business process of the organization, or the entire effort starting from recruitment can prove void (Earle, 2003).

Hytter (2008) explains that if organization reduce employees turnover rate by using its strategies, then organization can reduce their recruitment costs, and protects them from the loss of talented and loyal employees. These are the main factors to reduce the employee retention problem and help to organization for retaining its employees, compensation, working environment, employee growth and development, related training programs, relationships with managers and organization. There are some benefits for the organization to maintaining its employees, because companies avoid the difficulties of custom services, and it increase the moral implementation of organizations in the market. It has been observed that a turnover of the employees leads to further turnovers in the organization, which is not well for the organizational growth and stability, thus organization make strategies to reduce the rate of employee's turnover. (Steel et al., 2002) suggested that organization want to stay stable in the market and want to compete for the competition they maintain employees with the organization, through retention strategies, and investing on employee's development, like as related training programs time to time.

Organization use different approaches and techniques to retain its employees. Earle (2003) states that it has come to know that if organizations fail to properly use its retention strategies in their business processes, then all efforts may be meaningless. Training of the employees is used as a technique for reducing employee's turnover in the organization. Training programs also use to enhance employees performance at work place which is indirectly linked with the reducing turnover issue. Employees plays always important role for the achievement of organizational goals. Investment on the development of employees motivate employees to work stay committed for a long period. Training programs which are not visible in the nature but having worth on the employee's retention, professionalism, and self-efficiency in the organization. Where the training makes personal development of the individuals it also develops overall organization. If organization arranges properly developed training programs than easily they achieve settled targets. The banking sector in Pakistan is the largest customer dealing services of Pakistan. Both government and private companies are working in this sector. Organization acknowledged that his employees are a great asset for the organization, and still need to do a lot, for developing employee's skills, so that these employees can perform the best of their skills and ability. With this aim, it is confident that the organization training and development department is engaged in the continuous activities of the employees. This regular training and development of the employees has change a government owned bank to become a corporate sector organization in view of customer services, The employees' training program has played an important role in changing the national bank of Pakistan.

This study should elaborate the organizational practices adopted for employees. Retention of employees arise as a serious challenge in the banking industry form previous few years. This study will help to understand the strategies adopted by NBP for employee retention and impacts on the organization. Initially it

ISSN 2076-9202

is found that the employees training programs have a positive impact on employees. Opportunities of employee's development help to reduce turnover of the employee. It is also observed that organization regularly conducting training programs for employees play significant role in employee professionalism and self-efficiency at workplace.

H1: Employee training has positive impact on retention.

Professionalism

Professionalism, cannot be deliberated in separation. It should be included with work performance, effectiveness, population, efficiency, integrity, achievements, identities and stability. Beaton (2010) Professionalism can be introduced as the combination of knowledge, abilities, confidence, professional skills, effectiveness, self-efficiency others get to perform themselves in the service of life. Thompson (2000) explain analysis of the professionalism as knowledge of the body, which has a high level of commitment, social and acceptance of personal responsibility, to comply with knowledge application, values and principles with maximum impact. Guides to practice, an independent decision rather than bureaucratic rule. Sundin and Hedman (2005) suggested that theory of professionalism can focuses on the knowledge, abilities, and skills, importance to the application of knowledge in the field of centralized commitment. Every sector of the organization has the effective and efficient staff and the burden of appropriate work on its employees. For the professionalism in the working environment organization recruit, develop train, promote its employees (Sanusi, 2002).

Professionalism, especially considering as for the occupation sector, businesses are powerful work that have benefited social status (Evetts, 2003a). Deal between social experts that when practicing work, employees and its relationships in comparison to other common enterprises, used different style for the achieving of professionalism at workplace (Evetts, 2011). For knowledge-based occupation, employees needs for professional education and training participation (Evetts, 2003b). An extensive dimension to understand the operational features of professionalism, social experts have mastered the job managing work (Evetts, 2011). Employee's conversions common values have become capable of gaining professional attitude and behavior in social work with high social status at work space (Wilensky, 1964, Vollmer and Mills, 1966, Crompton, 1990, Boyt et al., 2001, Coughlan, 2001, Parkan, 2008, Evetts, 2003a and 2011). Despite this long process, importance of professional skill has become so clearly evident, because different professions are transformed into a professional trim as Professionalism (Wilensky, 1964, Vollmer and Mills, 1966). Professional links play main role in strengthening the principles, beliefs, and individuality of an occupation. It is noteworthy that professionalism talks not only in an occupation, it also works as micro-level to control mechanisms in the organization, as it creates and change behavior of the employees at workplace (Evetts, 2003a). There is relatively recent power to create a different stable amount of behavior in employees, and it professionally trying to understand that the principles and beliefs systems of the employees to reached the organizational standard (Evetts, 2003a and 2011). Micro level of employee practitioners, a reasonable professional systems, comes to describe how employees respond, behave and offer advice, suggestion at workplace (Evetts, 2011, p401). Professionalism considers occupation as professionally, in which individual employees, increase and level of special values and belief systems, which consider their occupation (Evetts,

ISSN 2076-9202

2003ab and 2011, Parkan, 2008, Boyt et al., 2001, Hammer, 2000). In stable way, professional employees may have different measures to work on professional principles and standards of working during their professional work at the organization. These differences in professional behavior will be important for the changes to employee's job satisfaction, and job success.

In public sector, professional skills for business, it is important for employee posting and skill capabilities, follow the principles of recruitment according to the knowledge and capabilities of training programs. Although it is mentioned that lack of professional skill within the organization should be the resulted as non-educated organization, which is considered unusual and incredible for quality learning process for the employees in the organization. This will lead organizations to a shortfall of good workers in the organization. Organizations are looking for suitable employees having relevant skills, knowledge and attitudes, and abilities to fill the shortfall. It is important for the worker to understand the quality learning process in the organization, to enhance and development of professional skills and ability to perform their job. Organizations are capable of dealing with appropriate skills, knowledge and behavior by reducing the requirements for effectively handling professional skills at workplace, employees should understand the work-by-step learning process in organization to complete their job (Nyameh and James, 2013). It is necessary for an organization, in order to creating and maintaining the professional skills in the employees must investment in training programs. This literature on professionalism proved that organization easily creates and increase employee's professionalism by investing on relevant job training programs. Therefore according to this literature organization must invest on the training programs of employees which are directly affecting the employee's performance at workplace.

H2: Employee training has positive impact on professionalism.

Self-Efficiency

One of these positive factors that have meaningful role among employees at workplace in organization is self-efficiency (Bandura, 2012). Self-efficiency is placed as one of the internal factors in the organization. In reality, self-efficiency is sort of behavior that impacts on varied levels of behavior among employees at workplace. This positive internal observable fact has been firmed as dissimilar forms of individuals' behavior, attitude and motivation (Judge and Bono, 2003). In truth, self-efficiency .drive from these four principles that integrated as recognizing, motivation, involvement, selective training process (Judge et al., 2003). Self-efficiency and professionalism help employees to better decision making and achieve accurate results during work. On the other hand, the existence of self-efficiency is not automatically and it creates and grows in various levels of employee's life (Bandura, 2012). Some of the main levels of self-efficiency in employee's performance should be consider carefully. In fact, implementing self-efficiency by employees in the organization is directly linked to itself. In addition, employees and their capabilities should be known without any prejudice. In this way, employees can promote their skills and change their innocence in the organization (Macak et al., 2007).

In continue, there are some of theories and approaches explained toward the self-efficiency of employees (Maslach et al., 2001). Social cognition theory discussed about self-efficiency and explain human behavior at society which effected by personal knowledge, skills, Behavior .and environment in four points of life

ISSN 2076-9202

and its influences on motivate to work and personal believe. Bandura (2012) also declared that the self-efficiency is a kind of decision about the individual's employee's skills and abilities. In fact, this internal element responds behaviorally responses of employee and motivate to perform high performance at high levels, while it is seemed that employees with high rate of self-efficiency performs well as compare to low level of self-efficiency (Aarti and Mehrad, 2014), Journal of Educational Health and Community Psychology, Vol 3, p101).

Certainly, low level of self-efficiency occurs with employee's performance which is directly related to some neutral behavior like maximum prejudice, laziness in the working environment. Maslach (1981) proposed in psychosocial theory which have been explained about the absence of consideration of skills that lead to unexpected responses such as emotional fatigue, depression, low level self-efficiency, that depends on organization success in the society (Maslach, 1978, Maslach and Jackson, 1981). The basic principle of the current study is to evaluate the relationship between self-efficiency and relevant training programs of employees of the organization. Self-efficiency of the worker should be increase by the training programs, if the employees have training on related work then they can easily change the work environment of the organization, which is directly connected with achievement of desire goals and become a cause of organizational success. Therefore according to the above literature it has been found that if the organization invests on the training programs of employees then they can increase employee's self-efficiency at workplace.

Today, organizations around the world are being adopted policies which helps to increase employee's professionalism, self-efficiency, and decreased turnover problem. Organization with help of training programs, increasing employee's abilities to convene the requirements of its customers, and help to made strategies to deal with the new way to meet the demands of employees and organization.

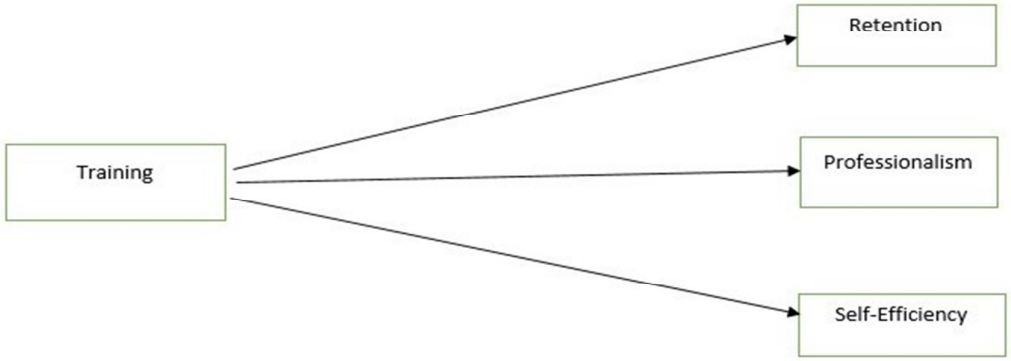
In American Management Association (1999) published a report indicating that the identification of employee's work improves the level of motivation in employees. The report also emphasized the fact that it is possible to remember most employers to appreciate through non-financial benefits as compared to cash rewards that only correspond to the employee's salary. On the other hand non-financial benefits can provide as training programs which directly improve employees work style, professionalism, self-efficiency, and reduce the rate of employee's turnover from organization. Similarly it has been seen that in organization employees retention, professionalism, and self-efficiency depends on the working environment of the bank. This means that a good working environment helps in achieving organizational desired goals. It was also seen that the increased of training opportunity for the employees help to change the working environment. Which is necessary to overcome retention turnover problem in the organization. Work-life policies approved by the organization for employees have positive impact on the employee's retention. Studies show that employees continue with the organizations where required job task and carriers path were well explained. Employee's professional prospects with regular opportunities for development and extensive geographical and active exposure also worked with the organization for a long time. Employees should continue with those organization where professional working environment exist, which help to developed employees professionalism. Similarly, related training programs have also increased the professional skills in working environment of the organization. The prospects of contribution and maintenance of employee's prosperity

ISSN 2076-9202

provide relevant training programs an important opportunity to enhance employees' satisfaction, self-efficiency and professionalism. The role of a working environment in the organization place a significant position, which effect on professional and psychological abilities of the employees, and so on was seen in the organizations.

H3: Employees Training has positive impact on self-efficiency.

Figure 1 Conceptual Framework



The above diagram is the conceptual framework which shows the independent variable which is training of the employees and its impacts on dependent variables Retention, Professionalism, and self-efficiency.

Research Methodology

Sampling and Data Collection

By this research two type of data would be gathered, primary as well as secondary. Data would be together from employees of NBP, through questionnaires. Initially 200 respondents covering of the 25 branches of NBP bank Hazara division, Khyber Pakhtunkhwa were selected. Which is the part of primary data. Secondary data was collected by studying past articles, books, journals, newsletters, and using other available resources.

The researchers facing issue on the base of time and sample size, as well as the stress of collecting real data decide on. To catch that has to come a sample size that represents the population and can usually made the statements. Sample size decided by the researcher is 200 of 25 branches of the National Bank of Pakistan Hazara division, Khyber Pakhtunkhwa, out of which 108 be the part of this research. Moreover questionnaires were distributed by different ways, one on the personally visiting the 15 branches of the bank,

ISSN 2076-9202

and reaming distributed by post office and by electronic email, then collected their responds. Despite the fact that sample size is small, but the results will usually be effective to use as output.

Measures

The questionnaire consists of 4 sections and 33 questions. Questionnaires designing procedure advised by (Zoltan 2003) that, there is a lot of cycles that begin with the decision-making recommendations and the result of structural analysis about the combined data analysis. Questionnaires designing procedure had to keep in mind the following points, which help to collect the most reliable and accurate material.

- Information need from the employees
- Employees respond to profiles and research hypothesis
- Questionnaire's communication style
- The language that will be easily accepted by employees
- Check the questionnaire before distribution so that errors can be corrected
- Finally distribution of questionnaire were made and data collected for analysis

Results & Discussion

Demographic of Respondents

The initial data was combined with the use of questionnaire, which was divided into workers of the NBP to understand the subject of study. This chapter includes, the quantitative and qualitative data, represented in the form of tabulation charts & graphs and other data tools.

Respondent Age

Table 1 shown the Respondents' Age distribution

S. No	Range	Identification	Quantity
1	18 – 27	1	15
2	28 – 37	2	62
3	38 – 47	3	21
4	48 – 57	4	9
5	58 & above	5	1

The respondents have been asked About their age so that they determine their level of maturity at the point of view of this study. Collected data shows the respondents age having range from 28 -37 years are 62, 38-47 years is 21 and further 18-27 years is 15, 48 – 57 years is 9 and 58 and above is only 01. Majority of the employees working in the bank having the age between 28 – 37 years.

Respondent Gender

Table 2 shows the Respondents Gender Distribtion

S.no	Items	Identification	Quantity

ISSN 2076-9202

1	Male	1	82
2	Female	2	26

This research measured both genders of the responses as male and female employees working in the NBP bank. The respondents, whose involvement in the data collection, contributed to 82 of male and 26 of women's employees, which have a clear idea of employee membership issues within the organization.

Respondent Marriage Status

Table 3 shows the Respondents Marriage Status

S.no	Items	Identification	Quantity
1	Married	1	86
2	Single	2	22

According to the collected data the respondent's marriage status is shown in table 4.11. The respondents 86 are married and reaming 22 respondent are single/unmarried.

Respondent Professional Stature

Table 4 shows the respondent Professional Stature

S.no	Items	Identification	Quantity
1	Top Level	1	14
2	Middle Level	2	53
3	Supervisor	3	9
4	Managerial Staff	4	16
5	Low Level	5	16

Table 4 shows the respondent's professional stature. 14 as executive's. 53 respondents are middle management mangers, 09 supervisor management, 16 as managerial staff and 16 as low level management of the respondents. The study is indicated to get the subject of understanding from an integrated perspective. The distribution of professional positions includes all the organizational structures.

Respondent Length of Service.

Table 5 shows the respondents Length of Service

S.no	Range	Identification	Quantity
1	01 – 07	1	65
2	08 – 14	2	27
3	15 – 21	3	8
4	22 – 28	4	4
5	29 -35	5	4

ISSN 2076-9202

This distribution shows in the table 5 is Length of service of the respondents. The respondents comprises of 65 have experience from one to seven years, 27 have eight to fourteen years, 08 have fifteen to twenty one year's, 4 have twenty two to twenty eight years and 4 have twenty nine to thirty five years in the banks. The table 5 shows that experienced employees are working in the banking sector of Pakistan. This indicates to research understanding from an integrated perspective.

Respondent Educational Level

Table 6 shows the respondents Educational Level

S.no	Education	Identification	Quantity
1	PhD	1	1
2	MS	2	7
3	Master	3	63
4	Graduate	4	31
5	Intermediate	5	6

Distribution shows in table 6 is respondents educational level. Respondents comprises of 01 have PhD level degree, 07 have MS/M-Phil level, 63 have Master Level degree, 31 have Graduation level and 0nly 06 are intermediate education. The table 4.14 shows that NBP workers are well educated which help to maintain organization position in the competitive world.

Respondent Job Designation

Table 7 shows the respondents Job Designation

S.no	Designation	Range	Quantity
1	Executive Manager	1	14
2	Manager	2	53
3	Cashier	3	9
4	Assistant	4	16
5	LDC	5	16

Table 7 explain respondents job designations, Here 14 respondents are executive officers, 53 are Mangers working in the different departments of the bank, 09 respondent are Cahier, and 16 are Assistant and 16 also working as Lower division Clerk (LDC). The whole date shows in the tables 7 helps us to understand the position of the despondence as well as organization.

Descriptive Statistics

In this part seeks to delve into the relationships between training and its impacts on the depending variables

ISSN 2076-9202

retention, professionalism and self-efficiency. Analysis the research model, descriptive data was calculated to find values of mean and standard deviation, correlation analysis, and Structural Equation Model (SEM) of the variables.

Correlation analysis is performed to see the strength of relationships among the variables and to find the direction of the relationships. Structure Equation Model (SEM) is tested to find the variation of independent variable on the dependent variables. Structure Equation Model (SEM) tested to check the impact between dependent variables and independent variable of the study.

Table 8 Descriptive Statistics

Descriptive Statistics

	N	Mean	Std. Deviation
Training	108	1.9509	.38366
Retention	108	1.9689	.43539
Professionalism	108	1.8441	.46713
Self Efficiency	108	2.0139	.53976

Descriptive Statistics of Training

Descriptive statistics of training for the sample 108 is reported in table 8 training is use as independent variable in this study. The mean value of the training is 1.9509 and standard deviation value of the training is .38366.

Descriptive Statistics of Retention

Descriptive statistics of retention for the sample 108 is reported in table 8 retention is use as dependent variable in this study. The mean value of the retention is 1.9689 and standard deviation value of the retention is .43539.

Descriptive Statistics of Professionalism

Descriptive statistics of professionalism for the sample 108 is reported in table 8 Professionalism is use as dependent variable in this study. The mean value of the professionalism is 1.8441 and standard deviation value of the professionalism is .46713.

Descriptive Statistics of Self-efficiency

Descriptive statistics of self-efficiency for the sample 108 is reported in table 8 Self-efficiency is use as dependent variable in this study. The mean value of the self-efficiency is 2.0139 and standard deviation value of the self-efficiency is .53976.

Correlation Analysis

ISSN 2076-9202

In Table 9 results of correlation of all variables of the study are incorporated, these results describe the strength of relationship among variables. This study uses Pearson correlation analysis to find out the relationship between independent variable Training and dependent variables Retention, Professionalism and self-Efficiency of the study. The results reveal the strength of relationship between dependent and independent variables, these relationships are either weak or strong and either positive or negative. Pallant (2007) suggest that the value of the correlation lies between ±1.0, if the correlation value is 0, it means there is no association between the two variables and the value is ±1.0 indicates that the association is perfect negative or positive. Cohen (1988) suggested that there will be small association between the variables when the value of r = ±0.1 to ±0.29, there will be medium association when the value of r = ±0.30 to ±0.49, there will be large and strong association when the value of r is ±0.50 and above. Correlation Analysis of dependent variables and independent variables was tested.

Table 9 shows the Correlation statistics Analysis

	Training	Self Efficiency	Professionalism	Retention
Training	1.000			
Self Efficiency	.240	1.000		
Professionalism	.464	.111	1.000	
Retention	.454	.109	.211	1.000

Correlation of Retention

Correlation of Retention is presented in Table 9 Results shows that there is a positive and significant association among Retention (dependent variable) and Training (independent variables) is .454 which is moderate at selected scale.

Correlation of Professionalism

Correlation of Professionalism is presented in Table 9 Results shows that there is a positive and significant association among Professionalism (dependent variable) and Training (independent variables) is .464 which is moderate at selected scale.

Correlation of Self-Efficiency

Correlation of Self-Efficiency is presented in Table 9 Results shows that there is a positive and significant association among self-efficiency (dependent variable) and Training (independent variables) is .240 which is week at selected scale.

Structural Equation Model Path Analysis

In Table 10 results of Structural Equation Model (Path Analysis) of all variables of the study are incorporated, these results describe the variation of relationship among variables. Structural equation model (Path Analysis) verified the variation of the dependent variables on independent variables. In this study training is contained as independent variable and retention, professionalism and self-efficiency consists as

ISSN 2076-9202

dependent variables of the study.

Figure 2 Structural Equation Model Path Analysis Graphic Model

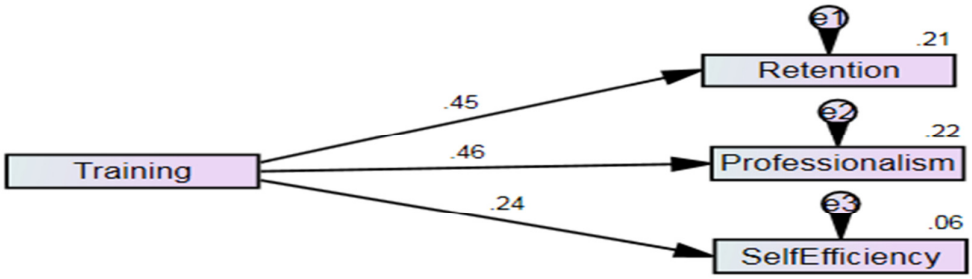


Table 10 shows the SEM Path Analysis Model Results

	Retention			Professionalism			Self Efficiency		
	P.E	*S.E*	*P*	*P.E*	*S.E*	*P*	*P.E*	*S.E*	*P*
Training	.454	.098	***	.464	.104	***	.240	.132	.011
R²		.206			.216			.165	

P.E = Standardized Point of Estimate (β), S.E= Standard Error, IV Training, DV Retention, Professionalism Self Efficiency

Impact of SEM Path Analysis Model Results on Retention

SEM Path Analysis results shows in table 10 which describe that positive and significant variation among retention (dependent variable) and training (independent variable). Beta value of the relationship among training and retention is .454 which is significant at .000. Which shows positive and significant variation among retention (dependent variable) and training (independent variable). The value of ***R²*** .206. This implied that training of employees enhance their retention in the organization. These results are consistent with literature of the study and proved hypothesis 01: that training of the employees has positive impact on the retention of the employees in the organization. (Steel et al., 2002) suggested that organization want to stay stable in the market and want to compete for the competition they maintain employees with the organization, through retention strategies, and investing on employee's development, like as related training programs time to time. Hence according to past study literature and results from SEM Path Analysis hypothesis 01 of the study is accepted. Organization must invest in training programs of the employees to reduce employee turnover issue from organization. Organization has more chance to get competitive advantage from the market it trained and loyal employees stay with organization for longer spam of time.

Impact of SEM Path Analysis Model Results on Professionalism

ISSN 2076-9202

SEM Path Analysis results shows in table 10 which describe that positive and significant variation among professionalism (dependent variable) and training (independent variable). Beta value of the relationship among training and retention is .464 which is significant at .000. Which shows positive and significant variation among professionalism (dependent variable) and training (independent variable). The value of R^2 .216. This implied that training of employees enhance their professionalism in the organization. These results are consistent with literature of the study and proved hypothesis 02: that training of the employees has positive impact on the professionalism of the employees in the organization. Human job position is a classic form of decentralization of work control in the organization; professionalism is an important element for the development of the common society (Evetts, 2003a). For knowledge-based occupation, employees needs for professional education and training participation (Evetts, 2003b). Hence according to past study literature and results from SEM Path Analysis hypothesis 02 of the study is accepted. Organization must invest in training programs of the employees for increase professionalism at workplace of the employees. Organization has more chance to get competitive advantage from the market if they have trained and loyal employees in the organization.

Impact of SEM Path Analysis Model Results on Self-efficiency

SEM Path Analysis results shows in table 10 which describe that positive and significant variation among self-efficiency (dependent variable) and training (independent variable). Beta value of the relationship among training and self-efficiency is .240 which is significant at .011. Which shows positive and significant variation among self-efficiency (dependent variable) and training (independent variable). The value of R^2 .165. This implied that training of employees enhance their retention in the organization. These results are consistent with literature of the study and proved hypothesis 03 that training of the employees has positive impact on the self-efficiency of the employees in the organization. Accomplishment of training outcomes, self-efficiency plays an important role (Haccoun and Saks, 1998). Past studies verified positive relationship among self-efficiency and training (Gaudine and Saks, 2004, Chiaburu & Marinova, 2005, Kirwan & Birchall, 2006, Latham & Frayne, 1989, Stevens & Gist, 1997, Mathieu et al., 1992, Velada & Caetano, 2007). Organization want to stay stable in the market and want to compete for the competition they maintain employees with the organization, through its strategies, and investing on employee's development, like as related training programs time to time. Hence according to past study literature and results from SEM Path Analysis hypothesis 03 of the study is accepted. Organization must invest in training programs of the employees for increasing self-efficiency in the behavior of employees at workplace. Organization has more chance to get competitive advantage from the market if they have trained and loyal employees with having self confidence in the organization.

Structural equation model path analysis results shows the variation among the dependent variables retention, professionalism, self-efficiency and independent variable training. Results shows that there is strong variation among dependent variable professionalism and independent variable training which is .464, then the variation among dependent variable retention and independent variable training which is .454 also strong variation. The variation among dependent variable self-efficiency and independent variable training is

ISSN 2076-9202

positive and week having value is .240 which is less than other dependent variable, but still sport this study and hypothesis.

Conclusion

This study conduct to highlight the relationship between dependent and independent variables of the research. Aim of this study is finding of the importance and need of employees training programs and its impact in Pakistan's banking sector. Since human resource has been developed in an important aspect in the organization's success; problems related to human resources are also decorated in one or another. If we take training programs on the macro scale, we can find that, country is more developed where procedures are more transparent and easy to understand. New training methods for the employee's development are adopted by most of organization. Specifically, in banking sector where competition is too much high and banks offer more and more values to their customers as well as their employees. In this study researcher selected National bank of Pakistan to understand strategies adopted for the development of employees.

Researcher studied past published papers, articles, case studies, and found dependent and independent variables for this research which are training, Retention, Professionalism, and self-efficiency. Organizations invest on employee training programs with the core expectation that training will empower employee's performance improved than before and more efficiently, thus increasing the organizational productivity (Nielsen et al., 2010, Sahinidis and Bouris, 2008) is proved by this study. It can concluded that employees understand knowledge from training programs. Such organization who want to increase knowledge and skills in employees must conduct and invest on relevant training programs of the employees. On very topic researcher has checked the relationship between those factors which are forcing companies to adopt to invest on training program for employees. Researcher after conducting this research comes on this conclusion that the major factors which is important for the companies to adopt training program to overcome on the issue of employee turnover ratio and retain workers, also increase employee professionalism attitude and self-efficiency by training programs. Researcher tested reliability analysis on questionnaires to find Alpha of the questions. Which is resulted positive. Researcher has also run correlation and regression analysis on its variable for this study and found strong relationship between training and retention professionalism and self-efficiency. Hence it is concluded that if bank invest on training programs of employees, then they can easily face the challenge of retention which is big issue for the organizational growth. Training programs also increased employee's professionalism toward working environment, and increasing in the self-efficiency of employees by which organization successfully achieve the goals and desire results. Researcher also study the pervious researches which shown that training have both positive and negative impacts on different variables. This study provides relatively strong support for the existence of positive relationships between training and retaining, professionalism. Literature of this study also supported results of this results. Therefore according to this study results, researcher suggested and concluded that if organization want to overcome on the ratio of turnover they must invest on employees training programs. Study from (Roundbash and Barack, 2002) helps to understand which states that the retention of employee has gained significant importance for the current day organizations, although it is part of the external environment. In the Previous studies has been emphasized on the analysis of employee's retention, should be

ISSN 2076-9202

considered more than one level because retention effects can occur in different stages (Clean and Kozlovaki, 2000).

Now a day in a competitive environment where every organization wants to be successful lead in the market, must retain loyal worker with organization for a long period. Employees are willing to learn more and do well at workplace, so it is important for the organization to conduct training programs of employees according to their desired knowledge and skill. Training programs also help to increasing in employee professionalism attitude at workplace and increase self-efficiency (self-confidence, self-beliefs) in employee behaviors.

Employee professionalism attitudes at workplace lead to a stable environment which is important for organizational success. Professionalism can be learned from training programs. If organization need employees professionalism at workplace than it is important for the organization to conduct training programs for employees. In previous studies, individual level of employee's professionalism were re-conceptualizes, as the habitual standards and believing process that individual employee reflecting for their occupations in the organization (Evetts, 2003ab and 2011, Parkan, 2008, Boyt et al., 2001, Hammer, 2000).

Employee self-efficiency helps to complete work better in time, and also helps in decision making which is important factors for the growth and success for the organizations. This study helps to understand the importance of employee self-efficiency for the success of organization. It is important for the organization to create and increase self-efficiency of the employees. Past study driven from Salas and Cannon (2001) suggestion that self-efficiency have a relationship between struggles to establish self-confidence and prospect by using learned skills on the job. This positive internal observable fact has been firmed as dissimilar forms of individuals' behavior, attitude and motivation (Judge and Bono, 2003).The self-efficiency involves predictable performance and outcome that improves the structure of individuals' behavior and presentation at workplace (Bandura, 2012). Self-efficiency help employees to better decision making and achieve accurate results during work. Organization conduct training programs of employees for the increase of self-efficiency, which lead organization toward success. Organization can create and increase employee self-efficiency by conducting training programs for employees, which is already proved by this study.

Recommendations

In the future, NBP ready to become most commercially-based organization and it is also a more customer-friendly organization. To achieve its target, the National Bank of Pakistan needs to provide a better customer experience and also offers better quality services, introduced new schemes and policies for customers and employees, which are of training programs it's easy to do later .Therefore, the emerging needs of specific sectors of the banking market, can be satisfied and strengthens its position in the market. Employee's interface needs to be fully empowered so that they can get their corporate goals (Rauden and Bryk, .2002). Which is easily possible after training of worker towards their job. There are some combinations of simplifying and automation of banking process, transfer of existing services to next-generation technology, existing current infrastructure, wild range of services and operational expenses. Need to get in the future. This study was conducted for hypotheses so that, Regression Analysis should be

ISSN 2076-9202

tested between independent and dependent variable to find the relationships. This study comprising of 3 hypotheses, all hypothesis 1, 2 and 3of the study were accepted.

Hypothesis 01 which is "H1: Employees Training has an impact on employee retention" is accepted. Regression analysis resulted that Regression between training and retention was performed. The relation is significant and positive among training and retention of the employees.

Employee retention has become an important topic in the organizational administration and the purpose of the current study is target the elements that involved in maintaining employee, and help to reduce turnover issue, especially in the banking sector of Pakistan. Studies find the factors affecting the level of relationship and strength as they maintain employee (Ramlall, 2003). If organization invest on training programs according to the need of worker job then organization easily decrease the turnover ratio of the retention problems in the organizations. As the pervious researches give their recommendation for the solution of retention turnover problem with other factors, here the researcher give the recommendation that if the employees are trained as desired training then organizations cutoff the problem of retention by investing on training programs.

Hypothesis 02 which is "H2: Employees Training of has an impact on employee professionalism in the organization." Is accepted. Regression analysis resulted that Regression between training and professionalism was performed. The relation is significant and positive between training and professionalism of the employees.

Evetts (2003a and 2011) it has been evident that the practical effort to isolate stable intellect is a relatively recent power and has attempted to understand professionally a collective group to meet the behavior and belief system. On the micro level of employee practitioners, a descriptive valued system of professional skills explains how employees work, answer and offer advice (Evetts, 2011 p401).

It is recommended that if the organization invest on the training programs of employees then they can easily achieve their target without any problems, if the employees are trained toward their job then professional level at the workplace also increased. Hence this study recommended that training of the employees increase professionalism at work place in the organization.

Hypothesis 03 which is "H3: Training of employees has an impact on their self-efficiency." Is accepted, Regression analysis resulted that Regression between training and self-efficiency was performed. The relation is significant and positive between training and self-efficiency of the employees.

Bandura (1997) explain that self-efficiency remained constant after the establishment. At work, it is seen that employees take challenges and perform well to maintain their promises with the highest level of self-efficiency (i.e. self-belief) (Bandura, 1997, Moeini et al., 2008). Self-efficiency can help to increase the quality of employment decision making and help to decrease, stress, worry and stress at work (Chiesa.et al. 2016, Hiller and Hambrick, 2005, Seggelen and Damen, 2016, Schwarzer and Jerusalem, 1995).

According to hypothesis 03 it is recommended that if organizations invest on employees training programs, then self-efficiency of worker increased. If the organizations want to increase employee's self-efficiency on workplace then it is suggested that organizations invest on required training programs of the workers.

Directions to future research

ISSN 2076-9202

Study indicate using of employees training programs which may reduce the retention problem of the organization. For further investigation, it may be helpful for further studies to open new horizons. In order to increase external confidence, future research efforts should get a representative sample from more organizations. Further factors affecting training can be examined, which include various independent variables. The sample size can increase in the same industry get more power through results. Apart from this, if research can be done in various industries, it can provide industrial competition between different practices depending on the development of the industry. In order to get more comprehensive and deep study, human training organizers can also be included as respondents to show the effects of different training techniques that help in solving organization's problems. Future research should focus on more detailed interviews and focus on groups to get more comprehensive ideas of current conditions. This study can also be added to other countries, which can be considered as additional variables and national cultures. It is a valuable discovery to Prove that national culture is different from the country. Therefore, researchers can be able to demonstrate the effects of training programs on the development of banking sector, many of its factors, which can help this system. Researcher can add more variable to the current study and can run more statistical technique for more positive results. As mentioned in limitations the sample size must be taken into considerations, also others researchers can collect data in different phases.

Limitations of the study

Like almost every research our study has also some limitations and some lacking. First our study had a limited time frame for data collection, so it might be possible in future that we increase our sample size for a clearer view. This study was held on a small pattern of NPB, which is the Pakistani government's bank, so due to the entire population of banking sector, the results may not be common due to their different population and geographical attributes. The obstacles in the budget also hamper the study, where data is collected from one industry and the results can be considered useful for the remaining industries .Such a study was not done on the government bank, from secondary data was not available for analysis. Purposive samples have been selected for this study, where the simple variable is considered. No focus on group discussed for this research. Data for the study was collected in the form of questionnaires by different ways personally visiting bank, through post office, through email from respondents.

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