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ROLE OF THE SCHOOL PRINCIPALS IN RAISING LEVEL OF THE EDUCATIONAL SUFFICIENCY OF THE SECONDARY STAGE TEACHERS AT PUBLIC SCHOOLS

Dr. Yassmin Abdullah Al-Hurr

Abstract

The study aimed at recognizing the role of the school principals in raising the level of educational sufficiency for the secondary stage teachers at public schools. To achieve the objective of study a questionnaire had been developed consisted of (20) items, and it had been asserted of its validity and reliability, and then it had been distributed on the sample of study, consisted of (200) teachers. The descriptive surveying method had been employed. Results of study showed that the role of school principal in raising the level of educational sufficiency for the secondary stage teachers at public schools from the point of view of the sample of study individuals, and they were at medium degree, and there are differences with statistical significance among the arithmetic means ascribed to the variable of experience, and ascribed to the interest of experience less than five years. There are differences with statistical significance among the arithmetic means ascribed to the variable of the scientific qualification, ascribed to the interest of the group of post-graduate studies. The study, in light of those results, recommended with the necessity of the Ministry of Education/ Directorate of Qualifying, Training, and the Educational Supervision to conclude training courses for principals in what relates with developing an effective strategy for educational supervision through raising the efficiency of the educational supervision in developing the educational process and review the programs of teachers' training in the Ministry of Education during the service, so as evaluating these programs to fulfill the training needs for teachers.

Key Words: Role, Educational Sufficiency School-Principals, Public Secondary Schools.

Introduction:

The educational administration today occupies a distinguished position, and an increasing significance at all communities, especially the developed ones, for what they introduced and still introduced accomplishments in the domain of activities practiced by man, and what does it perform of tasks to achieve goals and objectives of communities, and since the educational administration is an art, and science of achieving objectives in behalf of affecting others, and it is the process with which the system of education is managed at a certain community in accordance with its ideology and its political, economic, and social circumstances to achieve the national objectives of the community from education.

The school administration had acquired with great concern in the educational administration at studies for what they have of an important brilliant role in the success of the educational process, and the school principal is that personality who does carryout plans and educational programs in accordance with

drawn policies and what they include of lists and preaches issue from the central institutions in the Ministry of Education, with what harmonizes the philosophy and directions of the state, in addition to that the school principal practices a leading role in directing energies, efforts and powers that co-exist within the frame of his work and direct to reach the hoped purposes, and it would not be possible for the school principal to perform his tasks successfully, except if he had the sufficiency in the different perceptual, technical and the humanitarian skills, for their necessity in performing the administrative works (Magableh, 2002).

And due to the main role performed by the school principal in managing affairs of his school and leaderships his behavior during his interaction with members of the school community, that reflects its traits, characteristics, cognition and experiences, has its effect in the track of the school and its outlets, may be positive or negative (Al-Shuraiqi and Magableh, 2011). The school principal should seek effortly to improve the educational sufficiency of teachers, and develop and professionally grow them, considering him a resident educational supervisor. That is by employing numerous supervising means for the sake of raising the cognitive sufficiency of teachers, and from these means: the educational symposiums, the individual and group meetings, and the educational bulletins, in purpose of providing teachers with the increasing information to increase their professional culture related with developing their understanding of the different sides from their school work, and that renews using the technique of a certain supervision, it is the type of objective the school principal seeks (Al-A'mairah, 2002).

The teacher plays an extreme significance and danger in both processes learning and educational, and so the processes of social breeding, and from here comes the teacher's significance in the community, and raises care with him and honoring him as a human being, as a citizen and a professional in the first degree, and whenever the teacher is trained the correct training, and given information and new concepts benefits him in his profession, his giving was a fruitful result and its return was good on students (Heilborn& Jones, 1997).

The Ministry of Education had desired to raise the educational sufficiency for teachers and specifically for the new teachers, or during the process of developing and amending approaches done by the Ministry at a constant form, therefore courses and symposiums are held for teachers for the sake of acquiring them by the educational sufficiency and comes the role of the school principal and the educational supervisors following up teachers and be certain of that teachers are performing application of what they were exposed to from trainings and courses and they practice their roles at a correct form, and school principals perform the role of the resident supervisor on teachers and they follow up their works from part of their development. So this study came to recognize the role of the school principal in raising the level of educational sufficiency for teachers of the secondary stage at public schools.

Problem of study:

The problem of study is represented in answering the following question:

What is the role of the school principal in raising the level of the educational sufficiency for teachers of the secondary stage at public schools from their point of view?

Objective of study and its questions:

The study aimed at recognizing the school principal's role in raising the level of educational sufficiency for teachers of the secondary stage at public schools from their point of view, to achieve this objective the answer will be done about the questions of study, they are:

The first question:

What is the role of the school principal in raising the level of the educational sufficiency for teachers of the secondary stage at public schools from their point of view?

The second question:

Are there differences with statistical significance at the level (≤ 0.05) in responses of the study sample individuals of the school principal's role in raising the level of the educational sufficiency for teachers of the secondary stage at public schools ascribed to the variables of experience, and scientific qualification?

Significance of study:

It is hoped to benefit from results of this study each of the Ministry of Education, the educational leaders, principals of schools, and teachers of the secondary stage through raising the educational sufficiency and researchers through providing them with a theoretical frame about the educational sufficiency and the tool of study.

Terms of study:

Terms of study are specified with the following:

Sufficiency:

They are a group of activities that aim at developing the educational learning process at school to the highest degrees of the effective sufficiency (Al-Su'oud, 2007).

The teacher:

He is the educational leader who heads the process of connecting experiences, and the educational information and direct behavior at the student that performs teaching them (Al-Ameri, 2008, p12).

The principal:

Is an educational leader, his task is to coordinate among all efforts, and make available all facilities and possibilities to achieve objectives of the school that he leads, and follow the philosophy of education, its objectives and demands in the community to which they belong (Al-Momani, 2007, P. 43).

Limits of study:

This study was confined to teachers of the Secondary Public Schools at Wadi Al-Sier Directorate of Education in Jordan, working through the Second Academic Semester of the Academic year 2018-2019.

Theoretical literature:

Role of school principal in raising teachers' sufficiency:

All modern trends in the educational administration seek achieving a modern vision depending on the educational leadership to change from the site of propulsion to the site influence that is, finding the effective not the propeller principal. The propeller principal is the principal who carries out the administrative duties a day by day at a routine form far away from any type of developing and innovating types; he is an owner of innovative vision and seeks developing the school program. Therefore he innovates strategies and new activities.. and in this domain the finding of this principal calls for the change of the classical look at the school principal, and so to review the division of his performance in accordance with the following effective school standards, that is as both Al-Badri (2005) and Al-A'jami (2010) provided.

1. Standards of the cognitive, personal, and social sufficiency.
2. Standards of strategic planning here the principal has to put a strategic plan for his school seeking to achieve the objectives of the school.
3. Standards of the administrative organization for the school meaning determining an evident organizational structure.
4. Standards of the professional development for employees and evaluating their performance .. here we are talking about a plan to train the teachers and divide them a professional reformatinal division.
5. Standards of preparing the planning budget meaning supervising all the school money and prepare the budget.
6. Standards of developing the class teaching processes have a relationship at a primary form by teachers' performance and encouraging an innovation.

Previous studies:

This section includes a show of the previous studies related with the subject of study.. role of the school principal in raising the level of the educational sufficiency for teachers of the secondary stage at public schools. They have been divided into Arabic and foreign studies, in the following as a show of them in accordance with a serial time from the oldest to the modernist as follows:

Arabic studies:

O'wn (2000) did a study, aimed at estimating possession of teachers of the secondary stage for the educational sufficiency, and the degree of their practice from the educational supervisors' point of view in light of experience variables, scientific qualification and specialization in the governorate of Tai'zin the Yemini Republic. And for the sake of achieving objectives of study a questionnaire was prepared then its application on a sample of (50) supervisors. The study deduced that teachers of the secondary stage practice at an acceptable degree and there exists differences with statistical significance among the arithmetic means to a degree of possession of the educational sufficiency and the degree of their practice.

Magableh and Al-Mahdi (2007) study aimed at recognizing the degree of the Secondary Schools principals practice in Jordan for the supervising sufficiency from the male and female teachers' point of view. The community of study had consisted of all male and female teachers at the secondary schools in Jordan. Three Directorates of Education were randomly chosen from regions of the North, the Middle and the South,

the number of teachers in it is (2495) male & female teachers, (%5) percent of them were chosen, a sample its number amounted to (499) male & female teachers. To achieve the objective of study a questionnaire consisted of (30) items was employed. Results of study had shown that the degree of Secondary Schools principals practice in Jordan for the supervising sufficiency is high at all domains of study, from them male and female teachers point of view. And there are no differences with statistical significance at the degree of the Secondary Schools principals' practice in Jordan for the supervising sufficiency ascribed to variables of sex, experience and the scientific qualification.

O'thman& et al (2012) prepared a study aimed at getting acquainted with role of principals of public Secondary schools in the professional development of teachers in the North of the West Bank, in addition to clearing the effect of each of sex, years of administrative experience, specialization, the scientific qualification, and the school location variables, in the professional development for teachers. And to achieve objectives of study a questionnaire consisted of (48) items had been designed, distributed on five domains, they are (approaches, teaching methods, management of the educational process, human relations and communication and the self-duties professionally towards the teacher and supervision). Had been distributed on the sample of study amounting (92) male and female principals from the different territories of the north of the West bank. Results of study showed that the degree of the Secondary Schools principals' role in the professional development for teachers was high at the all five domains of study. Results also showed non-existence of differences with statistical significance ascribed to the variable of sex, years of administrative experience, and the location of school. The results showed existence of difference ascribed to the variable of specialization and for the interest of humanities. Also showed existence of differences ascribed to the variable of scientific qualification and for the interest of the post-graduate studies on the diploma at all domains, and for the interest of the post-graduate studies on the bachelor of arts in both domains of methodologies and ways of teaching and supervision. Also there are differences for the interest of bachelor of arts in both domains of human relations, communication and duties of the principal professionally towards the teacher.

And Al-Barakat and Al-Sneidi's study aimed at uncovering the technical performance for principals of childhood education schools in the teaching sufficiency's development at childhood education teachers in Al-Breimi zone in Oman Sultanate. And the sample of study consisted of (212) teachers for the scholastic year 2008-2009, and collect data a questionnaire had been prepared consisted of (60) items distributed on three domains, they are: planning, carrying out the lesson, and evaluation. The results of analyzing data showed that the technical performance of school principals in developing the teaching sufficiency at the childhood education teachers came within a "medium" degree on the level of all domains. The domain of the lesson carrying out had registered the first rank, the domain of evaluation in the second rank, but the domain of planning had come in the third rank.

Foreign studies:

(Clark, 200) did a study aimed at investigating the relationship between the level of practice of the school principal of the educational leadership functions and the degree of perception of the elementary stage of science teachers with their teaching effectiveness. The study was applied on a random sample from

science- teachers for classes (5-K) in the International Elementary school in the United States of America its populations (356) individuals. And the study employed both criteria of the educational leadership of the school principal, and the educational effectiveness in teaching sciences. And results of study showed existence of positive relationship with statistical significance between the school principals' practice to functions of the teaching leadership and effectiveness of educational science teachers. For teachers at schools that their principals discuss the teaching objectives, and review of the methodology of studying sciences, and support the concern of teachers with students' progress, and encourage them on using means and scientific tools in teaching them, acquiring skills and the new concepts, and reviewing results of evaluation to know the extent of students' progress achieved high levels in their educational effectiveness.

(Szal, 2010) prepared a study aimed at investigating the effect of behavior characteristics of the school principal at the degree of teachers' perception with the public and self- educational effectiveness. The study was applied on a random sample from teachers of (19) secondary, medium, and elementary school in the city of Oghdan in the American State of Yota with a population of (190) individuals. And the study employed both criteria of the public teaching effectiveness, and the self-educational effectiveness. And the most prominent results of the study represented in existence of differences with statistical significance at each of degrees of the public teaching effectiveness and the self-one at teachers, ascribed to the level of the school principal's practice of the behavioral dimensions for both transformational and teaching leaderships. For the behavioral dimensions of the transformational leadership for the school principal were explained at (%37.9) from the variation in degrees of the public teaching effectiveness at teachers, and (%40.3) from the variation in the self-teaching effectiveness. Also the behavioral dimensions of the teaching leadership of the school principal were explained at (20.4%) from the differences in degrees of the public teaching effectiveness at teachers, and (%32.2) from the differences at degrees of the self-teaching effectiveness at teachers.

Location of the present study from the previous studies:

It had been benefitted from the previous studies; the Arabic and the foreign from part of the theoretical literature and the employed tools, choice of the study methodology, like (O'wn's study, 2000), and (O'thman's study & et al, 2012). What distinguishes this study from the previous studies from the modern and few studies that tackled the subject of role of secondary schools principal in raising the level of the educational sufficiency of teachers, also the subject of this study is characterized with modernism and represents a pioneer trend in the contemporary administration, and shares in enhancing the school principal's role as an educational leader in effectively accomplishing the administrative functions.

Methodology of study and procedures:

Community of study: the community of study, in which the descriptive surveying method was employed, consisted of all male and female teachers, those who teach the secondary stage at public schools in the district of Wadi Al Sier Educational Directorate, who are still in service at schools the second studying semester of the year 2018-2019, their number amounts to (1311) male and female teachers, distributed on the secondary public schools in Wadi Al-Sier Educational Directorate, according to statistics of the Ministry of Education for the year 2018-2019.

The sample of study: a random sample had been taken, consisted of (200) male and female teachers, the table No. (1) clears that.

Table (1) Distribution of the sample of individual according to the scientific qualification and experience

Variable	Level	No.	Total
scientific qualification Experience	Diploma	20	200
	Bachelor	126	
	Postgraduate studies	54	
	Less than 5 years	38	200
	5 less than 10 years	67	
	10 yeares and more	5	

Tool of study:

The study aimed at getting acquainted with the role of the school principal in raising the level of the educational sufficiency for the secondary stage at public schools and the relationship of that with some variables. To achieve the objective of this study, and answer its questions the theoretical literature related with the subject of study, and the related previous studies had been referred to such as (O'won study, 2000) and (Al-Barakat and Al-Sneidi's study, 2012); for a questionnaire consisted of (20) items had been developed, and Dekart's Tripartita Scale had been employed as follows: at a great degree, a medium degree, and at a little degree.

Validity of tool:

The questionnaire had been shown on ten arbitrators in the domain of specialization, to be asserted of the tool from part of structure, safety of language and its clarity, and notes of arbitrators had been taken of them all.

Reliability of tool:

Tool of study had been asserted and reliable by employing the method of (test and retest), that is by applying it on (20) male and female teachers from outside the sample of study, and the coefficient of reliability amounted (0.86).

Variable of study: the study covered the following variables:

- a. The independent variables:** Role of the secondary schools principal.
- b. The medium independent variables:** the study covered the following medium independent variable:
 - The scientific qualification has three classes: (Diploma, Bachelor of arts and Post-Graduate Studies).
 - Experience, has three classes: (Less than (5) years, 5 to less than 10 years, 10 years and more).
- c. Subordinate variables:** Level of educational sufficiency for teachers of the public secondary stage.

Results of study and their discussion:

Showing the results related with the first question:

The answer the question: what is the role of the school principal in raising the level of the educational sufficiency for teachers of the secondary stage at public schools? The arithmetic means and the standard deviations had been counted for the role of the school principal in raising the level of the educational sufficiency for teachers of the secondary stage at public schools for each domain and item and the table (2, 3,4, 5) clear results of that, as follows:

The domains:

To clear the level of estimating the items of these domains, the arithmetic means and standard deviations, and the table (2) clear that.

Table (2) Arithmetic means and standard deviations the rank and the level of the role of school principal in raising the level of the educational sufficiency for the secondary stage teacher at public schools descendingly organized

No.	Domain	Arithmetic Mean	Standard Deviation	Rank	Level
1	Planning	2.08	.76	1	Medium
2	Class management	2.01	.88	2	Medium
3	Carrying out	1.92	.79	3	Medium
4	Evaluation	1.88	.76	4	Medium
The Whole Total		1.97	.79	-	Medium

It is clear from the illustrated results in table (2) that the role of the school principal in raising the level of the educational sufficiency for teachers of the secondary stage at public schools from the point of view of the sample of study individuals came at a medium degree, for the general medium amounted to (1.97), and a standard deviation (0.79) and this means that there is a role of schools principals in raising the level of educational sufficiency from the point of view of teachers, and that may be ascribed to the Ministry of Education concentrated its efforts on making the school principal a resident educational supervisor, and this trend had started since the First National Conference for the Educational Development concluded in (1987) that is by subordinating the principals to training courses in the different domain of the principal's work as a resident educational supervisor, especially developing teachers professionally, also that may be ascribed to that one of the school principal's tasks is getting acquainted with teachers' professional needs, and work on fulfilling them through making available opportunities of training and self-development for the teacher, and that can be achieved through concluding the educational meetings constant between the principals and teachers to urge them for self-development and training on effective administration, though the needs differ from a teacher to another and here begins the role of the principal in the follow up teacher who lacks to some sufficiency, and attempting the development of sufficiency, and may seek aid by some teachers with efficiency and experience, and do mutual visits during classes among teachers. And this and study had agreed with Magableh and Al-Mahdi's study (2007), and O'thman's& et al study (2012). The

domain of planning obtained the first rank.

And to be informed at a detailed form on the role of the school principal in raising the level of educational sufficiency for teachers of the secondary stage at public schools, it had been tackled according to the domains of the questionnaire, as follows:

The first domain: domain of planning:

To clear the level of estimating the items of this domain, the arithmetic means and the standard deviations, and the table No.: (3) clears that.

Table No.: (3) Arithmetic means and standard deviations and the rank of the items of planning domain descendingly organized

No.	Items	Arithmetic Means	Standard Deviation	Rank	Level
2	Assists in developing abilities in preparing the annual plan.	2.37	.81	1	High
1	Enhances satisfactions in significance of classes planning.	2.30	.80	2	Medium
4	Develops abilities to form educational objectives as results form.	2.03	.81	3	Medium
3	Assists in choosing objectives pliable to notice & measurement.	1.98	.70	4	Medium
5	Assists in time distribution of the seasonal plan	1.72	.71	5	Medium
Total Domain		2.98	0.76	-	Medium

It is clear from the illustrated results in table (3) that role of the school principal in raising the level of the educational sufficiency for teachers of the secondary stage at public schools in the domain of planning, came at a medium degree and at an arithmetic mean (2.08) and standard deviation (0.76) it is a value less than complete one, the thing that indicates the concern of the principal in knowing the needs of students and the individual difference among them and planning for observing them, and studying their problems with teachers and work on treating, and saving the assisting environment on learning.

And what relates with every statement of the guiding statements on the educational sufficiency for the domain of planning, all statements had come with the level of medium estimation; for their arithmetic means amounted (1.72-2.73), and the item (2) had come wording “assists in developing my abilities on preparing the annual plan” in the first rank, and that may be ascribed to that the school principal performs clearing the objectives and specifying them with teachers, and analyzing some studying units to enrich the approach and evaluating it, and preparing the opportunity to interaction of school with the local environment and exploiting its resources in activities related with the scholastic material, and the (5) came in the last rank, wording “assists in time of distribution of the terminal plan”. That may be ascribed to the principal of school to leave to the teacher the freedom of time distribution for the terminal plan in light of the teacher’s condition of classes, size of studying determination, and what cuts the teacher’s class. Therefore, the principal does not interfere in the distribution, but follows up what is achieved from these plans, and teachers are asked to prepare them, and they are allowed to be informed of the plans of their colleagues and specification from owners of experiences and efficiency. This study had agreed Al-Barakat& Al-Sneid’s study (2012).

The Third domain: domain of class managements:

To pin-point the level of estimating the items of this domain the arithmetic means and the standard deviations, and the table No. (4) clears that.

Table No.: (4) Arithmetic means and standard deviations, the rank of items of class management domain.. descendingly organized

No.	Items	Arithmetic Means	Standard Deviation	Rank	Level
6	Assists in developing the self-discipline at students.	2.13	.82	1	Medium
9	Directs to methods of solving problems inside the class.	2.09	.98	2	Medium
10	Instructing to means of planting values in students’ souls.	2.07	.85	3	Medium
8	Assists on using (scolding and rewarding) instead of (frightening and punishment).	1.93	.92	4	Medium
7	Reminds with significance of commitment to be a good model in front of students.	1.86	.87	5	Medium
Total domain		2.01	.88	-	Medium

It is clear from the illustrated results in table No. : (4) that the role of the school principal in raising the level of the educational sufficiency for teachers of the secondary stage at public schools in the domain of class management, came in a medium degree and at an arithmetic mean of (2.01) and a standard deviation of (0.88), it is a less value than a complete one, the thing that indicates on the secondary school principal entrusting care and concern with teachers by concentration on the teacher to be a model for students in saying and action in his behavior inside class and outside, and that may be ascribed to the democratic pattern of administration reflected by the principal on teachers, makes actions correspondent to his sayings and this is reflected in turn, on teachers, the thing that is passively reflected on students inside and outside class.

And what relates with organizing each statements of the guiding statements to the educational sufficiency for the domain of class management, all statements came with the level of medium estimation; for their arithmetic means amounted to (1.86 – 2.13). And the item (6) that words “assists the development of self-discipline technique at students” in the first rank, and that may be ascribed to concern of scholastic management by supervision of teachers in decisions-making either it was individuality concerns the teacher or collective for teachers themselves and all what concerns the educational process core, because in that is the interest of students and is reflected on their obtainment and belonging to the school, and this is what leads to train students on individual and collective decisions making. And significance of school principal differs in following up this domain by difference of experience, the efficiency of teachers and their qualifications, it is following the new teachers, and the teachers from whom students grumble. He can obtain the level of class- management through attending classes of teachers and following up that, and the item (7) came in the last rank that words on “reminds of the significance of commitment to be a good example in front of students”.

The second domain: domain of carrying out:

To clear the level of estimating items of this domain, arithmetic means and standard deviations had been employed, and the table (5) clears that.

Table No.: (5) Arithmetic means and standard deviations, and the level of items of the domain of carrying out descending organized

No.	Items	Arithmetic Means	Standard Deviation	Rank	Level
11	Assists on the how of motivation exciting at students.	2.18	.88	1	Medium
13	Develops skill of teaching facts, concepts and principles.	1.97	.73	2	Medium
15	Acquires observing the time distribution for elements of lesson.	1.89	.77	3	Medium
14	Assists observing the individual differences.	1.87	.88	4	Medium

12	Provides with styles of teaching develops innovation at students.	1.71	.77	5	Medium
Total Domain		1.92	.79	-	Medium

It is clear from results illustrated in table No. (5) that the role of the school principal in raising the level of the educational sufficiency for teachers of the secondary stage at public schools in the domain of carrying out, came at a medium degree and at an arithmetic mean of (1.92) and a standard deviation (0.79) It is a value less than complete one, that means harmony of the study community individuals in raising the level of the educational sufficiency for teachers of the secondary stage at public schools, in the domain of carrying out.

And what relates with organizing each statement of the guiding statements to the educational sufficiency for the domain of carrying out, all statements had come at a degree of medium estimation; for their arithmetic means amounted to (1.71 – 2.18). And the item (11) came wording on “assists on the how to excite the motivation at the students” in the first rank, and that may be ascribed to that technical supervising of the school principal as a resident educational supervisor at his school, demands of it the renewal process, development of the educational process, motivating teachers and encouraging them on creation and invention, and saving the professional development opportunities for them and improving their educational practices, and in the last rank came the item (12) that words on “it is provided with teaching styles growing innovation at students”. And that may be ascribed to the necessity of the school principal awareness of cognitions related with students’ psychology, methods of modern teaching, the how of directing teachers in adapting the approaches, and the extent of means validity with which teachers seek aid in teaching. And the school principal does organize a program to exchange class visits among teachers, and leads a discussion to develop methods and styles of teaching.

The fourth domain, domain of evaluation:

To clear the level of estimating items of this domain, the arithmetic means and the standard deviations had been employed, and table No. (6) clears that.

Table No.: (6) Arithmetic means and standard deviations, and the rank of items of the evaluation domain descending organized

No.	Items	Arithmetic Means	Standard Deviation	Rank	Level
17	Acquires ability to evaluate product of students' education in domains (cognitive emotional skillful).	2.04	.83	1	Medium
20	Assists in preparing improved article tests uncovering places of weakness at students.	1.95	.73	2	Medium
18	Provision with how forming the perseverant questions.	1.93	.76	3	Medium
16	Raises ability to connect evaluation with objectives.	1.91	.74	4	Medium
19	Assists variation of evaluation tools to achieve the best results.	1.58	.76	5	Medium
Total Domain		1.88	.76	-	Medium

It is evident from the illustrated results in table (6) that the role of school principal in raising the level of the educational sufficiency for teachers of the secondary stage at public schools in the domain of evaluation, came at a medium degree and at an arithmetic mean (1.88), and a standard deviation (0.76) and it is a value of less than a complete one, the thing that guides to evaluation benefits as means of feedback, through which teachers recognize the system at the most success full styles and educational means that can be offered in raising the level of students, and this domain specifically for the principal to be at a progressive level in the domain of analogue.

And what relates with organizing each statement of the guiding statements on the educational sufficiency for the domain of analogue, all statements came at a medium estimation degree; for their arithmetic means amounted to (1.58- 2.04). And the item (17), that words "acquires ability to evaluate product of students' learning in the domains (cognitive, emotional and skillful) in the first rank, and that may be ascribed to that the system of evaluating the performance achieves great benefits for each of principals and those associations in which the principals work, where they share in developing the self-abilities of teachers being enlightened by the sides of their weakness and they guide them automatically on treating weakness at them, and assists in raising teachers' morale, who are distinguished with the level of high performance, accessibility of human relations among teachers, and in the last rank came the item (19) that words "assists variation of evaluation tools to achieve the best results". And that can be ascribed that the school principal does not greatly share in deducing the treatment of mistakes and solution of problems that handicap the accomplishment of objectives. And specifically what relates with variation of questions with

the selected answer with its types, or with the formed answer with its types too. Also he does not practice his role at a good form in preparing the oral tests, and perhaps for fewness of practice by teachers.

Show of results related with the second question:

To answer the question: “Are there differences with statistical significance at the level of significance ($\alpha \leq 0.05$) among the arithmetic settings of the school principals role in raising the level of educational sufficiency for teachers of the secondary stage at public schools ascribed to experience, and the scientific qualification? “the t-test for the independent samples, and test of ANOVA variation analysis for the level of study variable had been employed, and table (7) clears that.

To pin-point the level of this variable arithmetic means and standard deviations had been employed, and table (7) clears that.

Table (7) Arithmetic means and standard deviations for the role of the school principal in raising the level of the educational sufficiency for teachers of the secondary stage at public schools according to experience variable

Domain	Experience	Arithmetic Mean	Standard Deviation
Planning	Less than 5 years	2.40	0.48
	from 5 to less than 10 years.	1.73	0.59
	Ten years & more	2.53	0.35
	Total	2.07	0.64
	Less than 5 years	2.35	0.50
Carrying out	From 5 to less than 10 years	1.64	0.60
	Ten years & more	2.27	0.42
	Total	1.93	0.63
	Less than 5 years	2.52	0.57
Class Management	From 5 to less than 10 years	1.69	0.69
	Ten years & more	2.32	0.62
	Total	1.99	0.74
	Less than 5 years	2.24	0.66
	From 5 to less than 10 years	1.56	0.63
Evaluation	Ten years & more	2.14	0.62
	Total	1.83	0.70

Total Degree	Less than 5 years	2.38	0.49
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Domain	Experience	Arithmetic Mean	Standard Deviation
Planning	Less than 5 years	2.40	0.48
	from 5 to less than 10 years.	1.73	0.59
	Ten years & more	2.53	0.35
	Total	2.07	0.64
	Less than five years	2.35	0.50
Carrying out	From 5 to less than 10 years	1.64	0.60
	Ten years & more	2.27	0.42
	Total	1.93	0.63
Class Management	Less than 5 years	2.52	0.57
	From 5 to less than 10 years	1.69	0.69
	Ten years & more	2.32	0.62
	Total	1.99	0.74
	Less than five years	2.24	0.66
	From 5 to less than ten years	1.56	0.63
Evaluation	Ten years & more	2.14	0.62
	Total	1.83	0.70
	From 5 to less than ten years	1.66	0.59
	Ten years and more	2.32	0.44
	Total	1.96	0.63

Table (7) clears existence of superficial differences among arithmetic means for the role of school principal in raising the level of educational sufficiency for teachers of the secondary stage at public schools due to variable of experience; for class of (less than five years) obtained the total degree in the highest arithmetic mean (2.38), meanwhile the class of (ten years and more) obtained an arithmetic mean of (2.32), and finally the arithmetic mean of (from 5 to less than ten years) the arithmetic mean came (1.66), and to specify if there were difference among the means with statistical significance at the level of significance ($\alpha=0.05$) (the one way ANOVA) analysis had been applied, and results of the one way ANOVA came as follows in table (8).

Table (8) Analyzing the one way ANOVA for differences among the arithmetic means for the role of the school principal in raising the level of the educational sufficiency for teachers of the secondary stage at public schools according to the variable of experience.

Domain	Source of Variation	Total of Squares	Degrees of Freedom	Medium of Squares	Value of F.	Level of Significance
Planning	Among group	52.113	2	20.058	100.809	0.000
	Inside group	89.690	347	0.258		
	Total	141.802	349			
Carrying Out	Among group	37.271	2	18.636	64.500	0.000
	Inside group	100.256	347	0.289		
	Total	137.527	349			
Class Management	Among group	41.044	2	20.522	47.693	0.000
	Inside group	149.313	347	0.430		
	Total	190.358	349			
Evaluation	Among group	31.773	2	15.886	39.614	0.000
	Inside group	139.158	347	0.401		
	Total	179.930	349			
	Among group	39.986	2	19.993	70.923	0.000
	Inside group	97.818	347	0.282		
	Total	137.803	349			

Table (8) clears existence of differences with statistical significance in teachers' answers for individuals of study sample on the role of school principal in raising the level of educational sufficiency for teachers of the public secondary stage due to the variable of experience, depending on the counted (F.) value for it amounted to (70.923), and at a level of significance (0.000) for the collective degree, also existence of differences with statistical significance at level of ($\alpha=0.000$) in the study individual answers on the role of the school principal in raising the level of the education sufficiency for teachers of the public secondary stage due to each domain of the domains of (planning, carrying out, class management, and management), and for the sake of a returning cognition of differences, applying Shefe' for dimensional contractions, and table (9) clears that.

Table (9) Shefei Test for differences among arithmetic means for the role of school principal in raising the level of educational sufficiency for teachers of the secondary stage at public schools

due to the variable of experience

Domain	Experience	Arithmetic	10 years & More	Less than 5 years	5 to less than ten years
Planning		Mean	2.53	2.40	1.73
	Ten years and more	2.53	-	0.13	*0.80
	Less than five years	2.40		-	*0.68
	From 5 to less than 10 years	1.73			
Carrying out	Experience	Arithmetic	Less than 5 years	Ten years & more	From 5 to less than 10 years
		Mean	2.35	2.27	1.64
	less than five years	2.35	-	0.08	*0.71
	Ten years and more	2.27		-	*0.63
	From 5 to less than	1.64			-
	Experience	Arithmetic mean	Less than 5 years	Ten years & more	From 5 to less than ten years
			2.52	2.32	1.69
Class Management	Less than 5 years	2.52	-	0.20	*0.83
	10 years & more	2.32	-	-	*0.63
	From 5 to less than 10 years	1.69			-
	Experience	Arithmetic mean	Less than 5 years	Ten years & more	From 5 to less than ten years
		2.24	2.14	1.56	
Evaluation	Less than 5 years	2.24	-	0.10	*0.68
	10 years & more	2.14	-	-	*0.58
	From 5 to less than 10 years	1.56			-
	Experience	Arithmetic mean	Less than 5 years	Ten years & more	From 5 to less than ten years
		2.38	2.1432	1.66	
	Less than 5 years	2.38	-	0.06	*0.72
	10 years & more	2.32	-	-	*0.66

	From 5 to less than 10 years	1.66			-
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* The difference statistically at level of (0.05).

Table (9) clears that the difference was for the interest of the class (less than 5 years) and (10 years and more) at comparing it with class (from 5 to less than ten years), in the collective, and in the following domains: (planning, carrying out, class management – and evaluation).

Scientific Qualification:

The arithmetic means and standard deviations had been counted to the role of school principal in raising the level of the educational sufficiency for teachers of the secondary stage at public schools due to the variable of the scientific qualification, and table (10) clears that.

Arithmetic means and standard deviations for the role of school principal in raising the level of educational sufficiency for teachers of the secondary stage at public schools due to the variable of scientific qualification.

Domain	Scientific Qualification	Arithmetic Mean	Standard Deviation
Planning	Diploma	2.18	0.59
	Bachelor of Arts	1.91	0.66
	Post- Graduate Studies	2.54	0.27
	Total	2.07	0.64
Carryout Out	Diploma	1.92	0.69
	Bachelor of Arts	1.87	0.64
	Post- Graduate Studies	2.19	0.33
	Total	1.93	0.63
Class Management	Diploma	2.01	0.71
	Bachelor of Arts	1.92	0.76
	Post- Graduate Studies	2.29	0.62
	Total	1.99	0.74
Evaluation	Diploma	1.82	0.68
	Bachelor of Arts	1.76	0.71
	Post- Graduate Studies	2.15	0.62
	Total	1.83	0.70
	Diploma	1.99	0.63

	Bachelor of Arts	1.87	0.65
	Post- Graduate Studies	2.30	0.41
	Total	1.96	0.63

Table (10) clears existence of superficial differences among arithmetic means for the role of school principal in raising the level of educational sufficiency for teachers of the secondary stage a public schools due to the variable of the scientific qualification, for the class of (Post Graduate Studies) in the collective degree on the highest arithmetic mean (2.30), and finally the arithmetic mean (bachelor of arts) (1.87), and to specify what if differences were among means with statistical significance at the level of significance ($\alpha=0.05$) (the one way ANOVA) had been applied, and results of the variation analysis came as follows illustrated by the following table:

Table (11) Analysis of the (one way ANOVA) for the differences among the arithmetic means for the role school principal in raising the level of educational sufficiency for teachers of the secondary state at public schools due to the variable of the scientific qualification.

Domain	Variation Source	Total of Squares	Freedom Degrees	Squares Medium	F. Value	Significance Level
Planning	Among Group	17.281	2	8.641	24.079	*0.000
	Inside Group	124.521	347	0.359		
	Total	141.802	349			
Carrying Out	Among Group	4.068	2	2.034	5.289	*0.005
	Inside Group	133.459	347	0.385		
	Total	137.527	349			
Class Management	Among Group	5.282	2	2.631	4.932	*0.000
	Inside Group	185.096	347	0.533		
	Total	190.358	349			
Evaluation	Among Group	5.660	2	2.830	5.942	*0.000
	Inside Group	165.271	347	0.476		
	Total	170.930	349			
	Among Group	7.318	2	3.659	9.730	*0.000
	Inside Group	130.485	347	0.376		
	Total	137.803	349			

Table (11) clears existence of differences with statistical significance at the level ($\alpha=0.05$) in answers of the sample of study on role of the school principal in raising the level of educational sufficiency for teachers of the secondary stage at public schools due to the variable of the scientific qualification, leaning on the counted F. value, for it amounted (9.730), and at a level of significance (0.000) for the collective degree, and also existence of differences with statistical significance at the level of ($\alpha= 0.05$) in answers of study individuals on the role of school principal in raising the level of educational sufficiency for teachers of secondary stage at public schools due to the variable of the scientific qualification at all domains, and for the sake of return to cognition of differences, Shefei test for the dimensional comparisons, and the following table clears that.

Table (12) Shefei test for the differences among the arithmetic means of the role of school principal in raising the level of the educational sufficiency for teachers of the secondary stage at public school due to the variable of scientific qualification.

Domain	Scientific Qualification	Arithmetic Mean	Post-Graduate Studies	Diploma	Bachelor of Arts
Planning			2.54	2.18	1.91
	Post-Graduate Studies	2.54	-	*0.36	*0.63
	Diploma	2.18		-	*0.27
	Bachelor of Arts	1.91			
Carrying Out	Scientific Qualification	Arithmetic Mean	Post-Graduate Studies	Diploma	Bachelor of Arts
			2.19	1.92	1.87
	Post-Graduate Studies	2.19	-	*0.27	*0.32
Class Management	Diploma	1.92		-	0.05
	Bachelor of Arts	1.87			-
	Scientific Qualification	Arithmetic Mean	Post-Graduate Studies	Diploma	Bachelor of Arts
			2.29	2.01	1.92
	Post-Graduate Studies	2.29	-	*0.28	*0.37
	Diploma	2.01		-	0.09
	Bachelor of Arts	1.92			-
Evaluation	Scientific Qualification	Arithmetic Mean	Post-Graduate Studies	Diploma	Bachelor of Arts
			2.15	1.82	1.76

	Post-Graduate Studies	2.15		*0.32	*0.39
	Diploma	1.82		-	0.06
	Bachelor of Arts	1.76			-
Collective Degree	Scientific Qualification	Arithmetic Mean	Post-Graduate Studies	Diploma	Bachelor of Arts
			2.30	1.99	1.87
	Post-Graduate Studies	2.30		*0.31	*0.43
	Diploma	1.99		-	0.12
	Bachelor of Arts	1.87			-

Table (12) clears that the differences were for the interest of class (Post Graduate Studies) (Diploma) in the collective degree, and in all the following domains: (planning, carrying out, class management, and evaluation).

Recommendations:

In the following, the researcher, provides a group of recommendations emerged from results of study:

1. Necessity of performing training courses for principals by the Ministry of Education, the Directorate of Qualification, Training and Educational Supervision, in what relates with developing an effective strategy for the educational supervision through raising the efficacy of the educational supervision in developing the educational process, by renewing its concept, structure, techniques and procedures, and enhancing cooperation and integration between the role of the specialized educational supervisor, and the principal of school, resident with what achieves a qualitative transference in the educational process.
2. Review of programs of training teachers in the Ministry of Education during the service so as the programs are evaluated to fulfill the training needs of teachers.

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THE LINK BETWEEN HIGHER EDUCATION SERVICE QUALITY, STUDENT SATISFACTION, STUDENT LOYALTY AND UNIVERSITY IMAGE IN VIETNAM: A RESEARCH FRAMEWORK

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Abstract

The association between higher education service quality and student satisfaction has increasingly received academic attention. The purpose of the study is to design a research framework for discovering the relationship between higher education service quality, university image, student satisfaction and student loyalty in Vietnam. In the current study, higher education service quality is measured by SERVQUAL model. Designed questionnaires are distributed to the target respondents who are undergraduate students studying at Vietnamese public universities. Online and offline survey are both made to gather the data. SPSS and AMOS will be utilized to process and analyze the collected data to examine the relationship between higher education service quality, university image, student satisfaction and student loyalty in public universities in Vietnam.

Keywords: Student Satisfaction, Student Loyalty, University Image, Higher Education Service Quality.

Introduction

Background of the Study

In the past, education has been seen purely as a non-commercial, non-profit activity. Today, under the influence of external factors and in particular the impact of the market economy, education is seen as an 'education service' in which clients (students and parents) can invest and choose the best service provider (university). Schools, therefore, need to focus on the quality of service to improve student satisfaction in order to survive and thrive (Lien, 2016). The education sector is currently one of the most necessary sectors of the economy. The university education system has undergone a chief transformation and reform, addressing the increasing position of the information and communication revolution and the demand for knowledge, which reflect the new challenges of globalization (Salmi, 2001; Marginson, 1998). Due to the increased competition in the market for education services, higher education institutions place more emphasis on student satisfaction (Farahmandian, Minavand & Afshardost, 2013). Universities strive to develop strategies to engage students and create effective learning environments that link academic success with concepts such as high job opportunities and high graduate salaries (DeShieldsJr, Kara et al. 2005, Helgesen and Nettet 2007). Besides, universities can achieve student satisfaction through the provision of

excellent educational service values, and it is an integral part of ensuring a sustainable competitive advantage in today's educational services market (Huang, Binney, et al. 2012).

According to Arokiasamy (2012), organizations and firms need to emphasize quality as one of the most crucial elements in their operation to retain loyal customers. The failure of an organization to meet its customers' expectations is one of the main reasons why it has underperformed its industry competitors (Zeithmal et al., 1996). Thus, if they do not understand the expectations and desires of their customers, they are bound to fail. Organizations, irrespective of their area of activity, focus on the quality of service provided because it plays an integral role in developing a competitive advantage and attracting new and existing customers (Ugboma et al., 2007). Similarly, in the context of higher education, the provision of quality services is one of the most important priorities for educational institutions in the world (Trivellas and Geraki, 2008). Educational institutions are using different marketing strategies to attract more and more students. Higher education is playing an increasingly important role in the economic development of many countries, and Vietnam is no exception.

Problem Statement

Educational institutions were born to meet the needs of customers with many different training models: from formal, in-service, specialized to inter-connected, distance training ... (Chau & Chau, 2013). Since then, many problems have arisen such as poor quality of training, inadequate graduates to meet the needs of human resources, degradation of school ethics, and inappropriate teaching programs (Kien, 2006). These issues have appeared more and more in the newspaper, on news programs as well as on other mass media, which leads to confusion for the public, especially when parents choose the school for their child to attend.

One of the key factors for the existence and development of business units in general and units in the education sector is, in particular, customer satisfaction with the quality of products and services. Quality shall be assessed by the customers who use it, not by technical standards, quantity according to regulations (Hung and Dung, 2014). Thus, in the education sector, the assessment of the quality of service through customer opinions, in which the customer-focused (student) is becoming very necessary. According to Kimani, Kagira, and et al. (2011), little research has been done on the level of students' perception of service quality. On the other hand, research in developing countries on students' perception of service quality is generally focused on students in private institutions and universities and not on those in public universities. There is also available literature on student research that promotes the perception of service quality (Sapri, Kaka & Finch, 2009). However, most of these studies are conducted on the quality perception among students in developed countries such as the United Kingdom, Australia, New Zealand, and the United States. As you can see, there is little or no literature on the same concept in developing countries (Athiyaman 1997, Oldfield and Baron 2000, Joseph, Yakhou, et al. 2005, Kao 2007, Hasan, Ilias, et al. 2009).

In recent years, quality assessment has become a global movement, including South East Asia in general and Vietnam in particular. Depending on the higher education model, each country can apply different methods of quality assessment and management (Toan, 2007). However, there are two commonly used approaches to quality assessment in the world: colleague assessment and product assessment. In which the colleague assessment focuses on the input assessment and training process, while the product assessment

is based on a set of performance indicators and focuses on the satisfaction of stakeholders. This set of indicators makes it possible to monitor the quality of higher education every year, not too time-consuming and complicated as peer assessment, and can be done simultaneously on a national scale. The method of product assessment is widely used in the United States, North America and Europe because the data collected by the performance indicators help to confirm the validity of the quality standards (Dung, 2010).

Regardless of the number of studies carried out, only limited literature is available regarding education and quality within higher education institutions in Vietnam. It is necessary to recognize factors that affect the degree of student satisfaction with the quality of higher education services. In addition, research papers need to identify explicitly the relationship between student satisfaction and student loyalty, and university image. Therefore, this research examines the effect of higher education service quality on student satisfaction, student loyalty, and university image - a study of students studying at a public Vietnamese university.

Objectives of the Study

The study aims to contribute to the knowledge base by inquiring into the impact of higher education service quality on student satisfaction, student loyalty, and university image. More specifically, the research focuses on the following objectives:

- To discover the determinants of student satisfaction.
- To determine the relationship between higher education service quality, student satisfaction, student loyalty, and university image.

Literature Review

Service Quality in Higher Education

Service quality is a broad and complex category, reflecting the synthesis of economic, technical, and social content. Because of this complexity, there are many different concepts of quality today. The concept of quality is understood in different ways depending on the approach. Each approach has its scientific basis to address certain objectives and tasks in practice (Bobby, 2014; Cullen, Joyce, Hassall, & Broadbent, 2003; Kemenade, Pupius, & Hardjono, 2008). According to ISO 8402, quality is "the totality of features and characteristics of a product or service that bear on its ability to satisfy stated or implied needs". Service quality according to Parasuraman et al. (1988) is "the discrepancy between consumers' perceptions of services offered by a particular firm and their expectations about firms offering such services". Service quality can be understood as customer satisfaction measured by the difference between the quality expected and the quality achieved.

The quality of higher education is defined very differently from time to time and among those concerned: students, teachers, employers, sponsoring institutions, and accreditation agencies (Burrows and Harvey, 1993), and in many contexts, it depends on the socio-economic development status of each country. Among the various definitions of the term 'quality of higher education' by many authors, the definition of Harvey and Green (1993) is more general and systematic. They address five aspects of higher education quality: "quality can be viewed as exceptional, as perfection (or consistency), as fitness for purpose, as value for money and as transformative" (Harvey & Green, 1993).

Based on the service quality model of Parasuraman et al. (1985), Parasuraman et al. introduced a

SERVQUAL scale consisting of 10 dimensions for service quality: tangibles, reliability, responsiveness, competence, courtesy, credibility, security, access, communication, and understanding the customer. This scale covers almost every aspect of the service, but it shows that measurement is complex, not reaching the discriminatory value in some cases. Therefore, these researchers propose a SERVQUAL model consists of five dimensions: reliability, tangibles, responsiveness, assurance and empathy.

Reliability

According to Parasuraman et al. (1985), Parasuraman et al. (1988), and Parasuraman et al. (1994), reliability means that organizations are performing a service correctly for the first time. It also shows that organizations strive to deliver on promises and pay attention to results. Reliability has been classified as the first dimension of the SERVQUAL service quality model. The Lam studies (2002) ranked reliability as the first dimension in service quality model.

Tangibles

Parasuraman et al. (1985), Parasuraman et al. (1988), and Parasuraman et al. (1994) describe tangibles as physical facilities (equipment, personnel, and communications materials). It is the visible image of the service that consumers could use to determine the service's efficiency. Tangibles are connected with the physical structures, tools, and machines used to deliver the service, as well as service representations. Parasuraman et al. (1988) argued that tangibles are of the same value as empathy. The authors argued that the reliability dimension could include overdraft privileges (Agbor, 2011). Sharmin, Tasnim & Shimul (2016) see tangibles as a distinct feature, showing consistency across cultures.

Responsiveness

Parasuraman et al. (1994) pointed out that the responsiveness of willing workers includes telling clients precisely when things are going to be done, giving them full attention, offering relevant, and responding to their requests. Responsiveness was classified as the third dimension in SERVQUAL 1994 model.

Assurance

Parasuraman, Zeithaml & Berry (1994) defined assurance as "employees' courtesy and knowledge, and their capacity to transfer confidence and trust to customers". The opinions of researchers on the ranking of assurance among service quality dimensions vary. Assurance ranks first according to Gronroos (1988), while the author of Reassessment of expectations as a comparison standard on measuring service quality: Implications for further research (1994) ranks fourth. Assurance means keeping customers informed in their native language and listening to them, irrespective of their educational level, age, and nationality. Parasuraman et al. (1994) also state that assurance indicates employee's attitudes, behavior, and ability to provide friendly, confidential, courteous, and competent services.

Empathy

Customers want to feel that the organization providing services has made them a priority. As defined by Parasuraman, Zeithaml & Berry (1994), empathy means helping, paying special treatment, and offering services to clients. The core of empathy is to convey the feeling that the customer is special and unique. Parasuraman et al. (1994) claimed that quantitative research that identified service quality model dimensions used safety, credibility, and access to empathy measurement.

Student Satisfaction

As stated by Juran (1991), customer satisfaction is “the state achieved when service or product features respond to customer needs and when the company meets or exceeds customers” expectations over life time of a product or service”. Besides, Kotler and Clarke (1987) characterize satisfaction as the state perceived by an individual who has experience of performance or a result that meets his/her expectations. Satisfaction depends on the relative level of expectations and the perception of performance. Expectations may go further before students enter higher education, suggesting that it is important for researchers to pre-define what students expect before entering college (Palacio et al., 2002). On the other hand, Carey, Cambiano, and De Vore (2002) believe that real satisfaction implies difficulty in the perception and experience of students during their university years.

While most student satisfaction research focuses on customer perspectives, researchers are faced with the challenge of creating a standard definition of student satisfaction, thus selecting and modifying the theoretical need for customer satisfaction to explain the meaning of student satisfaction (Hom, 2002). Although it is risky to consider students as clients, given the current atmosphere of the higher education market, there is a new ethical prerogative that students must become "customers" and thus, as payers, can reasonably demand that their views be heard and acted upon (William, 2002).

Student Loyalty

Customer loyalty is manifested in a variety of ways, including a commitment to buyback or patronizes the favorite product/service (Oliver, 1997; Reichheld & Sasser, 1990; Dick & Basu, 1994). Oliver (1997) defined loyalty as “a deeply held commitment to rebuy or re-patronise a preferred product or service consistently in the future, despite situational influences and marketing efforts having the potential to cause switching behavior”. Student loyalty has both a short-term and long-term impact on the educational institution. Loyal students have a positive influence on quality teaching through active participation and committed behavior (Rodie & Kleine, 2000). They are probably good advocates, recommending the institution to others. In addition, an increasing number of former students are returning to higher education institutions in order to update their knowledge (Marzo-Navarro et al., 2005).

University Image

For Kotler and Fox (1995), an image is an overall impression that a person has of an object. It may be based on incomplete information and may be received in different ways, depending on the client's perspective. An organization does not have a fixed message, but it has many images (Dowling, 1988). In this context, Landrum et al. (1998) and Arpan et al. (2003) defined university image as “the sum of all the beliefs an individual has towards the university”. The image can be interpreted as positive, neutral, or negative for the organization (Kazoleas et al., 2001). In recent years, many researchers have studied the impact of the organization's image. Palacio et al. (2002) and Helgesen & Nasset (2007) investigated the impact of image on the behavior of customers in universities and recognized that the university image could represent a valuable asset in today's competitive education sector.

Service Quality and Student Satisfaction

Service quality is an indicator of an organization's competitiveness (Parasuraman, Zeithaml & Berry, 1985; Parasuraman et al., 1988). Service performance is seen as the strategic weapon leading to customer

satisfaction in a service industry (Ladhari, Souiden, Ladhari, 2011). Therefore, organizations can gain a competitive advantage by providing superior service quality (Ladhari, Souiden, Ladhari, 2011). Parasuraman et al. (1988) argued that customers judge the difference in service quality between what they are looking for according to their needs and expectations and the actual services they receive. Parasuraman et al. (1985) and Parasuraman et al. (1988) proposed a SERVQUAL model to fill the gap between customer expectations and perceptions and actual service performance. There are five dimensions to measure service quality: reliability, tangibles, responsiveness, assurance and empathy.

Many researchers state that the service quality of universities has a positive impact on student (consumer) satisfaction (Naik et al., 2010; Spreng and Mackoy, 1996; Sureshchandar et al., 2002; Lewicka, 2011). It can be concluded that when the customer has a good rating of the university's services, their tendency to be satisfied is higher. Therefore, based on the above arguments, the following hypothesizes are proposed:

H1: Reliability positively influences student satisfaction in higher education service quality.

H2: Tangibility positively influences student satisfaction in higher education service quality.

H3: Responsiveness positively influences student satisfaction in higher education service quality.

H4: Assurance positively influences student satisfaction in higher education service quality.

H5: Empathy positively influences student satisfaction in higher education service quality.

Student Satisfaction and University Image

According to the studies of Bloemer and de Ruyter (1998), customer satisfaction has a significant effect on the image and indirectly affects customer loyalty. Besides, Nguyen and Leblanc (1998) mention that satisfaction does not directly affect the organization's image. A high level of customer satisfaction does not necessarily lead to a favorable corporate image. This contradicts the majority of the literature that the organization image is a function of the cumulative effect of (not) satisfaction (Oliver & Linda, 1981). However, in the study of Nguyen and Leblanc, satisfaction with the perceived value of service has a direct effect on the image. Meanwhile, a study conducted by Alves involving Portuguese students found that university image not only affects student loyalty but also affects student satisfaction. Regarding the literature review above, the next hypothesis is formulated as follows:

H6: Student satisfaction has a positive influence on university image.

Student Satisfaction and Student Loyalty

Numerous authors have investigated that satisfaction can increase the predictor of student loyalty (Athiyaman, 1997; Henning - Thureau & et al., 2001; Schertzer & Schertzer, 2004; Marzo – Navarro & et al., 2005b; Helgesen & Nettet, 2007; Brown & Mazarol, 2009, Mohamad, 2009). Besides, there is a significant positive correlation and a strong influence between student satisfaction and student loyalty. It has also been found that the relationship between satisfaction and loyalty is linear, as satisfaction increases, loyalty increases (Douglas & et al., 2006). Student satisfaction is believed to have a positive impact on student loyalty and the performance of an educational institution in the long-term (Kotler and Fox, 1995; Zeithaml, 2000; Helgesen, 2006). Dissatisfied students may reduce the number of courses or drop out of college entirely. As a result, student satisfaction or dissatisfaction leads to the intention of staying or leaving school, which in turn leads to retention or decline (Kara & De Shields, 2004). This means that student satisfaction

has a key premise and is the main driving force behind student loyalty (Thomas, 2011). From there, the following hypothesis is developed:

H7: Student satisfaction has a positive effect on student loyalty

Student Loyalty and University Image

The good image of an organization can be useful in a competitive marketplace because it can distinguish one organization from other competitors (Mohamad, 2009). Images always appear to be one of the variables that have the greatest direct impact on customer loyalty (Alves & Raposo, 2007), while students are customers in the education sector. According to the research papers of Helgesen & Nesset (2007), Mohamad (2009), Brown & Mazzarol (2006), the image of the university has a direct and positive effect on student loyalty. Researchers have realized that building a university image is very important because a good image will create student loyalty. Student loyalty will increase if they feel good about the university image and the program they are attending, and vice versa (Le Dan & Nguyen Thi Trang, 2011; Yang Wang, 1994). When students have a poor view of their university, they have no intention of promoting the school to others or of attending master programs. Hence, the below hypothesis is established:

H8: University image has a positive effect on student loyalty

Methodology

Sample, Sample Size and Sampling Method

Convenient sampling technique will be used to get feedback from the study target respondents, who are undergraduate students studying at public universities in Ho Chi Minh City, Vietnam. The questionnaires are distributed to students in various majors including economics and business administration, computer science, engineering, and other disciplines.

As mentioned by Comfrey & Lee (1992), the sample size should be on the following scale: “50-very poor; 100-poor; 200-fair; 300-good; 500-very good; 1000 or more- excellent”. Due to limited time and resources, the number of students included in the present study is 200. All respondents are conveniently approached and will be introduced to the current study. Besides, the respondents agree to participate voluntarily in the survey.

Data Process and Analysis

SPSS and AMOS will be used to process the gathered data. Analysis content is classified into descriptive statistics, reliability, validity, correlation, and model testing. With the use of SPSS and AMOS, a two-step approach in structural equation modeling (SEM) will be used to continue processing the data (Anderson and Gerbing, 1988). Besides, to check the validity and reliability of the data, Cronbach's Alpha also applies. Additionally, factor analysis (Exploratory Factor Analysis – EFA) will be conducted to obtain the number of factors that can explain the maximum variance in the data. Furthermore, Confirmatory Factor Analysis (CFA) will be done to validate the measures and SEM will be performed to test the theoretical model. According to Anderson and Gerbing (1988), the CFA should be adjusted primarily to check the quality of the metrological structure. It can be inferred that any measurement problems that exist in the measurement model will be left to avoid affecting the overall model suitability in the SEM. Then, the SEM analysis is used to estimate the suitability of the desired model.

Measurement Scale

The study adapts the SERVQUAL scale of Mostafa (2006), which was originally designed for the higher education sector. Mostafa's (2006) SERVQUAL scale was developed as a merge of the original SERVQUAL scale (Parasuraman, Zeithaml, & Berry, 1988) with importance-performance (I-P) analysis developed by Martilla and James (1977) for assessing service quality. The I-P approach has been argued as "the most appropriate way" of measuring service quality in the education sector and could provide valuable input to marketing strategies for educational institutions (Ford, Joseph, & Joseph, 1999; Joseph & Joseph, 1997). Student satisfaction is assessed using the measurement scale developed by Athiyaman (1997); university image is measured by the scale designed by Helgesen and Nettet (2007); student loyalty is measured in terms of 3 items developed by Bobalca et al. (2012) and Kang et al. (2013).

Conclusion

Service quality in higher education is one of the key determinants of student satisfaction and thus the success of higher education institutions. The present study aims to establish a research model for exploring the link between higher education service quality, university image, student satisfaction and student loyalty in a developing country that is Vietnam. In the study, SERVQUAL scale designed by Mostafa (2006) is adapted to measure higher education service quality. Undergraduate students who are studying at Vietnamese public universities will be asked to complete the questionnaires. Necessary data will be gathered using convenient sampling method. The collected data is then processed and analyzed utilizing SPSS (Statistical Package for the Social Sciences), and AMOS (Analysis of a Moment Structures) statistical in order to investigate the relationship between higher education service quality, university image, student satisfaction and student loyalty in Vietnamese public universities.

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RESEARCH ON DIVIDEND POLICY DETERMINANTS: EVIDENCE FROM NON-FINANCIAL FIRMS IN ZIMBABWE

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ABSTRACT

The study investigates the dividend policy determinants using a sample of 26 Non-Financial Firms in Zimbabwe over the period 2011–2020. The research focuses on variables that affect the dividend per share. These variables include Risk, firm Size, leverage, investment opportunities, free cash flows, profitability, and liquidity. The study used the Financial Statements of Non-Financial Firms in Zimbabwe found on Zimbabwe Stock Exchange. The research outcome concluded that Non-Financial Firms which are significant in Size would pay more and consistent dividends. (ROE) Return On Equity reflected a positive and significant relationship with dividend payments, and this means that profitable firms will pay constant and more considerable dividends per share. Firms' liquidity had a negative and insignificant relationship with dividend per share, and it means liquidity position can not solve the problems of free cash flows. Leverage was negative and significant and signposted that a firm with high debt to Equity does not guarantee a high dividend per share. Investment Opportunities had a negative relationship with dividend per share. Free Cash Flows had a positive and significant relationship with dividend per share, which signposts that firms with free cash flows can pay more cash dividends. The research followed theories with effect on dividend policy, and these are pecking order, a bird in the hand, Dividend relevance, and signaling approach.

Key Words : Dividend Policy, Dividend Determinants, DPS, ZSE

1. Introduction

Successful companies earn income, which is for different purposes. This income is for acquiring securities, operating assets, distributed to shareholders, or retiring debt. Potential investors and shareholders look into firms' capability of paying dividends. Dividend policy is essential for stakeholders and investors who value a company's profit stability. A dividend policy that is high and regular indicates the well-being of a firm. As a result, a rise in dividends may show how well a firm performs. Therefore, previous researches have tried to solve the dividend policy puzzle. Firms pay dividends to shareholders is an ongoing investigation Fischer (, 1976) and Frankfurter (1999). Thus, an approach with different reasons for explaining dividend policy is advanced in the literature review. However, scholars and researchers have not reached a general agreement about these reasons and they agree that dividend policy is essential since it is considered one of the world's most observed phenomena. However, dividend policy is vital to all companies. For the past years, examining markets and economies emerging has been worthier than others because of the higher limitations to the studies caused by high fluctuations.

The study will examine the factors used in the literature review to explain dividend policy. The objective of the study is to Determine the current dividend policy situation among Non-Financial Firms on the Zimbabwe Stock Exchange

(ZSE) and ascertaining the dividend policy determinants of Non-Financial Firms listed on ZSE. However, the study will also seek to test the effects of Leverage, Risk, Profitability, Size, Liquidity, Investment Opportunities, and Free Cash Flow on dividend policy, using a data set panel of Non-Financial Firms in Zimbabwe.

The study will significantly help the corporate world (stakeholders) understand how relevant and valuable Dividend Determinants Policy is to their respective organizations. The study may help management in decision-making since dividends are attractive to potential investors and shareholders looking into securing current income. The study will show consistency with the scholarly perspective on dividend policy determinants to serve stakeholders' interests, as it motivates managers. Firms engage in dividend policy activities to increase shareholder value (Al-Kuwari, D. 2009). This study will also provide empirical evidence to the market securities on what is transpiring in the Zimbabwe Stock Exchange (ZSE) firms to tackle Dividend Policy's Determinants. Investors and shareholders will also have evidence to help them make better decisions on their investments to avoid Risk.

2. Literature review and hypothesis development

2.1. Dividend Policy Implication

Paying dividends has become one of the critical concerns in most companies. Increasing net profit is now one of most companies' main objectives to ensure higher shareholders' earnings. The decision upon dividend is an arguable topic in the corporate world. Previous scholars and researchers have done theoretical explanations on dividend payments based on dividend determinants (Baker, H.K, and Jabbouri, I. 2016). On top of that, other scholars and previous researchers have confirmed that dividend policy has become the most prominent issue unsolved in financial research. Theories state that factors that determine dividend policy include: profits, liquidity, availability of investment opportunities, firm size, leverage, free cash flow, and the management objective and attitude. Therefore, to explain dividend policy, theories like signaling, pecking order, dividend relevance, and a bird in the hand have been advanced in the literature.

2.2. Dividend Policy Theories

The Relevance Theory states that financing and investment decisions are the two major financial decisions made by firms (Baker and Powell, 2005). A type of asset that a firm is willing to maintain is considered an investment decision. However, the plans of securing funds to finance assets are called financing decisions. Pruitt and Gitman (1991) believed financing decisions and dividends have a connection that is of interrelation and cannot be separated. However, other managers consider dividend policy an essential factor influencing the corporate value and shareholders' wealth (Baker et al., 1985; Baker and Powell 1999). As a result, dividend policy is essential to firms' value, Graham, and Dodd (1951). They emphasized share price to be considered a factor influenced by earnings and dividends. The dividend policy is an essential factor when determining a firm's value. High dividend pay-out will lead to an increased market price, and a reduction will lead to fewer dividend payments. Therefore, a favorable policy of dividend that can maximize a firm's value can be of reach. The relevance theory shows the perspective of an investor on dividend payments can measure the management capabilities. Investors consider dividend policy an essential tool in determining a firm's profits certainty. A high dividend pay-out indicates how well the firm is performing.

Bird In Hand Theory states that investors don't like taking risks; they prefer stock dividends because they are less risky than capital gains. Gordon (1959) pointed out the bird in hand theory. Capital gains have a high-risk tendency, which is why investors prefer stock dividends to them. According to the idea, the bush represents capital gains, and a bird in the hand is money in dividends.

The Pecking Order Theory states that, most firms will instead generate funds internally by announcing dividends than

external Equity. Therefore, if the funds are not enough, they will turn to debt than external Equity. Donaldson and Preston (1961) suggested that firms choose internal financing to turn away from debt and costs.

The Signaling theory states that The management can use this information to signal stakeholders about its future. Increasing constant dividends pay-out will signal the right image about the firm's future. This may cause the share price to increase, whereas the opposite is true. Bhattacharya (1979) managers are said to have access to information about the company more than outsiders. The managers might inform shareholders and potential investors about this information through dividend policy.

2.3 The Dividend Policy Determinants

Firm Profitability measures the amount of profits and is considered a strong dividend policy determinant. Under normal circumstances, top-level management recommends paying dividends when the firm makes profits. Al-Kuwari (2009) perspective concluded profitability is the main characteristic that can directly impact the dividend policy. However, profitable firms pay more dividends than those less fortunate Ahmed & Javid (2009).

The firm's liquidity position is essential when determining dividend policy. The company has to pay off its due debts before paying dividends to shareholders. A firm might face challenges in paying off cash dividends if it does not have enough liquid cash. According to Alli et al. (1993), dividend payments are affected by current earnings, and the cash flow does not show the firm's ability to pay dividends. Reducing cash availability can reduce managers' chances of using the money to their interest and advocate for managers to use debt financing.

Investment Opportunities is considered a determinant of dividend policy and it refers to firms that have opportunities for growth or expansion pay fewer dividends, according to Chen & Dhiensiri (2009). The pecking order theory states that companies can fund their new projects using retained earnings. Companies with expansion opportunities are likely to have more profits to invest in these projects instead of paying dividends. The aforementioned is accurate if the return on assets exceeds the shareholders' expectations because they can ask for their reward and invest these funds somewhere else. Higgins (1981) acknowledged a connection between growth and financing.

Size of a firm is an important determinant of dividend policy. Collins et al. 1996 and Mitton 2004 found that firm Size had a positive impact on dividend payments. Big or larger firms pay vast amounts of dividends than smaller firms. Ramcharran (2001) said that big firms' management is less observed, leading to lower agency costs.

Free cash flow is a dividend determinant policy which looks at how management tend to over-invest due to excess cash. Therefore, if dividend increases, it will reduce the free cash flow available for managers. It reduces over investment and creates firm value. However, when dividends decrease, it leads to an excess cash flow, thereby making the over-investment problem.

Risk is a determinant of dividend policy and it looks at the amount of debt used to finance the firms' assets. The debt to equity ratio is an essential factor when determining dividend payments. Other scholars and researchers found a negative relationship between risk and dividend payment, such as Amidu & Abor (2006). According to most researchers and scholars, firms with higher risk levels will pay low dividends, and the opposite is considered valid (Rozeff 1982).

Leverage is a determinant of dividend policy and firms with high leverage would rather pay fewer dividends because they reserve the cash for other current important issues than giving it to shareholders as dividends. The research conducted by Al-Kuwari (2009) found leverage to be having a negative relationship with dividend payments.

2.4. Research Hypothesis

The study aims to ascertain the dividend policy determinants factors that determine dividend payment of Non-Financial Firms on the ZSE. This study will address the following study hypothesis to achieve this goal. These are as follows:

- H1: Profitability has a positive relationship with Dividend Per Share.
- H2: Company Size has a positive relationship with the Dividend Per Share.
- H3: Liquidity has a negative relationship with Dividend Per Share.
- H4: Risk has a negative relationship with Dividend Per Share.
- H5: Financial Leverage has a negative relationship with Dividend Per Share.
- H6: Investment Opportunities have a negative relationship with Dividend Per Share.
- H7: Cash Flow has a positive relationship with Dividend Per Share.

3. Research Design

The study used 26 Non-Financial Firms listed on the Zimbabwe Stock Exchange (ZSE) for 2011-2020. The sample is from Zimbabwe Stock Exchange, for which all the necessary accounting, price, and audit-related data are available. This study will use secondary data like data based on the financial statements and reports of non-financial firms listed on the ZSE. Annual reports are for data that is necessary for financial statements.

The Zimbabwe Stock Exchange <https://www.zse.co.zw> was used for data collection. The study will use SPSS and Excel Worksheet to process the data.

3.1. Dependent and Independent variables

The total amount of dividends that are declared by the firm and issued to every outstanding shareholder is called Dividends Per Share (DPS). To attain this figure, you divide the total dividends by outstanding ordinary shares. Most scholars and researchers have used Dividends Per Share (DPS) as a dependent variable; these researchers include (Rozeff 1982). Therefore, the following shows the dependent variable.

Where: $(DPS) \text{ Dividends Per Share} = \frac{\text{Total dividends}}{\text{Outstanding Ordinary Shares}}$. This study will employ the following variable models used in detecting by presenting the area of Firm Size, Risk, Investment Opportunities, Free Cash Flow, Liquidity, profitability, and leverage.

Fig 3.1.2. the variables used in the study

Variables	Description	The Expected Sign
(DPS) Dividend Per Share	Dividends/ Ordinary Shares	
(PROF) Profitability	Net Income/Total Equity	+
(SIZE) Firm Size	The total assets of the firm	+
(LIQ) Liquidity	Current Assets/Current Liabilities	-
Company Risk (RISK)	debt to equity ratio=total liabilities/equity	-
Financial Leverage (LEVR)	Long-Term Liabilities/ Total Assets	-

Table 4.1 Descriptive Statistics

	N	Minimu	Maximum	Mean		Std. Deviation
		m	Statistic	Statistic	Statistic	Std. Error
DPS	286	.00	14.00	.5342	.07216	1.22031
ROE	286	-3.53	8.11	.3212	.05073	.85796
SIZE	286	6112.00	6748123094.00	254871014.6474	43829311.71182	741220918.23396
LIQ	286	.17	18.63	1.8823	.11517	1.94777
RISK	286	-42.80	142.21	1.8533	.58330	9.86458
LEVR	286	.01	.94	.1585	.00795	.13450
INVO	286	-5.55	25.00	1.7564	.19849	3.35685
FCFS	286	-.59	.57	.0523	.00699	.11819
Valid (listwise)	N 286					

4.2 Correlation between variables.

Table 4.2 below shows a correlation matrix among variables used in the study.

The table below shows a positive correlation between DPS and Size of 0.348, explaining that bigger firms pay dividends to shareholders. DPS shows a positive correlation of 0.213 with Size, which conforms with bigger firms in Size being able to pay dividends to shareholders. There is a loss of -0.011 between DPS and Liquidity. DPS shows a negative and significant correlation with Risk of -0.038, which explains that highly geared firms are likely to pay fewer dividends to their shareholders. DPS and LEVR showed a negative correlation of which means highly leveraged firms pay fewer dividends. There is a negative correlation between DPS and INVO which is investment opportunities. DPS shows a positive correlation with free cash flows, which means firms with the free cash flow pay dividends to their shareholders. ROE, which is Return on Equity, shows a positive correlation with Size, which means firms large in Size have a high return on Equity. There is a positive and significant correlation between ROE and LIQ of 0.019 which means more liquid firms have a high return on Equity. ROE has a negative correlation of -0.048 with Risk, which means firms with high debt to Equity have fewer equity returns. There is a positive correlation of 0.187 between ROE and LEVR leverage which is debt used to finance assets. ROE has a negative correlation of -0.026 with INVO, which is an investment opportunity. Therefore, firms with investment opportunities have lower returns on Equity. ROE has a positive and significant correlation of 0.038 with FCFS, which is free cash flow. Firms with free cash flow have a high return on Equity.

Firm Size shows the maturity level of a firm, and it has a positive correlation with LIQ (liquidity) of 0.212; and The results can say that big firms have a high liquidity position. Size has a negative and significant correlation of -0.030 with Risk. Size has a negative correlation of -0.013 with LEVR, which is leverage. There is a positive correlation between Size and INVO (investment opportunities) of 0.035, which means firms big in Size have more investment opportunities. Size has a positive correlation of 0.010 with FCFS (free cash flows) which means big firms have more free cash flow. LIQ (liquidity) has a negative correlation of -0.083 with Risk, which means high liquid firms have low-risk levels. LIQ (liquidity) has a negative correlation of -0.221 with LEVR (leverage), and the findings can say

that high liquid firms have a low level of leverage. LIQ(liquidity) showed a positive correlation with INVO (investment opportunities) of 0.123, which means most liquid firms have high investment opportunities. There is a positive correlation between LIQ and FCS of 0.079, which means firms with liquidity positions also have free cash flows. Risk has a positive correlation of 0.103 with LEVR (leverage) which means firms with high debt to Equity are highly leveraged. Risk has a positive correlation of 0.031 with INVO (investment opportunities), and the findings can say that firms with high debt to Equity have more investment opportunities. There is a negative correlation between Risk and FCFS (free cash flows) of -0.021. LEVR (leverage) has a positive correlation with INVO (investment opportunities) of 0.079. There is a negative correlation of -0.008 between LEVR (leverage) and FCFS (free cash flows). Investment Opportunities (INVO) has a negative correlation of -0.032 with FCFS (free cash flow) which means firms with high investment opportunities have low free cash flows.

Table 4.2 Correlations

		DPS	ROE	SIZE	LIQ	RISK	LEVR	INVO	FCFS
Pearson Correlation	DPS	1.000	.348	.213	-.011	-.038	-.065	-.058	.175
	ROE	.348	1.000	.252	.019	-.048	.187	-.026	.038
	SIZE	.213	.252	1.000	.212	-.030	-.013	.035	.010
	LIQ	-.011	.019	.212	1.000	-.083	-.221	.123	.079
	RISK	-.038	-.048	-.030	-.083	1.000	.103	.031	-.021
	LEVR	-.065	.187	-.013	-.221	.103	1.000	.079	-.008
	INVO	-.058	-.026	.035	.123	.031	.079	1.000	-.032
	FCFS	.175	.038	.010	.079	-.021	-.008	-.032	1.000
Sig. (1-tailed)	DPS	.	.000	.000	.426	.263	.138	.164	.002
	ROE	.000	.	.000	.373	.208	.001	.330	.260
	SIZE	.000	.000	.	.000	.307	.412	.280	.436
	LIQ	.426	.373	.000	.	.082	.000	.019	.091
	RISK	.263	.208	.307	.082	.	.041	.302	.359
	LEVR	.138	.001	.412	.000	.041	.	.091	.446
	INVO	.164	.330	.280	.019	.302	.091	.	.294
	FCFS	.002	.260	.436	.091	.359	.446	.294	.
N	DPS	286	286	286	286	286	286	286	286
	ROE	286	286	286	286	286	286	286	286
	SIZE	286	286	286	286	286	286	286	286
	LIQ	286	286	286	286	286	286	286	286
	RISK	286	286	286	286	286	286	286	286
	LEVR	286	286	286	286	286	286	286	286
	INVO	286	286	286	286	286	286	286	286

	FCFS	286	286	286	286	286	286	286	286
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4.2 Regression Analysis

The regression analysis results explain the relationship between the dependent and independent variables used in the study.

Table 4.3 Model Summary

Model Summary ^b									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	
1	.433 ^a	.188	.167	1.11371	.188	9.167	7	278	

Model Summary^b

Model	Change Statistics	
	Sig. F Change	Durbin-Watson
1	.000	1.224

a. Predictors: (Constant), FCFS, LEVR, SIZE, INVO, RISK(debt to equity ratio), ROE, LIQ

b. Dependent Variable: DPS

The Durbin-Watson recorded 1.224. Therefore, the study did not focus on heteroscedasticity since we computed our standard errors in such a way that they were robust to the presence of heteroscedasticity. Meaning that they will be correct whether we have heteroscedasticity or not, and we can then move on to the ANOVA table and define our model. R square is a coefficient of determination, and it shows a relationship of 18.8% between independent and dependent variables. This proves that all independent variables used in this study have some type of relationship with (DPS) Dividends Per Share, which is the dependent variable.

Table 4.4 ANOVA table.

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	79.592	7	11.370	9.167	.000 ^b
	Residual	344.819	278	1.240		
	Total	424.411	285			

a. Dependent Variable: DPS

b. Predictors: (Constant), FCFS, LEVR, SIZE, INVO, RISK, ROE, LIQ

The F score recorded 9.167, which is significant and not due to the chance that DPS is affected by the predictors, FCFS, LEVR, SIZE, INVO, RISK, and LIQ.

Table 4.5 shows Coefficients Summary.

Coefficients^a	
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Model		Unstandardized Coefficients		Standardized	t	Sig.	95.0% Confidence Interval for B		95% Confidence
		B	Std. Error	Coefficients			Lower Bound	Upper Bound	
				Beta					
1	(Constant)	.558	.135		4.127	.000	.292	.824	
	ROE	.472	.081	.332	5.807	.000	.312	.633	
	SIZE	2.401E-10	.000	.146	2.550	.011	.000	.000	
	LIQ	-.056	.036	-.090	-1.556	.121	-.127	.015	
	RISK	-.001	.007	-.006	-.107	.915	-.014	.013	
	LEVR	-1.274	.519	-.140	-2.455	.015	-2.295	-.252	
	INVO	-.010	.020	-.027	-.485	.628	-.049	.030	
	FCFS	1.711	.561	.166	3.050	.003	.607	2.815	

Table 4.5 above shows the results of the regression analysis according to the model. The study used linear Multiple Regression Analysis in this study. These variables: Risk, ROE, Firm Size, Free Cash Flow, Leverage, Liquidity, and Investment Opportunities were regress against (DPS) Dividends Per Share.

(ROE) Return On Equity is an essential tool in determining dividend payments for non-financial firms listed on the Zimbabwe Stock Exchange (ZSE). Therefore, the results show a significant and positive relationship of (2.401E-10; p-value=0.011) between (ROE) Return On Equity which the study used to measure profitability and dividends per share. A higher ROE denotes that companies pay more dividends. These findings align with the signaling theory, which states that profitable firms pay more dividends than those that are less profitable. The results show that Firm Size has a positive but significant relationship of (0.36, p-value 0.006) with dividends per share. Therefore, Size can determine the amount of dividends that Non-Financial Firms on ZSE pay per share.

(LIQ) Liquidity showed a negative and insignificant relationship of (-0.056, p-value 0.121) with dividend per share. Therefore, the findings show that an increase in Non-Financial Firms' liquidity does not lead to higher dividend payments.

Risk has an insignificant and negative relationship of (-0.001, p-value 0.915) with dividends per share from the results. The result indicates that Non-Financial Firms with high Risk or gearing do not determine dividend payments.

The results showed a significant and negative relationship between (LEVR) Leverage and dividend per share (-1.274, p-value 0.015). Therefore, the findings can say that Non-Financial Firms on ZSE with higher levels of debt will pay fewer dividends to their shareholders.

(INVO) Investment Opportunities showed an insignificant and negative relationship with dividends per share (-0.010, p-value 0.628). Thus can be said that Non-Financial Firms with investment opportunities cannot determine the amount of dividend payments.

(FCFS) Free Cash Flow showed a significant and positive relationship with dividends per share (1.711, p-value 0.003). Therefore, Non-Financial Firms on ZSE with more free cash flow will pay more cash dividends to their shareholders.

From the findings and regression table, the new estimated regression model will be:

$$(DPS)y=0.558+0.472(ROE)+2.401E-10(SIZE)-1.274(LEVR)+1.711(FCFS)$$

According to the results, the main significant dividend determinants of Non-Financial Firms on the ZSE are Return On

Equity, Size, leverage, and free cash flow.

5. CONCLUSIONS AND RECOMMENDATIONS

The study aims to seek the determinants of the dividend policy of Non-Financial Firms listed on the ZSE. Also, to determine the current situation of the dividend policy of Non-Financial Firms on (ZSE) Zimbabwe Stock Exchange. The study used linear multiple regression analysis to determine the dividend policy factors of the twenty-six non-financial firms on the ZSE. These variables: Risk, ROE, Firm Size, Free Cash Flow, Leverage, Liquidity, and Investment Opportunities were regress against (DPS) Dividends Per Share.

The study is in line with the theories underlying dividend policy, such as signaling theory, a bird in hand theory, pecking order theory, and dividend relevance theory. Relevance theory states that dividend policy is an essential factor when determining a firm's value, and this is evidence by DPS having a positive and significant relationship with Size. (ROE) The study found return On Equity to be an essential determinant and predictor of dividend payment for the Industrial Firms on the ZSE. The findings confirm the study conducted by Amidu and Abor (2006). They also found a significant and negative relationship between dividend per share and Risk.

The results showed a significant and negative relationship between (LEVR) Leverage and dividend per share. (INVO) Investment Opportunities showed an insignificant and negative relationship with dividends per share. (FCFS) Free Cash Flow showed a significant and positive relationship with dividends per share. The study will significantly help the corporate world (stakeholders) understand how relevant and valuable Dividend Determinants Policy is to their respective organizations. The study may help management in decision-making since dividends are attractive to potential investors and shareholders looking into securing current income. Investors and shareholders will have evidence to help them make better decisions on their investments to avoid Risk. In conclusion, the main determinants of the Non-Financial Firms' dividend policy on ZSE are Return On Equity, Size, Leverage, and Free Cash Flow.

The researcher recommends that future studies should take into consideration to include more independent variables, looking into bigger sectors. Comparisons across countries and continents to enlarge the research area and accommodate more countries into the research.

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STRATEGIC RESOURCING AS KEY ASPECT OF STRATEGIC HUMAN RESOURCE MANAGEMENT

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Abstract

Strategic resourcing is regarded as the primary aspect of strategic human resource management. This concept focuses upon the fact that human resources within the organizations need to be suitable, should possess the essential knowledge, competencies and abilities and ensure utilization of resources in an appropriate manner. In order to lead to well-being and progression, apart from the possession of knowledge and competencies, it is essential for the human resources to ensure that they make adequate use of financial and technical resources. Another important concept that has been taken into account in this research paper is performance evaluation. The main objective of performance evaluation methods is to identify the limitations and bring about improvements. The performance evaluation methods that are put into operation are dependent upon job duties. Furthermore, it needs to be ensured, efficiency is depicted in the performance evaluation methods. The individuals, mainly in leadership positions are vested with rights and authority to implement performance evaluation methods regularly. The main areas that have been taken into account in this research paper include, resourcing strategy, the components of strategic employee resourcing, and performance evaluation.

Keywords: Development, Employees, Human Resource Management, Organization, Performance Evaluation, Strategic Resourcing

Strategic resourcing is a key part of strategic human resource management. This involves matching of human resources to the strategic and operational requirements of the organization and ensuring the complete utilization of resources. It is concerned with not only obtaining and retaining the workforce, but it is also concerned with selecting and promoting the staff members, who are suitable to the strategic requirements of the organization. Strategic resourcing aims to ensure that the organization has the personnel to achieve the desired goals and objectives. Like the strategic human resource management, strategic resourcing is essentially in terms of the integration of business and employee resourcing strategies. In this manner, the latter can render a significant contribution in the achievement of the former. The strategic capability of the organization depends upon the availability of various types of resources. The resources are of three types, human, financial and technical. Effective management of resources enables the individuals to carry out their job duties in an adequate manner (Armstrong & Taylor, 2014).

The primary objective of strategic resourcing is to ensure that the organization achieves competitive advantage by recruiting, selecting and developing the most suitable candidates (Armstrong & Taylor, 2014) that would render a significant contribution in the achievement of desired goals and objectives. The members, who are in leadership positions need to be well-aware of methods and approaches needed to retain

the employees. The organization need to provide the workforce with the independence, which may enable them to exercise control on their job duties. In this manner, the workforce are able to develop motivation and augment their knowledge, competencies and capabilities towards the achievement of desired goals and objectives. Furthermore, within the working environmental conditions, there should be provision of adequate facilities, materials, technologies and equipment, which would enable the workforce to feel comfortable and carry out their job duties in a well-organized manner.

Resourcing Strategy

Resourcing strategy ensures that the organization recruits and retains the individuals in various job positions. It is comprehensively understood that when the human resources will be efficient and possess the essential educational qualifications, competencies and abilities, they will be able to carry out their job duties in a satisfactory manner. The primary objective of resourcing strategy is to find out the most suitable workforce that is needed by the organization. It is vital for the human resources to augment their competencies and abilities from time to time and for this purpose, they need to implement the methods and approaches. These include, acquiring training by getting enrolled in educational institutions and training centres, outside the organization, attending training and development programs within the organization, conducting research and so forth. The primary aim of the resourcing strategy is to ensure that the organization receives the competitive advantage by employing more competent individuals. This strategy also seeks in retaining the individuals by making provision of better opportunities and rewards as compared to others and by developing a factual organizational culture (Cristian & Stefania, n.d.).

The resourcing strategy needs to take into account the general strategy of the organization and understand the main directions, in which the organization is proceeding. An effective resourcing strategy needs to take into account certain aspects. These include, number of individuals required to meet the business needs, the skills and behaviour required to support the achievement of business strategies, the impact of organizational restructuring as a result of decentralization, delayering, mergers, product or market development and the introduction of new technology and plans for bringing about changes in the culture of the organization in various aspects. These include, ability to deliver, performance standards, customer services, teamwork and flexibility that indicates the need for the human resources with different attitudes, beliefs and personal characteristics. These factors are strongly influenced by the sort of activity and type of business strategy that is to be put into operation by the organization (Cristian & Stefania, n.d.).

Human resource management professionals have projected the future needs and requirements of the organization that need the recruitment of competent employees. A strategic planning of future workplaces is necessary and in many cases the deficiency brings multiple negative consequences. These include, high production costs, the stagnation of production processes and so forth. When planning human resources, it is vital to take into account certain environmental factors as well (Cristian & Stefania, n.d.). For instance, it is essential to make provision of elevators to facilitate the movement of those employees, who may not be ambulatory. Furthermore, it is essential to conduct an analysis of the workplaces and the present employees. The nature of business and tasks and activities is stated to be ambiguous. The reason being, when developments need to be brought about within the organization, one may not be all the time sure that their tasks and functions would lead to desired outcomes. Therefore, it is vital to prepare oneself well and conduct

an analysis of all the factors which may take place within the course of implementation of tasks and activities.

The resource strategy planning activities like, demand forecasting, supply forecasting, forecasting requirements, analysing the demand and supply forecast to identify the future deficits or surpluses; action planning is referred to the formulation of plans to deal with the forecasts deficits through internal promotions, training and external recruitment, developing retention and flexibility strategies (Cristian & Stefania, n.d.). It is of utmost significance to retain well-qualified, competent and skilled individuals within the organization. In order to retain them, it is essential to generate information in terms of retention strategies. The retention strategies involves preparation of plans that may help in retaining the workforce within the organization. Within the working environmental conditions, it is essential to take into consideration the factors that may develop motivation among the employees and arouse interest and enthusiasm among them towards the implementation of job duties in an efficient manner.

The human resources feel comfortable within the working environmental conditions, when they are provided with equal rights and opportunities and flexibility in the implementation of job duties. Flexibility strategy plans for an increased flexibility in the use of human resources to enable the organization to make the best use of competencies and abilities of human resources and adapt to the changing circumstances. In some cases, flexibility may take the form of segregating the workforce into a core group and one or more peripheral groups. Flexibility also implies outsourcing. It is referred to the work done by the external organizations or individuals. The employees are required to perform number of job duties within the organization. These include, preparing documents, making decisions, organizing meetings, workshops and seminars, getting engaged in production and manufacturing processes, making field visits and so forth. Therefore, it can be stated that in the implementation of various job duties, the members of the organization need to be flexible in their approaches. The adoption of flexible approaches also enables the human resources to remain stress free and carry out their job duties in a well-organized manner.

Talent management strategy is also regarded to be of utmost significance within the organization. The reason being, the human resources in various kinds of positions need to augment their talents and abilities to carry out their job duties in an appropriate manner. When the employees will form constructive viewpoints regarding their job duties, when they will feel that their job is providing them with the opportunities to make use of their educational qualifications and abilities and when they are able to enhance their career prospects, they will in turn will be able to augment their skills and abilities and render a significant contribution towards the implementation of job duties. Research has indicated that when there are initiation of modern and innovative methods in the implementation of job duties, the human resources need to be well-equipped with their usage. All the members of the organization at various levels need to be provided with the opportunities to augment their talents and capabilities. Therefore, the primary objective of talent management strategy is not only to enhance productivity and profitability, but the human resources are able to enhance their career prospects.

The Components of Strategic Employee Resourcing

In order to lead to the implementation of strategic resourcing in an appropriate manner, it is necessary to take into consideration various components. These have been stated as follows:

Workforce Planning – Workforce planning is also known as human resource planning. It is comprehensively understood that the main objective of every organization is to ensure that job positions are filled with well-qualified, competent and capable employees, who would render a significant contribution in the implementation of job duties and in achieving the desired goals and objectives. Furthermore, workforce planning also involves assessing the future business needs and making decisions in terms of recruitment and selection of human resources. The organization need to organise training and development programs and ensure the human resources are able to up-grade their skills and abilities satisfactorily. Therefore, it can be stated that in the case of workforce planning, the members, who are in leadership positions, such as directors, managers, supervisors and so forth, need to conduct research on regular basis and put into operation the measures and approaches that are necessary in up-grading their job performance and career prospects.

Development of an Organization's Employee Value Proposition and its Employer Brand – The employee value proposition is what an organization offers to those prospective or existing employees who would value and which would help them to persuade to join or remain in the business. Employer brand is referred to the image that is presented by the organization as a good employer (Armstrong & Taylor, 2014). As it has been comprehensively understood that when the job positions are to be filled with well-qualified, competent and experienced candidates, a job analysis is conducted. After the implementation of recruitment and selection methods, the hiring authorities are able to make selection of the candidates. After the candidates are selected, they need to be retained. For this purpose, it is necessary to implement certain approaches, such as, pay and incentives, rewards, job rotation, and so forth. Therefore, it is vital to ensure development of an organization's employee value proposition and its employer brand.

Resourcing Plans – Resourcing plans are referred to the plans for bringing about up-gradation of knowledge and competencies among people from within the organization. With the advent of modernization and globalization, there have been advancements taking place. In production, service and various types of organizations, it is vital for the members to generate information in terms of modern, scientific and innovative methods. In the implementation of their job duties, they need to make use of modern, technical and pioneering methods. For this purpose, they attend training and development programs within the organizations. Furthermore, they need to conduct research on regular basis in terms of various methods, approaches and strategies that can be put into operation on regular basis to up-grade their skills and abilities. Therefore, it can be stated that resourcing plans need to be implemented on regular basis and when human resources abide by them, they can render a significant contribution in the achievement of goals and objectives.

Retention Plans – Retention plans are the plans that have the main objective of retaining individuals within the organization. When the employees are skilled, diligent, moral, truthful and regular in their performance, the employers aim to devise methods and strategies to retain them even for long-term, which can be more than five years or as permanent employees. Hence, in order to retain employees, it is vital to generate awareness in terms of methods and approaches. There are various factors that need to be taken into consideration. These include, creating amiable and pleasant working environmental conditions, providing infrastructure and civic amenities, providing technologies and materials for effective job performance, salary and incentives, benefits and rewards, counselling and guidance facilities, grievance redresser procedures,

promoting effective communication, assistance in enhancing one's career prospects and job rotation. When these factors are taken into consideration appropriately, the workforce not feel motivated towards the performance of job duties, but they are able to get retained as well.

Flexibility Plans – The main aim of flexibility plans is to promote increased flexibility in the utilization of human resources. When the human resources are implementing their job duties, it needs to be ensured that they do not feel stressed and pressurised. For instance, when they are working on a research project, they should be given sufficient time to carry out their job duties in an effective manner. In some cases, due to personal problems, the employees may have to take leave from work. Hence, when they are taking leave from work, they may not be able to carry out their job duties, unless they can work from home as well. Therefore, when the employers are able to acquire an efficient understanding of their problems and when the reasons for leaves are genuine, then the utilization of human resources can take place in an operative manner. When the organizations are able to make effective use of human resources, they will be able to progress and achieve the desired goals and objectives.

Talent Management – Talent is referred to the aptitude and abilities of the individuals to carry out a task or activity. Within the course of implementation of job duties, all individuals have one primary objective of carrying out their job duties in a well-organized manner and achieving the desired goals and objectives. In order to achieve the desired goals, it is essential for the human resources to augment their talents. In order to manage one's talents, it is vital to get engaged in continuous practice. One needs to ensure they do not become unaware in terms of talents and competencies that they possess and make effective use of them in the implementation of job duties. For instance, if an employee is skilled at making artistic artworks and paintings, then he may make use of his skills, in painting pictures of certain concepts when there is organization of a conference or a seminar. Therefore, it can be stated that talent management is regarded as one of the indispensable aspects in enriching one's career prospects.

Technological Advancements – Technological advancements are regarded as one of the significant aspects that are facilitating the implementation of job duties. When the individuals are making use of technologies, they are able to implement their job duties in a smooth manner in lesser duration of time. Hence, it is crucial for the human resources to be well-equipped with the usage of technologies. One can gain proficiency in terms of usage of technologies with sufficient practice. When the workforce are not well-equipped with usage of technologies, they may experience setbacks within the course of performance of job duties. Therefore, it is vital for them to get engaged in regular practice. It is important to recognize the significance of learning. Learning new things takes place throughout the job performance of the individuals. Throughout their jobs, they need to augment their understanding and generate awareness in terms of various areas. Therefore, it can be stated that advancements in technologies and development of skills among individuals in terms of usage of technologies would lead to achievement of desired goals and objectives.

Employee learning and Growth – Employee learning and growth is referred to continued learning and responsiveness. Implementing effective learning and growth of the employees is one of the major goals of the organizations. When the employees are recruited and selected within the organization, there are certain aspects that need to be taken into consideration, i.e. educational qualifications, competencies, aptitude, capabilities, and personality traits. After they have been selected, it is vital for them to up-grade their

competencies and abilities, so they can fulfil the job expectations. In order to achieve the desired goals and objectives, it is vital for them to learn and acquire an efficient understanding of various aspects. In order to efficiently focus on employee learning and growth, there are organization of seminars and workshops. In seminars and workshops, the employees learn a set of skills to meet both practical business needs and personal needs of other individuals. Furthermore, communication skills are also focused upon, as it is crucial to focus upon appropriate communication skills throughout one's jobs (Learning and Development Opportunities, n.d.).

Conducive Working Environment – The working environmental conditions need to be favourable and encouraging. When the working environmental conditions would be encouraging, the employees would be able to render a significant contribution in the achievement of organizational goals and incur job satisfaction. In order to create conducive working environment, there are various factors that need to be taken into consideration. These are, communicating effectively with others, ensuring the availability of proper infrastructure, amenities and facilities, making provision of technologies, materials, tools and equipment, maintaining good terms and relationships with others, generating awareness in terms of organizational goals and performance of job duties, making provision of equal rights and opportunities to all members, not discriminating on the basis of caste, creed, race, ethnicity, religion, gender, age, and socio-economic background, formulation of measures aimed at promoting well-being, management of resources and possession of an amiable and approachable nature. When the members of the organization are well-aware of these factors and are working in co-ordination and integration with each other, they will be able to create a conducive working environment.

Effective Management of Resources – The three resources that need to be managed in order to lead to operative growth and development of the organization are human resources, financial resources and technical resources. Human resources are regarded to be of utmost significance. It is essential for human resources to up-grade their skills and abilities to carry out their job duties in a satisfactory and well-organized manner. Furthermore, they need to inculcate the traits of diligence, resourcefulness, and conscientiousness. Financial resources are important, as to carry out various kinds of tasks and activities and to ensure proper functioning of the organization, it is essential to manage financial resources. Technical resources are the resources that contribute efficiently in the implementation of job duties. Within the organization, the various types of technologies that are used are, computers, lap-tops, I pads, mobile phones, printers, scanners, and photocopiers. The employees need be well-equipped and competent regarding their usage. The technologies need to be maintained and managed in an effective manner. Therefore, it can be stated that effective management of resources is indispensable in achievement of desired goals and objectives.

Performance Evaluation

Employee resourcing strategies and approaches have an impact upon the organizational effectiveness through their effect on the performance of the individuals and groups. Performance is what individuals actually do and can be observed. Performance is referred to action itself and it is not the consequence of action (Davis & Scully, n.d.). Research has indicated, in the present existence, individuals are acquiring good educational qualifications and augmenting their competencies and abilities to acquire employment

opportunities. When the individuals are able to acquire employment opportunities, they feel contented and pleasurable. They have the main objective of carrying out their job duties in a well-organized manner and attain the desired outcomes. Hence, they ensure that they put in their best abilities to carry out satisfactory job performance.

Within the course of performance of job duties, evaluation of job performance is regarded indispensable. Evaluation involves putting into operation the methods and approaches that enable the human resources to find out whether they are able to carry out their job duties in a well-organised manner and meet the job requirements. The evaluation processes helps in identifying the limitations and bring about improvements. Traditionally performance has been interpreted as measurable outputs, the achievement of which is dependent on the skills and efforts, which the individuals bring to their jobs. However, within the knowledge or service economy, effective performance relies at least as much on how the tasks are carried out, or contextual performance, as on the ability to perform the task (Davis & Scully, n.d.). The individuals, who are in leadership positions, such as, managers or supervisors are vested with the authority and responsibility to carry out the evaluation processes. When they observe that employees are experiencing setbacks and are finding certain job duties difficult, they formulate measures and procedures to provide solutions to their problems. Therefore, it can be stated that evaluation processes are indispensable in enabling the employees to put into operation their job duties in an efficient manner.

The performance evaluation methods have been stated as follows: (Chapter 5. Performance Appraisal Methods, n.d.).

Feedback Mechanism Method – In this method, the management evaluates the performance of the employees on periodic basis. In this method, the management evolves the system for motivating the high performers to do even better and identify the flaws and inconsistencies that have been experienced by other employees to carry out their job duties in a well-organised manner. In this method, the managers are meant to design the mechanism for identifying the employees, who have a high potential for advancement, and those who consistently remain low performers to be encouraged to look for other employment opportunities, where they will be able to make use of their skills and abilities and generate the desired outcomes. One of the major limitations of this method is, at times, feedback that is given by the leaders is even biased.

Performance Ranking Method – The subordinates are evaluated and rewarded differentially according to the performance. Performance ranking method is one of the methods that is of utmost significance. The reason being, through this method, the leaders too can acquire an efficient understanding in terms of how the individuals are working and individuals too can generate awareness in terms of where they stand. This is the method that is prevalent in various types of organizations. This is regarded as some sort of implied performance ranking. Such ranking is close to the normal distribution curve, which is known as the bell curve. This method too has limitations. It sets an average score to remain in the same level year after year. As a result of this method, the actual performance does not get reflected. In this manner, the employees may feel stressed and frustrated.

Grading Method – Grading method is not prevalent to a major extent in the present existence. In this method, the workforce are given a certain task. After they have completed the task, their supervisors evaluate their performance by giving them grades. Good grades motivate them to do even better. On the

other hand, when the grades are low, it is vital for the workforce to bring about improvements. Hence, it can be stated that grading method has proven to be effectual and worthwhile. This method has been replaced by modern and innovative methods. But grading method has played an important part in making provision of promotional opportunities and increase in salaries and reimbursements. In this context, experience matters more as compared to educational qualifications, competencies and abilities. One of the major limitations of this method is absence of incentives. Complacency is set as the salary increment and promotions are given irrespective of performance.

Comparative Standard or Multi-Person Comparison Method – This method compares an employee relative to others. In the individual ranking, the supervisor lists the employees from the highest to the lowest levels. The difference between the job performances of two employees, who are in top positions is assumed equivalent to the performance of the employees, who are in low positions. In the group rank ordering, the supervisor places the employees in a particular classification such as, top one-fifth and second one-fifth. If the supervisor heads the ten employees under his supervision, only two could be included in the top fifth and two will be assigned the bottom fifth. In paired comparison method, supervisor compares each employee with every other employee in the group and rates each as either superior or subordinate. After all the comparisons have been made, each employee is assigned ranking based on the scores, he or she receives.

Critical Incidents Method – In the critical incidents method, the attention of the supervisor is focused on specific or critical behaviour that is vital for performing one's job duties successfully. The behaviour is termed as negative, when the employees are leaving the machines running, while unattended. On the other hand, behaviour is termed as positive, when employees are taking adequate precautions. Therefore, it is vital for the members to be aware of safety and precautions that need to be taken, particularly when employed in hazardous occupations. In this method, major emphasis is put on whether employees are taking care of their health care and implementing adequate safety measures. It is vital for employees to take care of their health care and well-being in order to attain the desired outcomes.

Rating Scale Method – In this method, the main aspects that have been taken into consideration are set of job performance factors such as, job knowledge, work quality, and co-operation that the supervisor expects to rate the employee performance, making use of the incremental scale. The Behaviourally Anchored Rating Scales (BARS) is the combination of elements of the critical incident and graphic rating scale approaches. The supervisor rates the employees in accordance to the items on the numerical scale. Behavioural Observation Scale (BOS) is frequency rating of the critical incidents that the worker has performed. This method has been primarily used to assess the performance of the employees. In the mixed standard rating scale, the different job dimensions of behaviour are rated as poor, average and good.

Management by Objectives – The concept of 'Management by Objectives' was initiated by Peter Drucker in 1961. In this method, the employees and superiors work in collaboration and integration with each other to identify the common goals. The former is expected to achieve for considering the criterion for the measurement of performance and making decisions in terms of course of action to be followed. The essence of MBO is participative goal setting, making selection of the course of action and decision making. The important part of MBO is measurement and comparison of the actual performance of the employees with the standards set. Ideally, the employees themselves get involved with setting of the goals and making

selection of the course of action. This method aligns the objectives with the quantitative performance measures, such as, sales, profits and zero-defect units produced.

Peer-Comparison Ratings Method – This method is typically used to rate the peers in the organization. In this case, the superiors render a significant contribution in rating. In this case, the entire team is considered while rating. In zero-sum game rating, the changes that takes place for the participants adds up to zero. In nonzero-sum game rating, the appraisal is based on the assumption that the workforce have the potential to improve, gain more efficiency, produce more, augment proficiency and carry out things in a better way as compared to the past. This method has certain limitations, such as, whether a single number percentile or decile reflects the important realities. An organization is usually trusted by the employees to make fair and competent judgments and appraisals. However, it is only when the organization attempts to emphasize how all the human resources are rank ordered that its judgement is challenged.

Balanced Scorecard Method – The Balanced Scorecard method was a breakthrough technique innovated by Robert Kaplan and David Norton. It takes into account four aspects covering areas, such as, financial, customer, learning and growth. This method retains the traditional financial measures. These measures are adequate only for the industrial age companies for whom investment in long-term capabilities and relationships with the customers were not critical for achieving success. Moreover, the financial measures were inadequate for guiding and evaluating the journey that the present information age organizations must make to create future value through investments in the customers, suppliers, employees, processes, technologies and innovations.

HR Scorecard Method – The HR scorecard is the management system for filling the gap between usually measured in HR and actually necessary to the organization. In this case, major emphasis is put upon HR architecture, HR culture, HR functions and HR behaviour. The ideal scorecard for an HR measurement system includes four themes, i.e. identifying the HR deliverables, identifying and measuring high performance work system elements that generate deliverables, developing a validated competency model that put emphasis on the outcome, besides identifying the HR efficiency measures that establish a connection between costs and benefits.

Conclusion

Strategic resourcing is an important part of strategic human resources management. This involves equivalent of human resources to the strategic and functioning of the organization and ensuring the complete utilization of resources. It is concerned with not only attaining and retaining the workforce, but it is also concerned with selecting and promoting the staff members, particularly the ones, who are in accordance to the strategic requirements of the organization. The components of strategic employee resourcing are, workforce planning, development of an organization's employee value proposition and its employer brand, resourcing plans, retention plans, flexibility plans, talent management, technological advancements, employee learning and growth, conducive working environment and effective management of resources. When the members of the organization will be well aware of these components, they will not only render an important contribution in augmenting productivity and profitability, but they will also be able to lead to an increase in retention rate.

In acquiring an understanding of strategic resourcing, it is vital to acquire an efficient understanding of

the concept of performance evaluation. Performance evaluation is a concept, which involves implementation of methods and strategies to evaluate the performance of the employees and determine where they stand. The main objective of performance evaluation is to identify the flaws and inconsistencies and bring about improvements. It is vital for the supervisors to put into operation appropriate performance evaluation strategies to identify the limitations and implement solutions. The performance evaluation methods within the organization are, feedback mechanism method, performance ranking method, grading method, comparative standard or multi-person comparison method, critical incidents method, rating scale method, Management by Objectives, peer-comparison ratings method, balanced scorecard method and HR scorecard method. Finally, it can be stated that when the leaders are implementing performance evaluation methods in an appropriate manner and formulating measures to encourage strategic resourcing, they would be able to retain employees and contribute successfully in achievement of organizational goals.

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EFFECTS OF JOB STRESS IN GOVERNMENT AND PRIVATE SECTOR HUMAN CAPITAL IN PAKISTAN

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Abstract

Successful handling of stress is the guarantee of achieving the desire for a pleasant working environment. This study mainly focuses on consequences and antecedents of job stress and identifying the leading causes of the job stress, which are like (role ambiguity, relationship with supervisor, work-family conflict), and their impact on the welfare, behavior, and attitudes of the employees. A thirty-one items scale based 150 questionnaires were analyzed by using regression analysis. The results show the significant positive correlation between role ambiguity and job stress, and it is also true for the relationship with the employer and turn over the intention. Moreover there is a negative and statistically significant association among Work-Family Conflict with Job Stress and job satisfaction. Outcomes of the study are beneficial for the different departments, organizations, companies, and the welfare of employees. The results of this study also play a primary role in reducing the stress and intention to leave indifferent organizations and institutions.

Keywords; Role Ambiguity; Work-Family Conflict; Job Stress; Relationship with Supervisor; Job Satisfaction; Turnover Intention.

Introduction

If a firm wants to develop a thriving workplace environment, it must know the technique of stress handling. Job stress is an important issue at working place in this era or paradigm of competence. Job Stress is the critical and physical anxiety caused by the reaction to pressure due to certain factors. In this recent century, stress plays an essential role which links with our productive activities. It is the harmful physical and emotional reaction that occurs when there is an unfortunate match among the demand of the job and the resources, capabilities, or needs of the people that worked at different places (Kahn & Quinn, 1970). Hans Selye defined the term stress as an adverse reaction of individuals against the change of environment. Later

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on, his research reveals that constant work stress causes different types of diseases in human beings like physical and mental diseases. Mostly the term “stress” generated the field of the physics, was transferred to psychology. Mainly, it is observed that just corporal things and bodies, individuals also tend to repel outer forces acting upon them (Hob full, 1989). The term stress states that it is the mismatch between the individuals and their environment (Kahn & Byosiere, 1992). According to Mavridis, Harkness, Super, and Liu (2019) work-related stress combines with private stress due to the family issues like finances or health, education, employees can also be left with inadequate sources to assist their intellectual and physical well-being. Researchers studied how the job stressors related to employee health and well-being (Bliese, Edwards, & Sonnentag, 2017). Now we come towards the concept of “stress at the workplace.” In different contexts, studying job stress will contribute to understanding as a whole and how the worker’s productivity can be maximized by minimizing the adverse effects of job stress on employees' commitment and satisfaction to stay in their jobs. Stress at the workplace is the cause of harmful physical and emotional reactions. Stress factor comes when there is a mismatch among employee’s capabilities, skills, resources and demands with the requirements of the workplace. “Stress at the workplace is the collaboration between the person and environment” (Rizwan et al. 2012). It's confirmed that the high stress, the high turnover intention. Many researches on job stress have been emphasizing working environments and distinct job characteristics that cause the stress for workers rather than individual variables (Kyoung, Yeseul, & Young, 2017). There are many factors like Demand, support, relationships, role, control, and change that causes stress at the workplace (Health & safety executives). The purpose of this research is to describe job stress and the factors that create pressure within the organization and the consequences of job stress on both turnover intentions and job satisfaction. However, our main research objective is the determination of how antecedents affect the job stress and how this stress impacts employee’s satisfaction & their intention to leave their jobs or organization.

Literature Review

Job Stress

Stress is the miss-match between the individuals and their working environment. In a scenario of a dynamic environment, job stress is an important issue to discuss (Byosiere & Khan, 1992). Stress leads to aggression & low Job satisfaction (Hoboubi, Choobineh, Kamari, Keshavarzi, Hosseini, 2016; Eric, Lambert, James, Wells, Kevin, Minor, Nancy L. Hogan, 2015). Previous studies indicate that the term stress is inventing in the field of physics. After that, the concept of stress is a shift in the field of psychology. Initially, the idea is that individuals like the physical material repel the external environmental forces that affect them (Hobfull, 1989). Since the counterproductive consequences (like job dissatisfaction and absenteeism), the critical issue is to manage the work-related stress if it remains unsettled (Kahn, Wolfe, Quinn, Snoek, & Rosenthal. 1964). Harmful physical and emotional reactions of an individual happen when his skills, capabilities, resources, and needs of the worker do not match with the requirements of his job and thus creates stress in the employee. The interaction between the environment and the person also referred to the job stress at the workplace. The harmful psychological and physical implications on the workers also contribute to the effects of stress, which can be negative as well as destructive. In the situation, when an opportunity is

offered to a person to gain something beneficial, the pressure is positively associate. Job stress refers to the motivator of peer performance. When a person faces physical, organizational, social & emotional problems, then the pressure may be harmful. Human resources give an idea that employee tends to resist the factors which are affecting them, just as do physical material and bodies (Hobfull, 1989). Nowadays, about the concept of stress Keinan, (1997) argued that it is controversial and widespread, which can be explain in different ways. Gaying (2007) differentiates the work stress from the other kinds of stress in life. Increasing the level of stress will lead to the ineffectiveness of an individual in his or her job (Salo & Allwood, 2011). Robbins (2005) indicates three types of factors that play an important role in creating stress like individual, organizational, and environmental factors. According to Gholam Reza et al. (2011) the term job stress is used to define the workplace stress. In similar claimed by the (Stranahan et al. 2008). From Britain's point of view, job stress is the main factor affecting the decision making and intention to leave the service. In the communal section, it is an essential factor effect on employee's performance (Coffy, Dugdill, & Tattersall, 2009). Riches says that in organization stress is not only a private problem of an individual. Effects of work-related stress include organizational disturbance, intervention in the routine practice of the organization, decrease in the outcomes of employees (Ricces, 1992). In the researches of Abtahi (2006), and Robbins, (2005) stated that job stress not only creates the physical disorders (headache, body pain, heart pain, and disturbance of stomach) but also a cause of mantel disorders like delay in decisions, decrease in employee service, etc. It can be concluded that due to job stress, the employee's outcomes and motivation tend to decrease, and their intention to leave and dissatisfaction with work increases.

Role ambiguity

Failure of an employee to foresee the outcomes of his/her act is known as Role ambiguity. It also contributes to developing negative thinking of, e.g. absence of control, which ultimately leads to stress Karasek (1997). When employees have not enough information regarding their job work, power, and duties, then the possible result is job stress Kahn et al. (1964). If employees are unaware of their responsibilities, powers, and reasonable requirements of the role, then they feel reluctance in decision making due to which they perform their duties and work on hit and trial basis, which ultimately leads to errors, disloyalty, and stress. Due to the technological advancement, the old and experienced employees feel hesitation for using the advanced technology, which indicates the role of ambiguity and in the end, shows as stress in work, Rizzo et al. (1970). Khan et al. say that role ambiguity is the missing of proper, clear, and not confirmed the information of an employee about the anticipations related to his position. Kahn et al. (1964), it has been defining as the role incumbent, which confronts on single or multiple roles, may not express in relationships of behaviors/performance levels. Naylor, Ligen, and Pritchard (1980) described that the role of ambiguity exists when uncertainty is present in focal persons about the product – to – evaluation contingencies, and they are also uncertain about themselves. Kahn et al. (1964), explained that he divided the role model into two dimensions. The responsibility ambiguity is the first dimension is further divided into three subcategories: a) ambiguity for the field obligations, non-clearance of fieldwork obligations, b) ambiguity for conduct responsibilities which are important to justify the anticipations, and c) ambiguity for the position which is necessary for every obligation. Social-emotional ambiguity is the second aspect discussed by khan and his coworkers.

H1: There is a relationship between role ambiguity and job stress.

Relationship with supervisor

If the relationship between the supervisor and employee is not facilitative and helping then it will also be a source of stress which shows that supervisor does not have any concern with employees well-being at workplace Marshall, cooper, and Burk(1976,1988) Yang (2008), Noblet & Rodwell (2008). The researcher found that the support of the supervisor moderates the association among high family-work conflict and well-being (Lizano, Casper, Hsiao, & Mor Barak, 2014; Mavridis, Charles, & Liu, 2019). The styles of managers have changed when they reach the position of supervisory work. Some of the supervisors use a “hands-off” style and give importance to training or counseling instead of micromanagement. Through the “hands-off” style, employees have the choice to perform their work and duties under the minimum supervision. The outcomes of this style of supervision are very charming and good if employees feel easiness to do work under this style of supervision and having the ability of optimal use of their skills. But the limitation of the “hands-off” style of supervision is that it is not supported for every type of organization and every job. Sometimes employees need the enormous help of their supervisor or boss to perform their duties well and generate the optimal outcomes. If there is a gap between supervision that employees need and which they get, it leads to feeling stress. The results of the Coopers study indicate that employee’s positive handling and creativity of the workplace will moderate the association among the relationship with supervisor and job stress. Allisey, Noblet and Rodwell, (2009), Cooper and Schabracq, 2000) all say that stress will affect almost every element of the job. The pressure of stress is automatically increased due to the uncertainty of the environment and fast change in the working environment. Supervision in the organization aims to maximize the productivity of employees and to build a positive relationship between supervisors and their subordinates. There are two significant concerns of relationship with supervisor, first is to focus on management and control, and the second is to maintain a positive and robust helping relationship between employees and subordinates. (Richmond, McCroskey, Davis, & Koontz, 1980; Richmond, McCroskey, Wagner, 1983; Richmond, Saylor, Davis, & McCroskey, 1984). Managerial communication study reveals that the transfer of information between employees and supervisors extensively affect the relationship of them.

H2: There is a relationship between a relationship with a supervisor and job stress.

Work-Family Conflict

Work-family conflict is commonly connected, and reliance on each other as one side of the life is affected by experience in another area (Sarantakos, S. 1996). If a conflict arises among the family and working life, then employees have an experience of stress (Anderson E.S., C. S. 2002). Two dimensions are included in the work-family conflict, namely work to family conflict with support of 6 items (the one sample item is “when I spend time with my family then working time interfere with the amount of time,” & WFC with 5scales (sample scale “My family create a hurdle to do job well”) adapted from Grandey et al. (2005). Most theories and studies on work-family conflict check the model of stress and their involvement and participation in various organizational and personal and outcomes. More specially, the researcher who studies the work and family, and it does evict on convict more utilize a framework that grows out the general stress model. Non-working stressors (e.g., number of children, day cuties in a material relationship), working stressors

(e.g., overload, hour's works) are the interface between works and family. The researcher found that the support of the supervisor moderates the association among high WFC and well-being (Lizano, E. L. et al., 2014; C. Mavridis et al. 2019). The above stressors in this paper have a negative influence on personal, organizational outcomes. As early as 1964, Khan, his partners, found that 1/3 of male workers were worried to an extent about their jobs are interfered with within the life of the family. The evidence of the researcher strongly suggests the WFC is related to the employee health and wellbeing.

H3: There is a relationship between Work-Family conflict and job stress.

Job Satisfaction

Explain the job satisfaction in this word, "the extent to which employees like their jobs" (Lambert et al. 2015). Job stress is a critical or significant factor in retaining & attracting a skilled workforce. The extant scholarly thought substantiates a positive relationship among employee satisfaction, customer satisfaction & corporate performance (Huang, Li, Guthrie, & Meschke, 2015; Symitsi, Stamolampros, & Daskalakis, 2018; Stamolamprosa, Korfiatis, Chalvatzis, & Buhalis, 2019). If there is a discrepancy between the individual wants and expectations and the conditions on the present jobs, that creates the dissatisfaction and negative thought on the work. According to the studies of some researchers (Cooper, Johnson, Donald, Cartwright, Taylor & Millet, 2005), employees' job stress has low or job satisfaction is high. Job satisfaction tells us at the positive direction of the individual towards the work role which he is presently occupying and the pleasurable feeling state resulting from the assessment of one's job as achieving or facilitate the one's value. It is basically an individual matter what one thinks his or her career and when there is a mismatch among expected and what is received from the dissatisfaction occurs. Most satisfied employees happier the job; they are saying a more contented person. It is an essential and integral part of the life.

H4: There is a relationship between job stress and job satisfaction.

Turnover intention

Turnover intention means the employee assessment about the company is not well for them; they will leave their current job in the future Chen (2006). Unfavorable working conditions also a reason for dissatisfaction at working place; they think about quitting the job, reducing the contributions & seek jobs elsewhere. Job satisfaction is considered as an immediate antecedent to the individual's intention to leave (Kim & Fernandez, 2015). The sample scale is "I often think about leaving the job." Lack of relationship with the supervisor has also been identified as a source of work stress and lack of employee wellbeing at work (Burk, 1988; Noblet & Rodwell, 2008; Cooper & Marshall 1976; Yang, 2008). When stress increases, organizational commitment, and job satisfaction decrease. The longitudinal study about the salespeople, quite different between leavers and non-leavers (Moore & Firth, 2004). Various researchers have attempted to answer the questions which determine the intention of the people and investigate the possible experience of employee's intention to quit or switch (Kalliath & Beck, 2001; Kramer, Schuler, & McGraw, 1997). In 2002, Moor, in his study, found that the factors that are related to the lack of satisfaction on their job contribute to people's intention to quit their job.

H5: There is a relationship between job stress & turnover intention.

H6: There is a relationship between job satisfaction & turnover intention.

Research Model

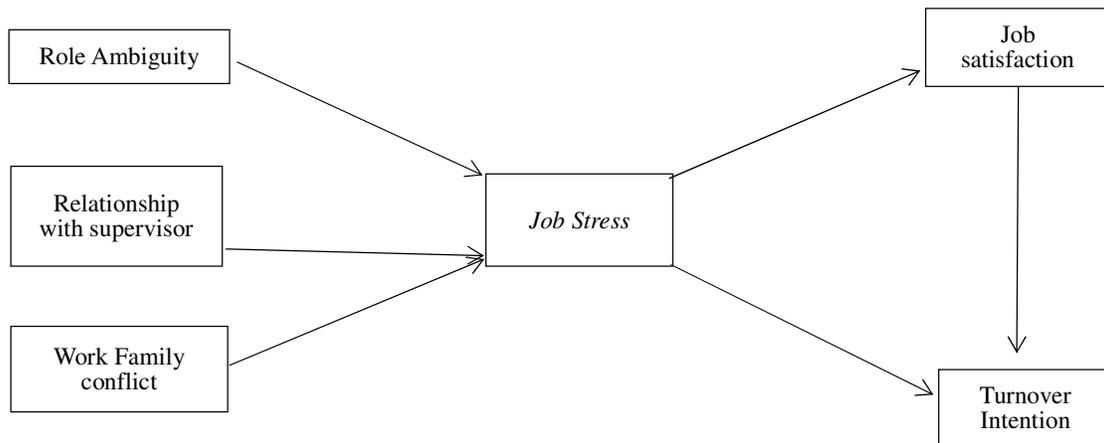


Figure 1: Proposed Research Framework

Methodology

Causal Research is used to check the impact of one variable on another variable. The causal research is dominantly used to measure the effect of one thing on another. It also applies to measure the strength or pace of change and its impact on others. This research is used to examine:

- i. examine the cause-and-effect interactions
- ii. Collection of necessary information which is used to define the problem clearly
- iii. Demonstrate the research scenario
- iv. Count the values which are not possible to get from other types of researches.

Causal research is a tool that is used to investigate individual behavior caused by different variables. This will also help us to determine the relationship between two variables and the expected outcome if a variable acts in a different way.

Sample/ Data

In order to understand the situation about Job stress and job satisfaction in the working area, a sample of two hundred respondents participates in the form of a self-managed questionnaire for data collection. The population for our study consisted of various professionals of diverse fields (e.g., public and private sector organizations) related to Bahawalpur (Pakistan). We utilize a non-probability sampling technique in our study, which is also known as convenience sampling.

Instruments and Scales

The purpose of the current study is to explain the survey instrument. In the first part, collecting the information about the respondents that can be worked as an employee in different firms or organizations whereas in the second part, it evaluates the relationship of different variables in the workplace.

Table 1. Study of the Scales with Reliability

Details of Variables	Detailed Items	Source of information	Reliability (α)
Role Ambiguity	<ol style="list-style-type: none"> 1. I feel secure about how much authority I have. 2. Clear planned goal and objectives for my job. 3. I know that I have divided my time correctly. 4. I know what my responsibilities are. 5. I know that precisely what is expected of me. 6. The explanation is clear of what has been done. 	(Rizzo et al. 1970)	0.790
Relationship with Supervisors	<ol style="list-style-type: none"> 1. I felt safe in my supervision sessions. 2. My supervisor and I both drew up an agenda for supervision together. 3. My supervisor allowed me to learn more. 4. My supervisor gave me helpful negative feedback on my performance. 5. I felt like a burden to my supervisor. 6. My supervisor gave me positive feedback on my performance. 	(Palomo, M. 2004).	0.621
Work-Family Conflict	<ol style="list-style-type: none"> 1. My job keeps me from spending time with my spouse or partner. 2. After work, I am often too tired to do things with my spouse or partner. 3. My working hours interfere with the amount of time I spend with my family. 4. When I get home from work, I often do not have the energy to play a good family role. 5. My family makes it hard for me to do my job well. 6. The demands of my family life limit the number of hours I'm able to work. 7. I'm so tired of all the things I have to do at home that it's hard to have the energy to do my job. 	(Grandey et al. 2005).	0.754
Job Stress	<ol style="list-style-type: none"> 1. How often have you felt nervous and "stressed" at the job? 2. How often have you found that you could not cope with all the things that you had to do? 3. How often have you been angered because of things that happened that were outside your control? 4. How often have you felt that difficulties were increasing that you could not overcome them? 	(Kyoko Kato 2009)	0.747
Job Satisfaction	<ol style="list-style-type: none"> 1. My basic salary is sufficiently paid according to my daily working hours and workload. 2. I am satisfied with my chances for salary increases. 3. The work I do is appreciated. 4. I believe those that do well on the job have a fair chance of being promoted. 5. It is possible to get promoted fast in my job. 	(Smith et al. 1992)	0.796
Turnover Intention	<ol style="list-style-type: none"> 1. I will likely actively look for a new job in the future 2. I often think about quitting. 3. I probably look for a new job in the future 	Cumann et al. 1979	0.825

Procedure

The questionnaire containing thirty-one items was distributed among two hundred respondents in Bahawalpur (Pakistan). One hundred & fifty questionnaires were selected for further analysis & the remaining questionnaires were excluded in the study due to invalid or incomplete responses. For further study, all the chosen surveys are coded & then enter in SPSS sheet Table 2. Study of Beta, Significance and Critical Region.

Table 2. Study of Beta, Significance and Critical Region

Hypothesis	Dependent Variable	Independent Variable	(β)	R ²	Cri. Reg (t)	Sig (p)
H1	Job Stress	Role Ambiguity		0.358	7.188	0.000
H2		Relationship with supervisor	0.488		4.249	0.000
H3						

		Work-Family Conflict	0.291 -0.16 6		-2.373	0.019
H4	Job Satisfaction	Job Stress	-0.24 8	0.061	-3.114	0.002
H5	Turnover Intention	Job Stress	0.385	0.148	5.078	0.000
H6	Turnover Intention	Job Satisfaction	-0.16 2	0.026	-1.993	0.048

Respondents Profile

Personal and demographic data such as age, gender, level of education and employees working in the different sector with the frequencies and averages of the respondents are given in the Table given as:

Table 3. Respondents Profile

Variable	Category	Frequency	Percentage
Gender	Male	123	82
	Female	27	18
Age	20-25 years	27	18
	25-30 years	80	53.3
	30-35 years	15	10
	35-40 years	7	4.7
	40 & Above	21	14
Education	Intermediate	9	6
	Bachelor	32	21.3
	Master	88	58.7
	MS/ M. Phil	21	14
Sector of respondent	Public Sector	105	70
	Private Sector	45	30

Testing of Hypothesis

Role ambiguity

After the analysis of the results of the research, it was deduced that the independent variable role ambiguity has a significant favorable influence on job stress with ($\beta = 0.488$) and considerable value ($p < 0.00$), which means that role ambiguity contributes more than 48.8% to job stress. So, the results of the given study validate H1

Relationship with Supervisor

After the analysis of the results of our study, it was derived that the independent variable connection of the

employee with their supervisor has a significant positive impact on job stress with ($\beta = 0.291$) and considerable value ($p < 0.000$) which means that the relationship with supervisor contributes more than 29.1% to job stress. So the result of the given study validates the H2. Work-family conflict

Job stress

After the analysis of the results of our study, it was examined that the independent variable work-family conflict has a significant negative impact on job stress with ($\beta = -0.166$) and significant value ($p < 0.019$) which means that the work-family conflict contributes more than 16.6% to job stress. So the result of the given study validates the H3. Turnover intention

Job Satisfaction

After the analysis of the results of our study, it was examined that the independent variable job stress has a significant negative impact on job satisfaction with ($\beta = -0.248$) and significant value ($p < 0.002$), which means that job stress contributes more than 24.8% to job satisfaction. So the result of the current study validates the H4

Turnover intention

After the analysis of the results of our research, it was examined that the independent variable job stress has a significant positive impact on job turnover intention of the employees with ($\beta = 0.385$) and considerable value ($p < 0.000$) which means that job stress contributes more than 38.5% to job turnover intention. So the result of the given study validates the H5.

Job Satisfaction

After the analysis of the results of our study, it was examined that the independent variable job satisfaction has a significant negative impact on job turnover intention with ($\beta = -0.162$) and significant value ($p < 0.048$) which means that job satisfaction contributes more than 16.2% to job turnover intention. So the result of the given study validates the H6.

Results and Discussion

The primary objectives of the research are to realize the impact of job stress at the workplace & then analyze the effects of job stress on job satisfaction and turnover intention. The findings of our study have a large number of implications for both public and private sector employees. In this study or research, we extensively focused on the different causes of job stress (like R.A, R.W.S, work-family conflict, job stress, job satisfaction and turnover intention) and then its reactions. This study also emphasizes the correlation between job stress, job satisfaction, and turnover intention. The typical pattern in the results suggests that job stress has important significances related to employee turnover.

Moreover, how this research influences the behavior of employees, wellbeing, and influence on the organizations. Previous literature describes the correlation among works place factors, stress & job satisfaction have extensive support. Higher job satisfaction and lesser job stress are associated with a lower tendency to leave the organization. The employees of public and private sector to reduce job stress seem linked to reducing the work-family conflict and to reduce role ambiguity. It is essential to examine these concepts across the environments of public sector organizations and among employees of private sector organizations to assess their validity.

The results of our study suggest that work-family conflict has a stronger influence on job stress than the influence of role ambiguity, job stress and work-family conflict, had a direct effect on each other, which is more than the impact of role ambiguity. The literature describes that working place factors has an immediate impact on job stress and indirect impact on job satisfaction.

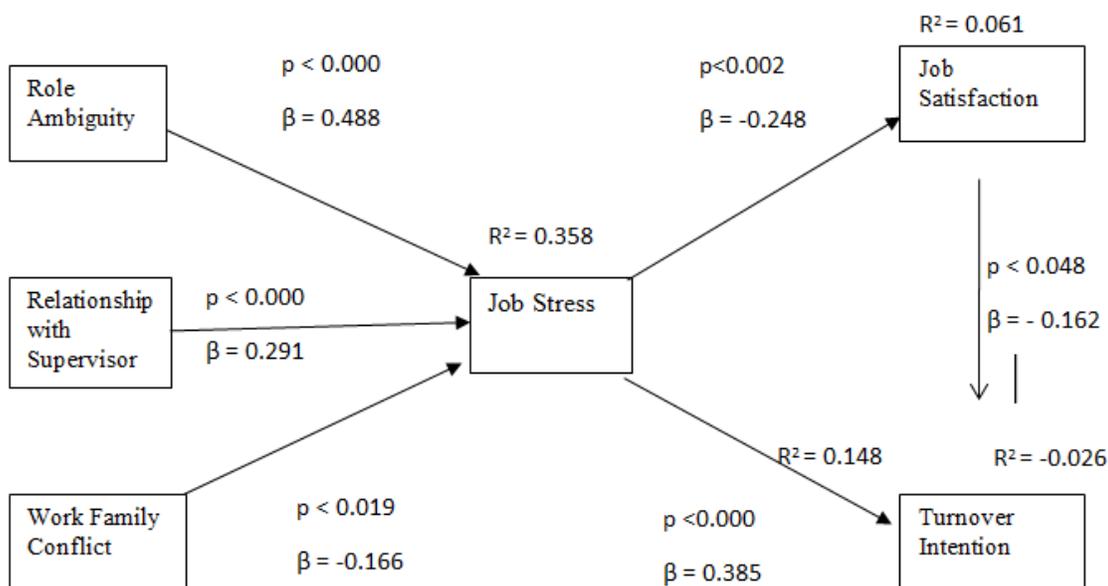


Figure 2. Structural Model Results

Table 4: Summary of Results

Hypothesis	Model variables	Estimates	Results
H1	Job stress ← Role Ambiguity	0.488	Supported
H2	Job stress ← Relationship with supervisor	0.291	Supported
H3	Job stress ← Work-Family Conflict	-0.166	Supported
H4	Job Satisfaction ← Job Stress	-0.248	Supported
H5	Turnover Intention ← Job Stress	0.385	Supported
H6	Turnover Intention ← Job Stress	-0.162	Supported

Conclusion and Inferences

The interrelationship of all variables has been discussed in detail. Previous studies confirmed the impact of role ambiguity, relationship with supervisor and work-family conflict, on job stress, role ambiguity and relationship with supervisor, both variables have positive effect on job stress, but the impact of the variable of role ambiguity is most significant on job stress, whereas the impact of relationship with supervisor on job stress has less significance than role ambiguity which shows that home environment and bad family relationships of the employee creates more stress among employees than their work. So, work-family conflicts need substantial attention to cope with job stress & enhance the workplace satisfaction.

Additionally, based on results, role ambiguity has a more significant effect on job stress than all other variables.

In comparison to all variables which contribute to creating stress, the role ambiguity has a relatively more impact on job stress than all other variables. Similarly, in the relationship between job stress and job satisfaction, stress has a substantial negative impact on job satisfaction. All the given variables were necessary to measure job stress at the workplace and job satisfaction.

In the relationship of job stress, and job satisfaction, with turnover intention both variables (stress & satisfaction) has direct impact on turnover intention but stress has positive effect on turnover intention which means as the stress on the employees increases, their intention to leave increases and they want to change their organization and want to seek alternate of their job with the rise of their job stress, whereas the variable job satisfaction, has negative impact on turnover intention which means that if the employee is satisfied with their job, the turnover intention of their job decrease, so the employees with less job satisfaction needs more to leave their job for better opportunity and better career.

Managerial implications

Public and private organizations can take advantage of the results of our research. This study can be applied to different institutions & organizations, public and autonomous sector, to measure the level of stress among their workforce. Employees who are satisfied with their job make them perform their tasks in the best way, either in the duration of stressful; they preferred to halt with the organizations. The managerial implications of this study help with the development of the industrial organizations in Pakistan. In the first step, the top management can get awareness from this study about the stress factors and the variables that influence on job stress and job satisfaction. In the next step, organizations may take corrective measures to overcome the stress level among their employees, and top management can also identify what the ways through which an organization can satisfy their employees are.

Similarly, to increase the motivation level of the employees, they can identify and then maintain the required environment. In this way, the intention of the organization is encouraging. Through the practical implications of the results of this study, the management can identify that in which areas, the employees need the training to improve their performance, and ultimately, the productivity and profitability of the organization can increase. The findings of our research will also use for HR decision making and strategy formation.

Limitations and Future Recommendations

In this research, the aggregate data collected from only those respondents who are associated with a similar geographical region. If the study selects the respondents for the collection of data from the different geographic regions of Pakistan, the results of the research can be more substantial. The study uses the convenience and probability sampling technique in this research. If the study uses the random sampling or other sampling techniques for the selection of respondents, then the results may be different. Our sample size is limited to 150 respondents, which don't represent the whole population relevant to our study. If the size of the sample increase, then the results can be different probably. We select the respondents from public and private organizations. If we choose the respondents from public organizations, the results may differ. If more other consequences and antecedents of job stress are used, the results may be more prominent.

Furthermore, some parts of our questionnaires based on the questions regarding the employee's supervisors and their colleagues, about their organization, their work, and their duties. Most of the employees feel hesitation in answering these questions or do not explain indeed in the future; this research can be performed descriptively. The increase in sample size may also enhance the significance of this research in the future. This research can play in different geographical regions of Pakistan. This research is useful to reduce the employee's turnover from organizations. Research also helped to enhance the performance of employees and reduced their stress.

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SERVICE QUALITY, STUDENT SATISFACTION, MOTIVATION, PERFORMANCE AND LOYALTY: A RESEARCH PARADIGM

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Abstract

Quality of service is one of the most important elements in determining the success of service organizations including universities. The study attempts to propose a research paradigm for investigating the relationship between service quality, student satisfaction, motivation, performance and loyalty in Vietnamese universities. In the study, HEdPERF scale is used to measure university service quality. Target respondents are students studying at public and private universities. Both online and offline survey are conducted to gather the necessary data. The collected data will then be processed and analyzed utilizing SPSS and AMOS to test the HEdPERF measurement scales for university service quality in an emerging country, Vietnam, and to determine if there are associations between university service quality, student satisfaction, motivation, performance and loyalty as well.

Key words: Service Quality, University Service Quality, Student Satisfaction, Student Motivation, Student Loyalty

INTRODUCTION

Background of the Study:

Higher education institutions are seen as one of the important components of an economy since they produce both human capital and new knowledge (Johnes, 2006); hence, they play an important role in knowledge-based societies and in growing economies in today's world. Similarly, Ibrahim, Rahmanb, and Yasinc (2012) note that higher education service quality is fundamental to a country's development. Drăgan, Ivana, and Arba (2014) also emphasize the importance of higher education, since a direct contribution can be made by education to the development of excellence and knowledge, and hence to a country's social and economic development. Therefore, education or particularly higher education has always been a hot topic that has gained more attention from many social commentators, researchers, and leaders. Previously, higher education was merely seen as a high-quality and non-profit human resource training activities for the country. However, education today has gradually become a service sector where students are consumers who need to pay money to use the educational service and freely choose educational providers that they are deem the most suitable.

The higher education sector is becoming increasingly competitive and is characterized by the presence of domestic and international educational institutions, varied forms of institutional collaborations,

and students with higher levels of expectations (Dabholkar, 1995). Therefore, providing quality service is viewed as one of the top proprieties for higher education institutions (Trivellas & Geraki, 2008). Enhancement on the quality of service provided can result in students' higher level of satisfaction and also bring greater long-term benefits for profitability and market share (Anderson et al., 1994). Service quality is known as one of the biggest challenges that many organizations around the world must face since it plays a key role in the survival and success of institutions, especially higher education institutions. Service quality has become a crucial goal in developing the strategy and plan of tertiary institutions. Besides, the higher educational institutions need to investigate the skills and abilities that the industry required from graduate students as well as students' feelings about their educational experience.

For recent years, Vietnamese higher education field has profoundly changed. This sector is driven into commercial competition, due to the effect of economic forces that are caused by global integration. Since internationalizing market, Vietnam has had an opportunity to expand the economy and society, obtain new knowledge and acquire benefits from the transmission of technological achievements or new trading agreements. It is considered as one of the most attractive investment locations for many foreign companies. This results in the larger requirement of high-qualified human resources. As a result, training high-quality human resources for the Vietnam labor market was a matter of urgency in the current period of integration. Numerous higher education institutions have been increasingly established toward types of institutions and forms of training programs to meet the society's demands. According to the report by the Ministry of Education and Training, in 2019, Vietnam has a total of 237 universities. In which, there are 172 public schools and 65 non-public schools. Vietnamese universities have over 300 programs with different training forms such as degrees of bachelor and degrees of master and cooperate with many well-known international educational institutions and universities.

Problem Statement:

At present, higher education institutions has driven into commercial competition forced by economic factors emanating from the development of the global education market, reduction of government funding. Tertiary institutions have become much more competitive in attracting funding and good students. Institutions have not only cared about the quality of education product but also the quality of education service to their students. Enhancing service quality is a wise policy for an institution to provide better and unique services compared to other competitors.

Many researchers have conducted studies over the past decades to develop a clear understanding not only of service quality and marketing concepts (such as satisfaction, loyalty, motivation) themselves but also how they relate to each other and subsequently drive loyalty (Caruana, 2002; Cronin et al., 2000, Mosahab et al., 2010). The specific interest was measurement of "antecedent, consequent and mediating" relationships among these three variables (Rust and Oliver, 1994). Numerous studies have attempted to model the relationships between these constructs (Bitner, 1990; Cronin and Taylor, 1992; Dabholkar et al., 2000; Fornell, 1992; Iacobucci et al., 1995; Oliver, 1999; Parasuraman et al., 1985, 1988). However, limited study has been done on this type of topic in Vietnam environment. The relationship between service quality, satisfaction motivation, and loyalty of customers have been mostly investigated in sectors related to business or commerce. For example, the study in hotel industry was performed by Phi and Nguyen Viet (2018).

Another paper was done in retail banking sector by Ngo and Nguyen (2016).

In recent decades, various research has been conducted in different countries, relating to the quality of service and the satisfaction of customers in term of higher education setting. Vietnam is no exception. However, most of studies done in Vietnam context applied and adopted measurement instruments in evaluating tertiary educational service quality, its impacts on student satisfaction such as SERVQUAL or SERPERF which are general models and can be used in various industries (Nguyen Viet & Nguyen Khanh Duy, 2005; Nguyen Thanh Long, 2006; Nguyen Tran Thanh Binh, 2009). The usage of HEdPERF model is not popular in Vietnam environment. Abdullah (2005) who developed HEdPERF measuring scale aiming to the context of higher education stated HEdPERF model as a comprehensive measurement instrument that can completely capture the real dimensions of service quality in tertiary educational sector (Abdullah, 2006). Although this model only measures the quality of service by its performance, Sultan and Wong (2010b) believed that HEdPERF may infer more reliable results, compared to other tools.

Students' academic performance measurement has received considerable attention in different research works and has become a challenging topic in academic literature. The students' academic performance plays an important role in creating the finest quality alumni who provides material support and play ambassadorial role for academic institutions. Good academic performance can lead to lower marketing cost, enhance opportunity for brand extension and increased market shares. Academic performance can also promote favorable word of mouth and greater resistant among loyal students to competitive strategies which can lead to lower levels of price sensitivity among students and parents. Students' academic performance is also an important antecedent to the design and implementation of academic policies which aim to improve quality in education by changing attitude of students towards learning (Mushtaq & Khan, 2012). However, despite tremendous interest in academic performance, very little empirical research has explored how these constructs are affected by service quality dimensions and others elements (Banahene & Kasu, 2018).

Research Objectives:

This study will be conducted to achieve the following objectives

- To test the HEdPERF scale for measuring higher education service quality in the context of an emerging country that is Vietnam.
- To determine the associations between university service quality, student satisfaction, motivation, performance, and loyalty.

LITERATURE REVIEW

Service Quality

Service quality was firstly introduced by Grönroos (1984) and later, was developed further by Parasuraman, Zeithaml, and Berry in 1985. They recognized that quality takes an essential role for most companies. Service quality is considered as one of the business's competitive advantages (Ali et al., 2012; Lewis, 1990). Numerous definitions have been made to identify the concept of service quality. Crosby (1979) and Juran (1988) was defined service quality as responding to customer needs or requirements and customer expectations, while service quality was described by Zeithaml (1988) as the excellence or superiority in delivering service. In addition, according to Hasan et al. (2008), the quality was a concept that depends on the customer's perception of quality. Perceived service quality is the difference between customers'

expectations and customers' perceptions (Parasuraman et al.,1988,1994). If there is a higher customer perception than customer expectations, it will result in higher perceived quality by customers. Since service quality is usually driven by customers, the service providers find it difficult to understand and apply this concept to practice (Sharif & Kassim, 2012). The difficulty also occurs in service quality measurement. There is no standard framework that has been developed to conduct the evaluation of service quality precisely (Seth et al.,2005).

Service Quality in Higher Education

Service quality plays an essential and important role in the higher education field. However, it still exists controversy and vagueness on the way to define service quality in higher education context (Becket & Brookes, 2006). The definition of higher education service quality is based on stakeholders who have experience on various services provided by universities. Students are considered as the main stakeholder, since most of their experiences over the studying years involve various types of service provided (Jancey & Burns, 2013). Therefore, more educational institutions take interest in the decision-making process of their students. By understanding and providing satisfying service, universities can attract more new students as well as retain current students.

Student Satisfaction

Satisfaction is mostly discussed in the marketing sector as the form of customer satisfaction which is defined as the response of customers to the service provided (Tse & Wilton, 1998). In other words, customer satisfaction is an emotional reaction of a person when the actual performance of goods and services fulfills his or her expectations (Kotler & Clarke, 1987). Customers are dissatisfied whenever the perceived performance is worse than prior expectation.

In higher education, students are considered as universities' primary customers and partners, since they directly select as well as purchase provided services (Kud & Hud, 2001; Sultan & Wong, 2013). The satisfaction of students is the result of comparing the difference between prior expectations and the perceived environment in the institution (Borden, 1995). Meanwhile, some researchers argued that student satisfaction related to their experience with the education service during their studies at university. According to Oliver and Desarbo (1997), satisfaction for students related to student evaluation of their outcome with regard to the education and their experiences in the educational institutions. Similarly, Elliott and Healy (2001) also insisted that student satisfaction is a short-term outlook shaped by their experience with education services received from institutions. Moreover, Sapri, Kaka, and Finch, (2009) evaluated the importance of student satisfaction in the determination of service's authenticity and accuracy in education institutions. This notion is also supported by Barnett (2011). The author stated the student satisfaction plays an important role with higher education service providers because it is the only performance indicator to measure service quality.

Many previous works of literature determined different elements influencing student satisfaction. However, to meet the satisfaction of students, Chahal and Devil (2013) suggested that service providers in terms of higher education should take both institutional and personal factors into consideration. Institutional factors often consist of the quality of instruction; quality and promptness of the instructor's feedback; the clarity of his/her expectations; the teaching style of the instructor; the research; and the size of classes.

Besides, personal elements are age, gender, occupation, personality, favorite learning styles, and average grade points.

Student Loyalty

Loyalty can be combined with suppliers, stores, products, brands and organizations to suggest various definitions of customer loyalty (Day, 1984; Helgesen and Nettet, 2011). According to Lovelock and Wirtz (2007, p. 629), loyalty is described as “a customer’s commitment to continue patronizing a specific firm over an extended period of time”. In simple words, the loyalty of customers is the behavior of individual to maintain the relationship with an organization and repurchase its products and services (Duffy, 2003). Customer loyalty also referred to their recommendation to others, their repeat purchase of goods and services, and enhancing potential business transaction (Zeithaml, Berry and Parasuraman, 1996).

Similar to customer loyalty, student loyalty is student willingness to give positive word of mouth about university as well as to recommend their higher educational institute to their family, friends, employers, and others (Kunanusorn & Puttawong, 2015). Otherwise, student loyalty also contained attitudinal and behavioral components (Hennig-Thurau et al., 2001). The attitudinal loyalty related to consumers’ preference, commitment, or purchase intention, while the behavioral loyalty related to the frequency of repurchasing (Day, 1984). For long-term goal, Annamdevula and Bellamkonda (2016a) believed that a loyal student can be beneficial for institution staff to determine the right and appropriate promotion or development. Furthermore, the loyalty of former students is considered as more important than that of existing students, which is true in any university, and any specific courses or other components of institute (Helgesen and Nettet, 2007).

This paper will measure student loyalty on both attitudinal components and behavioral components. The attitudinal components are composed of cognitive, affective, and conative elements. While, in term of behavior, the components referred to commitments of consumers such as repeat purchase, recommendation, patronizing and returning to their educational institution.

Student Motivation

Motivation is an internal driver needed to direct one's actions and behaviors to achieve a goal. Motivation is an internal condition and is sometimes described as need and desire. Many psychologists use the term motivation to describe a process that moves human behavior and gives direction or purpose to a behavior (Galbraith, 1990). There are two dimensions of motivation, namely (a) intrinsic motivation – meaning the primary motivation to learn is an internal driver, such as the desire to learn and gain knowledge; and (b) extrinsic motivation – meaning that learning motivation is derived from external factors and to obtain external results (Ryan and Deci, 2000).

Academic Performance

Academic performance or achievement has been defined differently by different scientists. According to Özgüven (2002), it is the level of benefiting from a certain academic program or course, according to Güleç and Alkış (2003), it is the grade that students get in schools, and according to Silah (2003), it is the level of reaching the goals set in the school. Student performance in higher education is especially affected by various socioeconomic, psychological, and environmental factors (Hijazi & Naqvi, 2006).

Hypothesis Development

Service Quality and Student Loyalty

Researchers and scholars have conducted several studies that measure student loyalty in higher education domain to reveal behavioral intents, retaining and word-of-mouth advertising (Clemes et al., 2013, 2008). Customer loyalty is the relationship strength amid a person's comparative attitude and repetitive sponsorship. The core objective of every corporation is customer loyalty amplification, safeguarding and improvement regarding its services or products (Dick and Basu, 1994). Research on student loyalty help institutions' superintendents to institute suitable program that ascertain, promote, uphold and develop fruitful relationship with present and previous students. Higher quality perceptions strongly influence the intentional behavior of the students (Zeithaml et al., 1996; Boulding et al., 1993). Various factors inside the higher education institution are decisive determinant for student's loyalty. Amongst them, the availability of facilities (classrooms with good amenities, sports installations, internet accessibility and ease etc.), the teaching quality, and the students' emotional commitment to their institute (Hennig-Thurau et al., 2001). For these reasons above, the study proposes a hypothesis to discover the impact of service quality and student loyalty as follows:

Hypothesis 1: Service Quality has a positive and significant effect on Student Loyalty.

Service Quality and Student Satisfaction

Service Quality is a booster for the formation multi-dimensional satisfaction. Customer satisfaction as a perception of a product or service that has fulfilled its expectations. Consumer behavior theory states that customer satisfaction is a perspective of consumer experience after consuming or using a product or service (Oliver, 1993). Moreover, service Quality generally noted as an important prerequisite for establishing and maintaining satisfying relationships with valuable customers. In this way, the relationship between service quality and customer satisfaction has emerged as an important and strategic topic (Cronin & Taylor, 1992). In general, perceptions of service quality are antecedents of satisfaction (Spreng & Mckoy, 1996). Thus, a proper understanding of the antecedents and determinants of customer satisfaction can be seen as having a very high monetary value for service organizations in a competitive environment (Lassar et al., 2000). Therefore, this research proposes a hypothesis to test the effect of service quality on student satisfaction as:

Hypothesis 2: Service Quality has a positive and significant effect on student satisfaction.

Service Quality and Academic Performance

In the past few decades, researchers and practitioners have paid more attention to service quality due to its robust influence on perceived performance (Santouridis and Trivellas 2010). The quality of service is concerned with the overall perception of the performance of the services provided by the service employees (Yee et al. 2010; Sharma and Dhar 2016). Hossain and Leo (2009) stated that quality of service is a significant measure of performance. In the same vein, Molinari et al. (2008) stressed that service quality is empirically affecting performance. Therefore, this study hypothesizes the relationship between service quality and perceived performance as follows:

Hypothesis 3: Service Quality has a positive and significant effect on academic performance.

Service Quality and Student Loyalty

Studies have been conducted over the past decades to respond to the question about whether

motivation eases the studying and whether it advances the student acquisition of knowledge in learning sceneries (Eccles and Wigfield, 2002; Covington, 2000). The autonomous motivation was reported to be significantly associated with students' perception of course quality, in terms of the meaningfulness and value of the educational experience (Sobral, 2004). the interrelationship among the affairs, processes and other academic-related tasks can facilitate the development of higher motivation for learning (Hufton et al., 2003). Students learn more and are more successful when their motivation levels are high compared to those with lower motivation (Frankola, 2001; LaRose and Whitten, 2000). The notion of motivation is very significant in higher education context. Hence there is a particular interest to thoroughly study motivation to comprehend student motivation antecedents. Consequently, this paper will examine service quality influence on student motivation in Vietnamese higher education area. In this regard, the below hypothesis is made:

Hypothesis 4: Service Quality has a positive and significant effect on student motivation.

Student Satisfaction and Student Loyalty

Numerous studies have been conducted to examine the relationship between customer satisfaction and loyalty in diverse service industries, educational sector is no exception. In the context of higher education, the literature on the determinants of student loyalty have mostly carried out in two streams. The first one is to highlight the effect of service quality on student loyalty. The other is to emphasize its relationship with other marketing concepts such as satisfaction, image, etc.

The findings from previous paper indicated that loyalty of students is more driven by satisfaction than the quality of service provided by tertiary institutions (Annamdevula & Bellamkonda, 2016b). There is a positively influential relationship between student satisfaction and loyalty, but no significant correlation among service quality and loyalty of students (Chandra et al., 2018). Thus, individual loyalty is identified as the primary consequence of their satisfaction toward organization, especially higher education institutions.

Satisfied students are more likely to be loyal and faithful to the tertiary educational institution where they are provided service, to share their experiences in the positive way via face to-face conversation or social media platforms, and to give recommendation about their university to other people. Since students have already experienced services offered by university, perceived their quality, and feel satisfied with them, their word-of-mouth or suggestion can be more persuasive with potential students. Therefore, this research proposes a hypothesis to test the effect on student loyalty from student satisfaction as:

Hypothesis 5: Student satisfaction has a positive and significant effect on student loyalty.

Student Satisfaction and Academic Performance

The correlation between student satisfaction and academic performance have been confirmed in many preceding studies. Interestingly, even though these studies have shown the correlation between student satisfaction and academic performance, most learning-related studies have regarded student satisfaction and academic performance as different dependent variables that are influenced by other factors. As such, these studies have not considered in detail the possible mechanisms of association between the two variables. Pike (1991) and Bean and Bradley (1986) have investigated the association between learning satisfaction and learning outcomes. The results indicated that the effects of students' satisfaction on their academic performance surpass those of academic performance on satisfaction of student.

Furthermore, satisfaction is not only a key indicator for measuring whether learners are satisfied

with their universities (Fujita-Starck & Thompson, 1994), it can also be used to explain the motivations and learning outcomes of learners engaging in learning activities (Goh et al., 2017; Ryan & Deci, 2017). Students with negative opinions can impede their learning effectiveness (Biner, Dean, & Mellinger, 1994). In other words, when learners exhibit a lower level of learning satisfaction in the process of learning, their learning outcomes will be reduced as well, and vice versa. Therefore, following prior papers, this study proposes a hypothesis to validate the association between student satisfaction and academic performance:

Hypothesis 6: Student satisfaction has a positive and significant effect on academic performance.

Student Motivation and Academic Performance

Several researchers have found that academic motivation predicts academic performance among college students (Robbins et al., 2004; Tavani & Losh, 2003). However, many studies are not consistent in terms of how each type of motivation relates to performance of students. While some studies have found that students with higher levels of intrinsic motivation had higher college GPAs (Davis, Winsler, & Middleton, 2006; Komarraju et al., 2009), others did not find this relationship (Baker, 2003; Prospero & Vohra-Gupta, 2007; Turner et al., 2009). This has happened similarly in external aspect of motivation. Among broadly defined samples of college students, researchers found no relationship between extrinsic motivation and academic performance (Baker, 2003; Prospero & Vohra-Gupta, 2007; Turner et al., 2009), whereas Cokley (2003) found that one of the measures of extrinsic motivation, external regulation, was positively related to academic performance when using a predominately African - American sample. In most studies that were reviewed, students who lacked academic motivation demonstrated poor academic achievement (Cokley, 2003; Turner et al., 2009). Because of this discrepancy, the study develops a hypothesis to test the relationship between student motivation in both intrinsic and extrinsic aspect and their academic performance as follows:

Hypothesis 7: Student motivation (both intrinsic and extrinsic aspect) has a positive and significant effect on academic performance.

Research Methodology

Research Design

To address the objectives of examining the relationship between independent variables and dependent variables, quantitative research method is applied in this study. Creswell (2003) described quantitative research design as an approach to examine the correlation among variables through mathematical methods, particularly statistic. Data is collected in form of numbers and then, analyzed to determine whether proposed hypotheses are supported or rejected by using statistical techniques.

Sample and Sampling Method

Target respondents are students studying undergraduate training program at various private and state tertiary educational institutions in Ho Chi Minh, Vietnam. A convenience sampling approach is applied in the study. This method is known as one of the non-probability sampling design that focus on collecting data from individuals who conveniently engage in the survey.

Gorsuch (1990) and Hatcher (2005) recommended the item ratio should be at least 5:1 and the higher ratio of minimum subject would be better. There are totally 35 questions designed to assess both endogenous variables and exogenous variables in this research. Endogenous variables refers to dependent

variables, while exogenous variables equivalent to independent variables. As formulation, if the survey includes 35 questions, the number of respondents should be at least 175. The projected sample size for the study is 300, so the item ratio is about 7:1. Besides, according to Comrey and Lee (1992), who proposed measuring scale of sample size, sample of 50 is very poor, sample of 100 is still poor, sample of 200 is fair, sample of 300 is good. As above recommendation, the good and appropriate size of sample for this research is 300.

Variable Measurement

In the current study, higher education service quality is evaluated using HEDPERF scales with five dimensions including academic aspects, non-academic, reputation, program issues and access that are designed by Abdullah (2005). Student satisfaction is assessed by 5 items from Westbrook and Oliver (1991) and Abdullah (2006a), student loyalty is measured by 3 items adapted from Bobalca et al. (2012) and Kang et al. (2013). Motivation of students is measured by 3 items adapted from Rizkallah, and Seitz (2017). Academic performance is measured by 5 items developed by Shapiro and Kratochwill, (1988) and Lee and Seong, (2020).

Data Process and Analysis

To conduct statistical analysis, the current research would use two types of software, namely SPSS (Statistical Package for Social Sciences) and AMOS 20 (Analysis of Moment Structures 20) with some following techniques:

Descriptive analysis is applied in this study to give the calculation of percentage, mean, frequency distribution of demographic data in part one of survey (gender, university, faculty).

Cronbach's alpha is applied to verify the degree of reliability and internal consistency toward the answer of each variable. If the results from Cronbach's alpha of each construct are higher than 0.7, implying that measurement model is reliable. Even though the higher alpha value means the more reliable data collection, this score that is larger than 0.97, indicating the phenomenon of redundancy (Hulin et al., 2001)

Exploratory Factor Analysis (EFA) is known as a statistical instrument that is aimed to reduce a set of variables into smaller set of summary factors. This technique is used to investigate the fundamental theoretical structure relating to the phenomenon and the correlation's structure between respondents and variables. A factor is considered to be accepted when the value of KMO is over 0.6 and Significant level is lower than 0.5.

Confirmatory Factor Analysis (CFA) is a statistical approach that is conducted after Exploratory Factor Analysis with the purpose of testing how well the observed variables represent number of constructs. This type of technique helps researchers to indicate the number of required elements in data and identify the relation of measured variable to latent variables.

Structural Equation Modeling (SME) is described as a diverse set of statistical instruments used to analyze the structural association of observed variables with latent variables. SME is combined between factor analysis and multiple regression analysis. There are two main tests showed in this method, including hypothesis testing to determine the relationship among variable, and Bootstrapping to examine the reliability and indirect effect between dependent and independent variables via p-value. p-value is found to be less than 0.5, which imply the valuable outcomes. Similar to the standard result of Confirmatory Factor Analysis

(CFA) tool, the criteria for SME's outcome are illustrated as: Chi-square/df < 2; CFI> 0.9; GFI> 0.9; RMSEA < 0.06.

Conclusion

Service quality is a crucial factor to achieve the organizational goals. The main purpose of the current study is to develop a research model for discovering the relationship between university service quality, student satisfaction, motivation, performance and loyalty in Vietnam. The HEdPERF measurement scale for university service quality being developed by Abdullah (2005) is adapted to measure university service quality. Undergraduate students who are studying at Vietnamese universities will be asked to complete the questionnaires. Data gathering is achieved through not only online but also offline survey. Relevant statistical analysis softwares will then be utilized to process the collected data in order to test the HEdPERF scales for measuring university service quality and to discover whether there are relationships between university service quality, student satisfaction, motivation, performance and loyalty.

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THE EFFECT OF DIGITAL EXPERIENCE AND DIGITAL CONSEQUENCES INVOLVEMENT IN MOBILE SHOPPING AMONG YOUNG GENERATIONS

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Abstract

M-Commerce (mobile-commerce) which is the development of e-Commerce by utilizing mobile devices, such as smartphones, has become a channel that can provide business services with high mobility. The availability of shopping services with high mobility has made the young generation to found and create the most of these devices to simplify the daily shopping process. This study uses a survey method by utilizing an electronic questionnaire in which 278 students become respondents using the purposive random sampling as a sampling method. With Sturctural Equation Modelling test, results found that quality of smartphone hardware and software and Adoption Agent using mobile devices will positively affect consumer digital experience. Then, the digital experiences positively influence the digital engagement. This consumer digital engagement can ultimately influence consumer behavior in sharing information and purchases of cellular devices or other products and services.

Key words: quality of smartphone hardware and software, adoption agent, consumer digital experience, digital engagement, purchasing

JEL classification: M30

Introduction

It is no secret that *tablet* and *smartphone* have created a culture of *multitasking* and made all activities, such as shopping in particular easier to do with simple procedures and fast processing. The exploration of *smartphones* has created a mobile shopping pattern known as m-commerce. It does not only stop at the transaction process through mobile devices, but the exploration carried out by experts has also resulted in electronic payment systems. Hence, the transfer of transaction payments can be made directly through these

devices. The availability of shopping services with high mobility has made the young generation to found and create the most of these devices to simplify the daily shopping process. Currently, quite a lot of young people have taken advantage of the availability of mobile facilities for shopping food, clothes, various equipments, and others.

This condition is interesting to study in order to determine the factors that encourage mobile shopping among the young generation. Research on behavioral aspects related to the acceptance and adoption of new technology by consumers, who in fact are the young generation, is very important to do in order to understand how they respond to technological innovations, especially innovations related to mobile shopping (Abbade, 2014).

Literature Review

M-Commerce Era

M-Commerce (mobile-commerce) which is the development of e-Commerce by utilizing mobile devices, such as *smartphones*, has become a channel that can provide business services with high mobility. This channel can be used to increase the value of business transaction services (Kim and Kim, 2004). Therefore, marketers pay special attention to understand the important factors that can be used to persuade people, especially young consumers or what is often referred to Digital Consumers (Kotler, 2017) to use m-Commerce and those that leads to individual adoption intentions. It is a big challenge for marketers to win over the young consumer market. Ericsson Consumer Lab (2012) has revealed that *smartphone* penetration in Malaysia in 2014 increased by 140%, and this suggests that retailers need to put more emphasis and focus on the main trends that integrate their business with m-Commerce. In addition, the growth of social media networks, such as Facebook, Instagram, Twitter and others in Indonesia has resulted in many international and local brands implementing marketing strategies to achieve success through electronic media. The disruption of technology has resulted in consumers becoming more familiar with using *smartphones* and tablets. These devices allow people to do a number of different activities, including buying goods and paying online.

Accordingly, many businesses have turned mobile shopping into part of an overall internet marketing strategy. *Smartphones* and tablets are becoming profitable for companies, as consumers will be constantly connected to the Internet. Once a consumer sees something that he wants to buy, he can immediately make transactions easily and simply. The sense of pleasure is one of the factors that contribute to the growth of mobile shopping as a whole. Companies that already have an e-Commerce strategy offer solutions via cellular connections to customers. This will increase income and consumer's loyalty. With the increasing ownership and use of cell phones in the world, more e-commerce shopping and payments are done via *smartphones*, so that it will make consumers more accustomed to changes in m-Commerce shopping platforms.

The Quality of Smartphone Hardware and Software

Communication isThe substance related to *smartphones*, such as screen quality, portability and others will increase user perception and attitudes towards *smartphone* use. Clarke (2001) states that there are several aspects that will be studied in a *smartphone*, namely screen quality related to screen size and graphic pixels, and device portability related to the possibility of easy mobile internet access anywhere and anytime.

Meanwhile, Chong et. al. (2012) states several aspects of *smartphone* software, namely: Quality of information, Design of *smartphone* applications with simple navigation that is easy to understand, System quality in the form of secure and reliable security applications, and Interactivity, especially user interactions with sites or applications.

Based on the above understanding, the hypothesis of this study is formulated as follows:

H1: The quality of *smartphone* hardware and software (HSA) positively affects the value of the consumer's digital experience (DEx).

Adoption Agent

The adoption process in the use of technology is closely related to the Technology Acceptance Model (TAM) theory; the goal is to offer a concise explanation of the determinants of adoption that would be general enough for application to usage behavior across a wide range of technology innovations (Davis et al., 1989). The Technology Acceptance Model theorizes that an individual's behavioral intention to adopt a particular piece of technology is determined by the person's attitude toward the use of the technology. The model has been used to study adoption of a wide variety of innovations, such as social media adoption in higher education (Dumpit and Fernandez, 2017), m-banking adoption, and online retail shopping. Hartzel et al. (2016) explains how the cultural aspects of the user, social nature of the technology and the social nature of the task influence the Technology Acceptance Model framework.

The adoption agent by social influence is "the extent to which an individual user feels the importance that other people believe that he should take advantage of innovation." *Smartphones* are mobile devices that are vulnerable to social influences. Meanwhile, consumers can buy and use certain touchable mobile devices because of the trend or influence of the media and their friends.

This research hypothesis is:

H2: Adoption Agent (AA) using a *smartphone* positively affects the value of a consumer's digital experience (DEx).

Digital Experience

Digital Experience essentially provides less or more intense emotion as demonstrated by the type of experience (Filsler, 2002). The emotions experience and its intensity is influenced by the customer's connection with others (Formerino et. al., 2008). Customer excitement is characterized by positive influence and pleasure which can be considered as an effective element of satisfaction that comes from the digital experience (Oliver and Sajeev, 1997) that will influence the digital engagement demonstrated by their behavior.

The brand experience express the entire of customer journey (Lemon and Verhoef, 2016) which results in three

types of brand experiences: (1) the pre-brand experiences (2) intra-brand used experience, and (3) post-use experience of the brand, resulting from consumer engagement with the brand (Islam et al., 2019). Brus et al. (2009) approach to brand experience seems to be the most analytical and adopt here; there are four dimensions of brand experience: 1 sensory (as in multisensory), 2 emotional (passion), 3 intellectual (cognitive), and 4 physical (action).

The hypothesis developed is:

H3: Digital experience arising from value digital experience (DEx) positively affects digital engagement (DEn).

Digital Engagement

Companies have been investing in online brand communities (OBCs) with the purpose of initiating and strengthening relationships with their customers and stimulating brand engagement within these social platforms (Balduset al., 2015). According to Vivek et al. (2014), in the offline brand-customer relationships settings, engagement has been considered as a construct that reflects the quantity of relationships and connections that a customer has with a brand's offerings and activities.

The digital engagement refers to positive or negative knowledge and feelings about an object or activity (Friedrich et. Al., 2009). This consumer attitude will lead to consumer behavior. This behavior is also defined as the perception of a person's likelihood or subjective probability that he or she will be involved in a given behavior (Agrabi and Jallais, 2015).

Engagement is conceptually a behavioral flow without mental intention and is related to a non-continuous involvement that generates a persistent and generalized cognitive – affective state (Kim et al., 2013). Other researchers state that engagement reflects the voluntary investment of cognitive, emotional, behavioral and social resources in interactions with the brand (Hollebeek et al., 2019).

The hypotheses related to this are:

H4: Consumer digital engagement (DEn) influences consumer behavior in information sharing (SI).

H5: Consumer digital engagement (DEn) influences consumer behavior in purchasing (P).

The following is a research model based on the development of the above hypothesis:

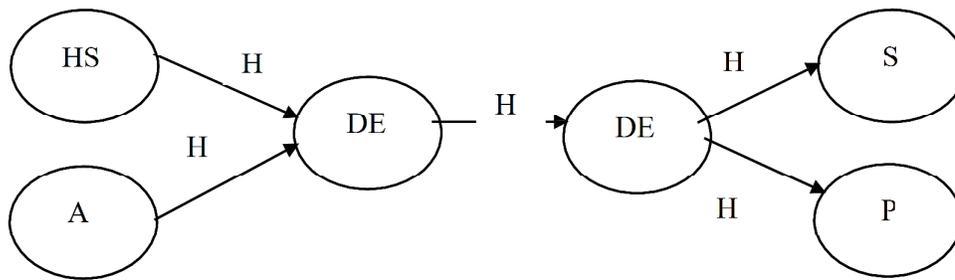


Figure 1. Research Model (Saidon et. Al., 2016)

HSA: Hardware and Software Agent

AA: Adoption Agent

DEx: Digital Experience

Den: Digital Engagement

SI: Sharing Information

P: Purchasing

Research and Methodology

Design and Variables in the Research

This study uses a survey method by utilizing an electronic questionnaire in which 278 students become respondents from the Information Technology Faculty and Business Faculty at Duta Wacana Christian University using the purposive random sampling method. The contents of the questionnaire are divided into two stages; the first part is to know the profiles of students about the use of cell phones in their activities; while the second part contains questions for model testing, which consists of five constructs. Peter et. al. (2018) stated that there are several measurements that can be used to measure a number of variables in research related to motivation and technology adoption, such as the extent to which technology adoption motivates a person independently, the extent to which technology adoption motivates consumers to buy and the extent to which technology adoption motivates satisfied consumers to share information with other reference group. For the digital experience variable, the questions asked are how happy they are to use cellphone in order to communicate with others, to use it for online shopping activities, and the experience of getting satisfying service when shopping online. For the measurement of engagement variables, it includes the interest to shop online via cellphone, and how consumers prefer better to shop online via cellphone. Meanwhile, information sharing and purchasing variables are measured by the tendency of consumers to share any information with their parents, relatives, friends via online social media, and if consumers want to shop for something, they will do it online.

Location and Time of Research

The research was conducted within the students of the Faculty of Information Technology and the Faculty of Business, Duta Wacana Christian University Yogyakarta. The respondents provided their data and opinions via an electronic questionnaire. Meanwhile, the research time was conducted from March 2020 to December 2020

Respondents

The research will be conducted on the young generation. The respondents targeted in this research are SWCU students who come from various regions with various levels of digital experience and the consequences of various digital involvements. The students who will be involved come from a number of study programs and faculties in the UKDW environment.

Analysis Methods

The data collected through the electronic questionnaire were analyzed using *cross tabs* for profile data and structural model analysis to test the research model in the form of Structural Equation Modeling. The SEM testing activities have several important stages. First, it is to define existing constructs, and thus develop a measurement model. Next, the process continues with testing the measurement model. Then the structural model specification is carried out along with an assessment of the validity of the structural model.

Several criteria of the *goodness of fit* have been developed to interpret a structural equation model and to determine the degree of fit of a model with the empirical data obtained. The commonly used *goodness of fit* criterion is based on the comparison of the observed covariance matrix with the estimated Covariance matrix with several measures, including: *Chi-Square*, *Goodness of Fit Index (GFI)*, *Adjusted Goodness of Fit Index (AGFI)*, *Root Mean Square Error of Approximation (RMSEA)*, *Non-Normed Fit Index or Tucker Lewis Index (TLI)*, *Normed Fit Index (NFI)*, and *Comparative Fit Index (CFI)*.

For the Chi-Square criterion (χ^2), a low number of χ^2 and a probability level above 0.05 indicate that there is no difference between the observed data and the estimated data. However, the number of χ^2 is sensitive to the number of samples; if the sample exceeds 200, the number of χ^2 tends to increase. In addition, the number of χ^2 is also sensitive to deviations from the data normality assumption. To minimize the impact of the sample size, the criteria for the ratio of χ^2 to degrees of freedom (df) were developed; the χ^2 / df ratio for good models is between 2: 1 and 3: 1.

Several *goodness of fit* criterion in a structural model equation:

Tabel 1. Measures Goodness of Fit

Criteria of <i>goodness of fit</i>	Recommended number
χ^2 / df	2 – 3
RMSEA	< 0,07
GFI	> 0.90
AGFI	> 0.90

TLI	> 0,95
CFI	> 0.95
NFI	> 0,90

Source: Hair *et al.*, 2009

After the research model can be declared to meet the *goodness of fit* criteria, the next step is to test the research hypothesis, namely testing the four hypotheses that have been previously disclosed.

Result and Discussion

Analysis of the Respondent's Profile

The first part of the electronic questionnaire contains questions to identify the background of the respondents. They are students from the Information Technology Faculty of Information Technology and Information Systems study programs, as well as the Business Faculty for Management Study Program at Duta Wacana Christian University (UKDW). The selection of respondents from among these students is in line with Kotler's (2017) view of digital consumers who point to young people. The following is the profile of the respondents involved in filling out the questionnaire:

Table 2. Composition of Gender

Gender	Number of Respondents	Percentage
Male	163	58,63
Female	115	41,37
TOTAL	278	100,00

Table 2 shows the gender composition of respondents, although there are more men, but the difference between the number of men with women do not differ much in this study .

Table 3. Composition of Age

Age	Number of Respondents	Percentage
17 – 19 yo	110	39.57
20 – 22 yo	151	54.31
More than 22 yo	17	6.12
TOTAL	278	100

Table 3 shows the majority of respondents are students, so their ages are ranged from 18-20 years of age. Therefore, most (> 80%), are classified as students or college students. Meanwhile, less than 20% of the respondents are classified as adults (21 years and over) who are final year students.

Table 4. Composition of Online Shopping (including online food shopping) monthly average

Online shopping per month	Total	Percentage
Rp. 1.000.000 – Rp. 2.000.000 per month	259	93,16
>Rp. 2.000.000 per month	19	6,84
TOTAL	278	100,00

From table 4 it can be seen that most of the respondents used their money for online shopping in the middle expenditure range between Rp. 1,000,000 - Rp. 2,000,000 per month. This shows that the online shopping market in Indonesia is still dominated by consumers who use online shopping activities to fulfill routine (primary) needs and are not secondary or tertiary.

Table 5. Composition of frequent online shopping experience (respondents can answer more than one choice)

Shopping Activity	Number of Respondents	Percentage
Shopping for clothes, shoes, wallets, etc.	140	25,36
Transportation services (Gojek, Grab, etc.)	189	34,23
Food, Beverages, Fruit , etc.	188	34,05
Others	35	6,34
TOTAL	552	100,00

From table 5 it can be seen that most online shopping activities are spent on consumptive activities (traveling, ordering food, buying clothes etc.) and not on productive. This shows that Indonesia is still unable to take advantage of digital technology and the direction of online activities for something that can add value (investing, trading activities etc.).

Structural Equation Model Test Results

By using AMOS software, the existing research model is displayed in the AMOS graph as follow:

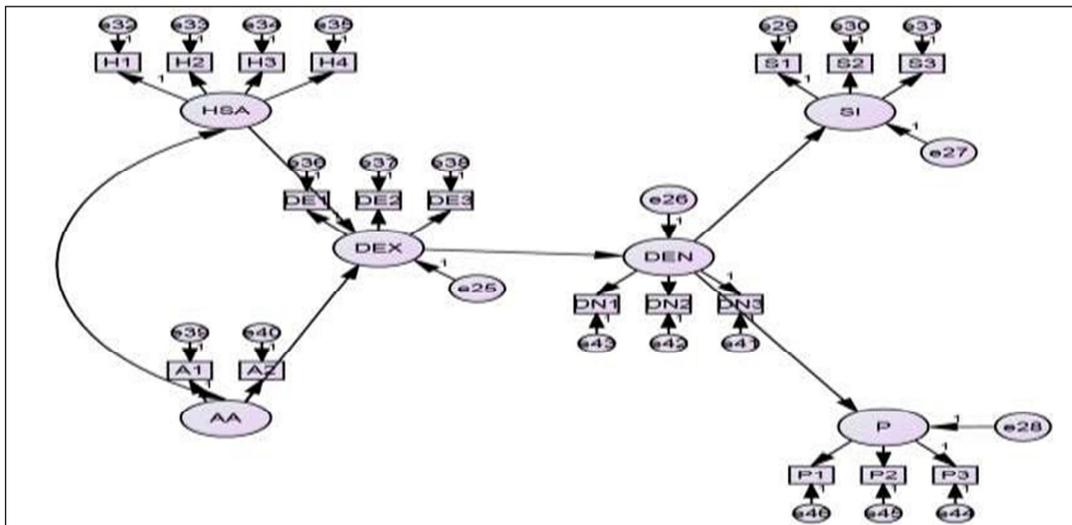


Figure 2. Research Model in Display AMOS software Output produced by the AMOS process:

Table 6. Test Result of *Goodness of Fit* Criterion

Criteria	Expected value	Result
RMSEA (root mean square error of approximation)	< 0,08	0,076
IFI (Incremental Fit Index)	> 0,9	0,917
TLI (<i>Tucker Lewis Index</i>)	> 0,9	0,901
CFI (<i>Comparative Fit Index</i>)	> 0,9	0,917
CMIN / df	2 - 5	2,603

Sumber: Hair *et al.*, 2009; Hooper *et al.*, 2008.

From table 2 above, it can be seen that all the criteria for the *goodness of fit* in the research model have met the criteria. Thus, further model testing can be carried out in structural tests by testing the research hypotheses (Figure 2). The results of the hypothesis test are as follow:

Table 7. Research Hypothesis Test Results:

Relation	Result (number of prob/sig)	Keterangan (dibandingkan dg angka 0,05)	Estimation
HSA DEx	0,000	The relations between the two variables is significant	0,932
AA DEx	0,000	The relations between the two variables is significant	0,236
DEx DExn	0,000	The relations between the two variables is significant	0,632
DExn SI	0,000	The relations between the two variables is significant	0,723
DExn P	0,000	The relations between the two variables is significant	0,967

Note:

HSA : Hardware and Software Agent
AA : Adoption Agent
Dex : Digital Experience
DEN : Digital Engagement
SI : Sharing Information
P : Purchases

Table 7 shows that all the hypotheses are accepted, meaning that there is a relationship between the HSA variable and the DEx variable. Likewise, the AA variable has a positive and significant effect on the DEx variable. Then the DEx variable has a positive and significant effect on the DEn variable. Hence, the DEn variable is proven to have a positive and significant effect on the SI and P variables. Thus, the quality of *smartphone* hardware and software (HSA) owned by respondents and the Adoption Agent (AA) using mobile devices positively affects the consumer digital experience (DEx). The digital experience that take place will positively affect the digital engagement (DEx) of a consumer. This consumer digital involvement (DEx) can ultimately influence consumer behavior in sharing information (SI) and even making purchases (P) of mobile devices or other products and services related to their digital needs. The positive relation between adoption and consumer experience is in line with the results of research on selling local fashion online, namely Consumer adoption was found to influence online brand experience, and then to influence consumer online purchase behavior positively (Rahman, MS and Mannan, M., 2018).

The findings above are also in accordance with the results of research (Ting et. Al., 2020) on about 400 users of Facebook Pages who stated that there is a significant and positive impact of social interaction on consumer engagement behavior and brand loyalty. Likewise, Zhang et al. (2017) have asserted that customer engagement with social media can affect social interaction among consumers to initiate the emotional experience. This ultimately assists in the increase of customer value creation while using social media platforms.

The similar thing was also obtained from research (Khan et. Al., 2020); their research results showed that all dimensions of brand experience, namely, sensory experience, behavioral experience, affective experience and intellectual experience significantly affect millennial consumers' engagement. In line with the above findings, a number of studies have shown a significant relation between the two constructs. Using customer journey analysis, design, and management, it was found that there is a close relation between experience and engagement (Lemon and Verhoef, 2016). Meanwhile, research results from (Ahn and Back, 2018) state that engagements positively influence customers' behavioral intention (purchase) in the future.

Conclusions

Conclusion

From the research model test, it is found that the quality of *smartphone* hardware and software (HSA) owned by respondents and Adoption Agent(AA) using mobile devices will positively affect consumer digital experience (DEx). Then, the digital experiences that take place will positively influence the digital engagement (DEx) of a consumer. This consumer digital involvement (DEx) can ultimately influence

consumer behavior in sharing information (SI) about their experiences and even making purchases (P) of cellular devices or other products and services.

Suggestion

Because the consumer's digital experience affects one's digital engagement, efforts to increase consumer satisfaction through improving the quality of hardware and software are essential in this all-digital era. The advance in augmented reality and virtual reality supported by reliable artificial intelligence are foreseen to change the digital marketing tools of a company or organization in serving the needs of consumers. It is also suggested to continue to carry out various marketing strategies so that the role of adoption agents in acting as influencers in social media will increase in the future; the more consumers who can be influenced by adoption agents will encourage consumers to want more digital experiences, which in turn will drive increased purchasing and information sharing efforts in their social communities.

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UNDERSTANDING MEANING AND SIGNIFICANCE OF JOB ANALYSIS AND JOB DESIGN

Dr. Radhika Kapur

Abstract

The main objective of this research paper is to acquire an understanding of meaning and significance of job analysis and job design. Job analysis is referred to the process of determining the features, which are necessary to carry out the performance of job duties satisfactorily. Furthermore, it is also concerned with conducting an analysis of the working environmental conditions. Whereas, job design is the methodical attempts to organize the tasks, duties and responsibilities into the working environment, so as to achieve the desired goals and objectives. The job design promotes integration of the work content, educational qualifications, skills and aptitude required for every job that meets the needs and requirements of the human resources and lead to progression of organization as a whole. It is essential for the members of the organization to work resourcefully and conscientiously towards enhancement of these concepts on a continuous basis in order to achieve organizational goals. The main areas that have been taken into account in this research paper include, meaning and significance of job analysis, components of job analysis, job design, and methods of job design.

Keywords: Components, Human Resources, Job Analysis, Job Design, Methods, Organization

Job analysis is referred to the process of determining which characteristics are necessary for the satisfactory job performance and conducting an analysis of the environmental conditions in which the job is performed. In the analysis of the jobs, the main aspects that need to be taken into consideration are, work content of job and job content of work. In this case, the two important documents that need to be taken into consideration are, job description and job specification. Job description refers to the tasks and responsibilities, designation, job duties, utilization of machines, tools, technologies and equipment, working environmental conditions and occupational hazards that are part of the job. Whereas, job specification comprises of the capabilities required to perform one's job duties. These include, educational qualifications, competencies, experience, training, communication skills, decision making skills, time management skills and conflict resolution skills. These are the skills required to meet the job requirements in an efficient manner (Unit 2. Job Analysis and Job Design, n.d.).

Meaning and Significance of Job Analysis

Job analysis is regarded as an important tool, particularly in the making of decisions in terms of human resources. It is used to design a number of human resource activities and programs. The various factors that help in understanding the meaning and significance of job analysis have been stated as follows: (Unit 2. Job Analysis and Job Design, n.d.).

Planning of Human Resources – Job analysis helps in the planning of human resources. The planning

of human resources is regarded as an important aspect in identifying what educational qualifications, competencies, aptitude and personality traits the human resources should possess in the implementation of job duties in an effective manner and in meeting various job requirements. When planning of human resources is done, it needs to be ensured that they are compatible to the job requirements. The human resources need to upgrade their knowledge, skills and abilities from time to time, so they are able to achieve personal and professional goals.

Recruitment – Recruitment is referred to the process of implementing appropriate measures and procedures that would help in appointing suitable candidates for the jobs. It is the process of attracting, shortlisting, selecting and appointing suitable candidates for jobs within organization. It refers to the implementation of processes and measures that are necessary in the appointment of candidates. After conducting appropriate analysis of the jobs, recruitment systems are put into operation within all types of organizations.

Selection – Selection is referred to the process of making the selection of right candidate for the right job on the basis of their educational qualifications, competencies, and abilities. Selection of candidates is done on the basis of job analysis. When the hiring authorities conduct job analysis, they are able to identify the traits that are vital for the human resources to possess to carry out their job duties in an appropriate manner. When the selection of candidates is done, it needs to be ensured, appropriate candidates are selected and they will be able to meet the job requirements well.

Training and Career Development – Job analysis provides valuable information in the development of the training and career programs. Training and career development programs within the organization are aimed towards providing essential knowledge and enhancing the competencies of the human resources, necessary in implementing job duties satisfactorily. It provides information in terms of what skills are to be honed. In other words, to perform their job duties in an appropriate manner and enhance one's career prospects, it is necessary to make use of one's educational qualifications and skills. Therefore, it can be stated, job analysis needs to focus upon enhancement of training and development programs and career development.

Placement and Socialization – After the human resources are selected and trained, they need to be placed in suitable jobs. Job analysis makes provision of information in terms of suitability of jobs. An adequate job analysis guides the process to socialize the employees to develop amiable terms and relationships with all those persons. Efficient job placement programs in connection with the other human resource services can help in reducing the length of time, the human resources are unemployed, minimise the stress and struggle for the job search process, and fill the needs of the staff members of local businesses that contribute to the economic vivacity of the community (Job Placement, n.d.).

Compensation – Compensation is referred to the information in terms of financial and non-financial benefits that have been associated with the jobs. For instance, when the workers experience accidents or injuries, while performing their job duties, they receive worker's compensation from the organization. When they require medical treatment, the organization pays for the medical expenses. Worker's compensation cover some but not all the injuries that are experienced by the human resources (Chapter 1. The Basics of Worker's Compensation, n.d.). The members of the organization need to ensure that amount of

compensation should be suitable in accordance to the needs and requirements of human resources.

Employee Safety and Welfare – In order to develop motivation and carry out one's job duties in an appropriate manner, it is necessary to promote employee safety and welfare. When the employees will feel safe and secure within the working environmental conditions, they will develop positive viewpoints regarding their job duties and working environmental conditions. The working environmental conditions need to be created in such a manner, so as to promote employee safety and welfare. When the employees are working with machines, tools, equipment, chemicals and other hazardous materials, they need to be well-equipped and work under the supervision of the supervisor. Therefore, job analysis require the implementation of measures to promote employee safety and welfare.

Performance Appraisal – Performance appraisal is the system that requires evaluation of the performance of the employees. It helps to identify the limitations and formulate measures to bring about improvements. Performance appraisal methods need to be put into operation regularly and efficaciously. When the employees are carrying out their job duties in accordance to the job requirements, they receive positive feedback. On the other hand, when they receive negative feedback, they are required to bring about improvements. Through performance appraisal, the employees are able to find out whether they meet the expectations of their employers and organization.

Counselling and Guidance – Within the course of performance of job duties within the organization, the human resources may experience number of problems and challenges. These may be related to number of aspects, such as, job duties, infrastructure, amenities, facilities, technologies and materials, working environmental conditions and so forth. In the case of various problems the individuals need counselling and guidance from experts to provide solutions to their problems. Counselling and guidance procedures render a significant contribution in making provision of adequate knowledge to the employees in terms of appropriate performance of job duties. The job duties of the counsellors are to adequately direct the members of the organization to carry out their job duties satisfactorily and meet the desired goals and objectives. Therefore, it can be stated that through counselling and guidance procedures, the human resources are able to obtain solutions to their problems and challenges.

Strategic Planning – In strategic planning, job analysis enables the human resource managers to develop a long-term strategic plan in all concerned areas of human resources. The main aim of strategic planning is to generate information in terms of measures and strategies that are necessary to lead to effective growth and development of human resources. In leading to strategic planning in an operative manner, there are number of measures that need to be formulated. Furthermore, the planning process also involves implementation of measures and approaches that are crucial. Therefore, it can be stated that in order to bring about effective growth and development of human resources and organization, as a whole, it is vital to focus upon strategic planning.

Components of Job Analysis

The components of job analysis are job description, job specification and job evaluation. These have been stated as follows: (Unit 2. Job Analysis and Job Design, n.d.).

Job Description

Job description is one of the factors useful in identifying various factors that are an integral part of the

jobs. In the case of job description, the main questions that need to be answered are what is to be done, why it is to be done and where it is to be done. In the case of writing of a job description, there are five major factors that need to be taken into consideration. These include, job title, summary, equipment, environment and activities. Job title is referred to the title of the job and other factors that are associated, such as, wages, salaries, incentives, etc. Summary describes the outputs that are expected from job incumbents. Equipment is referred to the tools and materials that are used to carry out job duties in an effective manner. Environment is the working environmental conditions. In order to perform one's job duties in an efficient manner, there should be provision of infrastructure, civic amenities, materials, tools, and other facilities necessary to meet the job expectations. Activities are referred to the job duties. Within the course of performance of job duties, there are number of factors that need to be taken into consideration. These are, preparation of reports, documents, attending meetings, implementation of production processes, conducting research and so forth.

It is the task of the job analyst to write job description in terms of job duties, responsibilities, and expected behaviour. When the employees are recruited in various job positions, it is vital for them to be completely aware of the entire organization, departments, personnel, goals and objectives and job duties. Furthermore, they need to be aware of responsibilities and expected behaviour. In order to achieve the desired goals and objectives, it is essential not only to generate information in terms of job duties, but also conduct oneself in accordance to norms, values, standards and principles.

Job Specification

Job specification is also known as employee specification. Job specification is prepared taking into consideration various aspects. These are, first, personal characteristics, such as, education, job experience, age, gender and extra-curricular activities. Second, physical characteristics, such as, height, weight, chest, vision, hearing, health, body language, and hands and feet co-ordination (for specific positions only). Third, mental characteristics, such as, general intelligence, memory, judgement, foresight, ability to concentrate and so forth. Fourth, social and psychological characteristics such as, emotional ability, flexibility, manners and etiquettes, stimulus, interest and enthusiasm, conversational ability, interpersonal ability, attitudes, values, creativity and so forth. There are numerous types of jobs, which require the individuals to make use of these characteristics. When the individuals are able to implement these characteristics in an efficient manner, they are able to fulfil the job specifications satisfactorily. It is vital on the part of the human resources to hone these characteristics on continuous basis throughout their employment within the organization.

The contents of job specification can be prescribed in three terms. These include, the essential educational qualifications and training that the individuals may possess. It is comprehensively believed that when the individuals are performing office jobs, they need to be well-equipped with the usage of various kinds of technologies. Being well-equipped with the utilization of technologies, the individuals will be able to perform job duties in an appropriate manner. Furthermore, the human resources need to possess the essential qualities, which include, effective communication skills, time management skills, decision making skills and conflict resolution skills. They need to ensure that they maintain effective terms and relationships with the other members of the organization. Within the course of performance of job duties, there are number of barriers that the individuals encounter. They need to be aware of strategies that are necessary to

overcome those barriers. Therefore, it can be stated that when the human resources are able to perform their job duties in an appropriate manner and overcome barriers, they will be able to achieve organizational goals.

Job Evaluation

Job evaluation is referred to the process of determining the worth of the job. The main objective is to remove the limitations, so the job duties can be implemented in an effective manner. It is the process, which is supportive even for the formulation of compensation plans by the personnel manager. In this case, it is the job duty of the members of the organization to make efforts in the determination of factors that are necessary to implement the job duties proficiently. Furthermore, the process of job evaluation also takes into consideration the competencies and abilities that are necessary to carry out the job duties in a well-organized manner.

Job evaluation as the process is advantageous to the organization in number of ways. These are, reduction in the inequalities in salary structure, specialization, selection of employees, pleasant relationship between employees and manager, regulation and significance of new jobs. It is apparent that individuals are engaged in employment opportunities for pay. When they are well-paid, they develop motivation towards the performance of job duties. Therefore, main objective of job evaluation is to have internal and external consistency in the salary structure, so inequalities in salaries get reduced. Due to specialization, there has been an increase in the number of employees within organizations and this is possible through job evaluation. Job evaluation information can be helpful at the time of selection of the employees. The factors that are taken into account for job evaluation are taken into account for selection of employees. Through job evaluation, amiable and sociable relations can be maintained between the employees and managers. In this manner, they are able to minimize issues and concerns that may take place. The process of determining the salary differentials the different jobs become standardised through job evaluation. This helps in bringing uniformity into the salary structure. In the case of relevance of new jobs, through job evaluation, one can acquire an efficient understanding of relative value of new jobs in the concern.

Job Design

Job design involves the systematic attempts to organize the tasks, duties and responsibilities into the working environment, so as to achieve the desired goals and objectives. The job design integrates the work content and educational qualifications, required for each job that meets the needs and requirements of the human resources and organization as a whole. The job design contributes in making the job specialised to a major extent. Well-designed jobs are regarded as crucial in attracting and retaining motivated workforce. Job design is referred to the process of designing the contents of the job in terms of job duties and responsibilities, methods used in the implementation of job duties, techniques, systems and procedures and terms and conditions between the members of the organization (Unit 2. Job Analysis and Job Design, n.d.). The three main factors that affect job design are stated as follows: (Unit 2. Job Analysis and Job Design, n.d.).

Organizational Factors

The organizational factors that affect the job design are, characteristics of the task, workflow, ergonomics, and work practices. Characteristics of the task includes that each task consists of three elements namely, planning, executing and controlling. Job design involves the assembly of a number of tasks into a

job or a group of jobs. A job duty may require an employee to perform a variety of all connected tasks. It is vital to take into consideration all these aspects, when the concept of job design is taken into account. Workflow is referred to the flow of work in an organization. In order to ensure that workflow is carried out satisfactorily, there are certain factors that need to be taken into consideration. These include, effective communication, satisfactory implementation of job duties, sociable terms and relationships, and co-operation and integration. The product usually suggests the sequence and balance between job duties, if the work is to be completed in an appropriate manner.

Ergonomics is primarily concerned with the designing and structuring of the jobs. When the task of designing and structuring of the jobs is to be taken into consideration, analysis is carried out in terms of human resources. It has to be found out what competencies, skills and abilities are possessed by the human resources in order to carry out their job duties in a well-organized manner. It needs to be ensured that jobs are designed and structured in such a manner that would be performed by the individuals manageably. Work practices are regarded as the set practices of performing work. These can affect the job design, as there is less flexibility in the designing of the job. It is necessary for the work practices to get approved by the employee unions. In other words, when the employee unions will form the viewpoint that they will be able to perform the job duties in an appropriate manner, they approve work practices.

Environmental Factors

Environmental factors are the factors that are an integral part of the working environment. In order to achieve the desired goals and objectives and carry out one's job duties in a well-organized manner, it is of utmost significance to pay attention towards up-gradation of working environmental conditions. It includes, employee abilities and the availability of social and cultural expectations. Abilities and availability of the individuals renders an important contribution in the designing of jobs. Major emphasis needs to be paid to the employees, who are putting into operation the job duties. It is an integral part of job duties of human resources to create pleasant and amiable environmental conditions. In the amiable environmental conditions, they are not only able to maintain sociable terms and relationships with the other members of the organization, but they are also able to put into practice their job duties in a well-organised manner and incur job satisfaction.

Jobs should be designed taking into consideration the capabilities and educational qualifications of human resources. Within the working environment, the human resources need to be provided with the opportunities to depict their skills and abilities. For instance, when employees are to work on a project individually or in a group of two or three, it needs to be ensured that they are given sufficient time, so they can carry out their job duties in a well-organized manner. In the present existence, there have been much improvements taking place in the system of education and within organizations as well, much progressions are taking place in the training and development programs. The educational and training programs are implementing advanced and innovative methods, which are proving to be effectual in augmenting the knowledge and skills of the individuals. Therefore, it can be stated that good-quality education and training are regarded as indispensable instruments that are rendering a significant contribution in the adequate implementation of job duties.

Behavioural Factors

Behavioural factors are the factors that are related to the human needs and requirements. Within the course of performance of job duties, it is not only necessary for the individuals to generate information and augment their understanding in terms of various aspects, but it is also vital for them to implement appropriate behavioural traits. In the implementation of appropriate behavioural traits, there are certain aspects that need to be taken into consideration. These include, effective communication, morality and ethics, honesty, righteousness and truthfulness, and awareness in terms of organizational goals and implementation of job duties in an efficacious manner. The supervisors and managers are required to provide adequate feedback to the employees. Feedback enables them to know how they are performing their jobs and whether they are able to meet the job requirements. It helps in identifying the limitations and bring about improvements. The employees need to be given complete autonomy to carry out their job duties appropriately. The employees will be able to augment productivity, when they are given autonomy. On the other hand, lack of autonomy leads to poor job performance.

The employees need to be provided with opportunities to make effective use of their skills and abilities. In other words, their job duties should be structured in such a manner that allows them to make use of their knowledge, competencies and aptitude. Apart from making provision of equal rights and opportunities to the employees, and ensuring that they are able to make operative use of their knowledge and abilities, it is necessary to make sure that employees are not just involved in the implementation of one type of job duties. In other words, there should be variety involved in the performance of job duties. In this manner, the employees are able to augment their skills, generate knowledge in terms of other aspects and develop motivation towards the implementation of job duties.

Methods of Job Design

In the implementation of job design, the four methods that need to be taken into consideration are, job simplification, job rotation, job enlargement, and job enrichment. These have been stated as follows: (Unit 2. Job Analysis and Job Design, n.d.).

Job Simplification

Job simplification is referred to as the process, which involves thinking in terms of the tasks and the ways that need to be used to carry out the tasks that would lead to saving of energy (Work Simplification, n.d.). In the method of job simplification, the jobs are simplified, specific and specialized. The job duty is divided into small sub-parts and each part is assigned to one individual employee. This method is introduced when the job designers feel that the jobs are not specialised enough. When the employees are carrying out the job duties on a single basis, they may take more time. On the other hand, when two or more individuals are working on a project or in the implementation of other kinds of job duties, the jobs may not only be completed in lesser duration of time, but they may be carried out in a more efficient manner as well. Therefore, it can be stated that job simplification is one of the crucial methods of job design.

When the employee is carrying out a job duty independently, he is likely to hone skills and abilities. He is likely to inculcate the traits of diligence, resourcefulness and conscientiousness. In carrying out work simplification, there are seven major steps that need to be implemented. These are, identification of the problems, method analysis, challenging every detail and list all the possibilities for improvements, develop a better method, review the problem and conduct analysis, validate the new proposal and installation of new

method in an effective manner. For the analysis of work simplification, each work component is recorded in the flow process chart is studied separately considering the possibilities for elimination, combination, rearranging and making straightforward in consecutive order (Kitaw, 2007). These steps contribute in simplifying the work and members of the organization are able to implement the method of job design in a proficient manner.

Job Rotation

Job rotation involves the systematic movement of employees from one job to another. Job remains unchanged but the employees performing them transfer from one job to another. With job rotation, an employee is provided with the opportunity to perform different jobs, which enriches the knowledge, skills, and aptitude that are required to perform them. It is normally regarded as the process of preparing employees at a lower level to replace someone at the higher level. It is generally done at the designations that are crucial for the operative functioning of the organization. Job rotation helps in reducing monotony and arouses interest and enthusiasm of the individuals towards the performance of their job duties. In this manner, the employees are able to gain experience and up-grade their competencies and abilities in terms of other job duties. They are able to learn new techniques, and methods of carrying out job duties.

The method of job rotation can be comprehensively viewed in various organizations. This is also an important way of development of motivation among employees and retaining them within the organizations. When job rotation is encouraged within the organizations on regular basis, the employees are able to gain familiarity with the other job duties and up-grade their skills and abilities. Research has indicated that usually, the employees find the job duties monotonous, particularly, when they are performing the same job duties on regular basis. Therefore, within the organization, they aspire to perform other job duties as well, in order to gain experience and augment their knowledge and understanding. In order to lead to effective growth and development of human resources and organization as a whole, it is vital to encourage the method of job rotation. Therefore, it can be stated that job rotation is one of the important methods of job design.

Job Enlargement

Job enlargement means expanding the scope of the job. In this case, number of tasks and duties are assigned and aggregated into a single job. In other words, in a single job, there are number of job duties that need to be performed by the individuals. It is an opposite of job simplification. Job enlargement is also referred to the extension of job rotation. The employees get exposed to various jobs, without bringing about any changes in the job duties to be performed. When they are to perform number of job duties in a single job, it is vital for them to be well-aware and competent in terms of job duties. They need to acquire an efficient understanding of all job duties that need to be put into practice. The method of job enlargement is focused upon with the main objective of expanding the job duties. The members of the organization are able to do several tasks in one job.

In the method of job enlargement, tasks are added, which may involve similar levels of competencies and abilities. This would also be considered as multitasking, by which one person would perform the jobs of several persons. In this manner, the financial resources and working hours would also be saved. When one person would work diligently and conscientiously and perform the job duties of other persons, it would lead to improvement in efficiency. Small organizations may not have as many opportunities for promotion, so

they may try and motivate the employees through job enlargement. For instance, when a person is working at a restaurant, he may be assigned several job duties, such as, serving customers, cleaning the restaurant, contributing in marketing of food items, and so forth. In this manner, he is performing various job duties. Therefore, it can be stated that job enlargement helps in not only reducing monotony and up-grading of skills, but also helps in retaining them within their jobs.

Job Enrichment

Job enrichment is referred to making the job rich in its contents so that an employee will generate more satisfaction while performing that job. The factors of responsibilities, scope and challenge get up-graded through job enrichment. In the case of job enrichment, the employees are given more control upon their work. They are provided with the opportunities to control their job duties, in this manner, they are able to lead to reduction in the stress levels. In this case, the employees are provided with the opportunities to exercise the managerial functions of planning, organizing, directing, co-ordinating and controlling. In enriched jobs, the individuals are involved in the completion of tasks and activities, with an increase in job duties, responsibilities, and independence. The employees receive feedback from their employers on regular basis, usually upon completion of various job duties. In this manner, they will be able to bring about improvements in their job performance.

Job enrichment tries to enhance the job with the factors of motivation. These include, achievement, recognition, increased responsibilities, self-involvement, opportunities for growth, advancement and increased competence. Job enrichment is concerned with the redesigning of the jobs to include the variety of work content. In this manner, the employees are able to get more autonomy and responsibility for the implementation of functions of planning, organizing, directing and controlling their own performance. This would help them to make provision of opportunities for personal growth and meaningful work experience. Job enrichment also encourages decentralization of decision making rights to the members of the organization that may affect their tasks and activities in an appropriate manner. Therefore, it can be stated that through job enrichment, the conditions of human capabilities that were not completely utilized and creation of stress and frustration among the individuals is minimized to a possible extent. When the members of the organization are able to overcome negative feelings regarding their jobs, they will be able to carry out their job duties satisfactorily.

Conclusion

Job analysis is referred to the process of determining which characteristics are necessary for the performance of job duties in a satisfactory manner. Before the processes of recruitment and selection of human resources as well, it needs to be ensured that analysis of jobs is conducted in an appropriate manner. It facilitates in selecting the right candidates in the right positions. In order to carry out the function of job analysis in a satisfactory manner, it is vital to conduct an analysis of the working environmental conditions in which the job is performed. The various factors that help in understanding the meaning and significance of job analysis are, planning of human resources, recruitment, selection, training and career development, placement and socialization, compensation, employee safety and welfare, performance appraisal, counselling and guidance and strategic planning. The components of job analysis are job description, job

specification and job evaluation. Therefore, it can be stated that job analysis is an important concept in leading to progression of organization and human resources.

Job design involves the methodical attempts to organize the tasks, duties and responsibilities into the working environment, with the main aim of achieving the desired goals and objectives. Job design is referred to the process of designing the subject matters of the job in terms of job duties and responsibilities, approaches used in the implementation of job duties, techniques, structures and procedures and terms and conditions between the members of the organization. The three main factors that affect job design are organizational factors, environmental factors and behavioural factors. The methods of job design are, job simplification, job rotation, job enlargement, and job enrichment. The members of the organization need to pay attention towards bringing about progressions in the job duties, up-grading the competencies and abilities of the workforce and formulating measures that may lead to achievement of organizational goals and objectives. Finally, it can be stated that it is necessary to focus upon the concepts of job analysis and job design in order to lead to effective implementation of job duties and progression.

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EVALUATING THE CHANGES IN THE EUROPEAN BANKING REGULATION - MIFID AND IT'S POSSIBLE EFFECTS ON THE GLOBAL ECONOMY: LITERATURE REVIEW

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Abstract

This paper is a critical review of literature about the upcoming MiFID II. The this paper actually explores that the upbringing of MiFID II is expensive, when it is coming to implementation in action, however that cost is still good as it is well designed to give a stronger customer protection and better stability. However it is also found that the weakness of the regulatory framework contains itself a bigger issue of concern, than the cost of the MiFID II. Therefore the world economy may face more challenges to excel growth. In the end, despite all of these the regulatory framework with some drawbacks should be applauded for its reforms and contribution to the financial sector.

Key Words: MiFID, directives, regulation, economic growth, financial crisis

Introduction

The effects of post 2008 financial crisis were one of the most severe things, which still exist in the living memory. Its effects are still being felt today. Since after the collapse of the financial market in 2007, the EU financial regulatory structure has started reforming at a great pace and has made a great deal of changes within. The changes that have taken places were not only for the sake of improving the economic governance of EU Member States but also to strengthen the supervisory and regulatory structure of financial regulation and institutions themselves. Such changes are taking place in the hope of not repeating the mistakes which took place during that time. This paper intends to focus on the European Financial regulation; however, more importantly it will discuss MiFID (Markets in Financial Directive) and MiFID II and it costs to the economy.

The paper will observe the regulatory changes and what this new MiFID II will put as an impact on EU and to the global economy, will be the main highlight of the discussion.

To talk a little about MiFID II, this is being fully implemented by Financial Conduct Authority (FCA) and European Financial Regulatory body by 2017. Still lot of revising and discussion is taking place and few large companies are showing some concerns of these upcoming new changes. Through examining this paper, one of its major findings will be whether a risk over regulation took place or not and have slowed the growth of the economy (i.e. financial stability vs. growth). With all of these findings, this paper aims to argue that whether these new upcoming changes, particularly MiFID was a much-needed change or whether it is just an over-reaction from the regulatory system after the crisis.

List of Some Financial Directives of EU

Directives play a very important role in the European Community. Putnis, Kingsley and Sholem (2014) further explains that their importance as directives are binding on their member states as to the results to be achieved but also giving some member states some discretion over how they incorporate Directives into their domestic law.

To ensure the effectiveness of the Single Rulebook, in terms of ensuring '*financial stability*', '*transparency*' and '*consumer protection*' and run the financial regulation effectively, the roles of the financial directives become very important. With these core functions of the Single Rulebook, the supporting directives are briefly explained below.

Financial Stability

According to Balfe et al (2017), the Capital Requirement Directive IV (CRD IV), the Capital Requirements Regulation (CRR) and the Bank Recover and Resolution Directive (BRRD) are at the core of the new EU regime to stabilise the financial sector.

Transparency

Several legislative measures in particular MiFID II, MiFIR and EMIR are designed to improve transparency and flexibility in derivatives and securities markets. Particularly "MiFID II and MiFIR extend the transparency requirements already applicable to the equity market to non-equity markets" (Balfe et al, 2015, p- 48).

Consumer Protection

After the EU's crisis-era reforms directed to strengthening consumer protection are contained for the mainly in the MiFID II, the Deposit Guarantee Schemes Directive (DGSD), and the Insurance Distribution Directive (IDD).

MiFID

MiFID's aim, implementation and will also focus on the arrival of the new MiFID and evaluate it. The national law enforced it and placed the MiFID into action for the first time by November 1, 2007, and the level two Regulation took effect on the same date. In order to enhance greater consumer protection and market transparency, MiFID was introduced. Some core functions are-

Providing authority- It requires firms which engage in specified services and activities (investment firms) to be authorised by the competent authorities of the state where they are located. Counsel the business entity about the requirements (broadly, prudential rules) and operational requirements, which is applicable to investment firms.

Passport- Another very important function of MiFID is to provide firms with *passports* into another state. The governing rules will be those of its home state, except if it operates as a branch state, in which the conduct of business will be those of the host state.

Assessment

These issues which are stated above were highlighted by Vives during 2001, unfortunately during the financial crisis from 2008 to 2011; it seemed to be ineffective during the crisis period.

These do show that the EC lacked some proactive measures or were not efficient enough to clear those. For this regulatory failure, EC had needed to totally clear issues related crisis management, and issues involving

with credit rating agencies, rise of political disputes and other factors. Since all the factors are equally important to consider the failure of the Financial Regulatory body of EU, and not just MiFID. However after the crisis, the whole financial regulatory system of EU has taken drastic measures to change, in order to perform much better during the crisis situation. For instance introducing **Basel III** and implementing **MiFID II** by 2017.

MiFID II

In October 2011, the European Commission tabled proposals to revise the MiFID with the aim of making financial markets more resilient, efficient, transparent, and strengthen the protection of investors (ec.europa.eu, 2015). It is confirmed by Prorokowski (2017) that the changes which were drafted in October 2011, has gone over 2,000 amendments.

MiFID II Implementation

MiFID II is in full action from 2017. As to the latest findings by Bayley et al (2017), he assures that the European Commission (EC) is continuing to work towards the adaptation of the delegated acts, which is likely to take place in July or September. EC and FCA are both very alert and very well co-ordinated this time and very much aware of their responsibilities. Before the implementation of this new directive, many laws and changes are discussed and assessed thoroughly. These really shows few signs that the EU Financial regulatory does not want to repeat its mistakes and fall apart again in its crisis period.

Implementation of the new changes to the MiFID

The wide range of reforms which are to be introduced under this directive (MiFID II), as McNulty (2013) explains that it includes new controls for high frequency trading, restrictions on volumes of dark pools orders, the creation of new trading venues or organised trading facilities, setting the obligation to position limits on trading firms in certain commodity derivatives, as well as to promote competitiveness in regional derivatives market. The following changes are-

Notification of Changes- MiFID II Article 17 (2) proposes that investment firms engaging in algorithmic trading must annually to the regulator give a description of their algorithmic trading strategies, more clear specifications of the trading parameters and limits, the key risk controls and compliance which in place and lastly how their whole system is tested.

Circuit breakers- In MiFID it is the mechanism for limiting or halting on exchanges or single stock; setting its limit on the maximum rises or falls of prices in a trading period. Its purpose is to reduce the risk of a market collapse which is followed by a sequence of fall in trades.

Minimum tick sizes- The minimum tick size is the allowable increase between quoted prices in a market. It has important implications for both transaction costs and in liquidity provision.

Obligations for the market makers- Obligation for market makers are requirements that a person (or controversially a computer program) acting as a market maker all the time must publish prices to buy and sell at competitive levels, regardless of market conditions. This is meant to be applied for both to tradition market makers (human) or to algorithmic market makers or both.

Minimum resting time- It specifies the every limit order must have a minimum time. The reasons behind imposing a minimum is that now markets feature a large number of orders that are cancelled quickly after submission. Beddington (2012) adds that as therefore it can increase the costs off monitoring in the markets,

where others are participating. It also reduces the predictability of a trade's execution quality since the quotes shown may have been cancelled by the time the market order hits the resting orders.

Order to execution ratios- This regulation puts an upper limit on the order to execution ratios (OERs), and made into such that part of the larger class restrictions on order book activity restriction being considered by policymakers on both sides. Restrictions like this encourage traders to cancel fewer orders, and thus provide a more predictable limit. It is believed by the EU regulatory body that this will help to improve the investor confidence in the market.

Benefits and Costs from these new changes

Beddington (2012) also critically discusses about the cost and benefits related with the new changes. At the end of his work he also informs that most of his findings need practical evidences in order to be proven. Few arguments are still provided with these new changes of MiFID.

Benefits

It is suggested by Beddington (2012) that market maker obligations can improve market quality and improve the social welfare. Since it's narrower spreads will encourage both informed and uninformed traders to trade more, as a result it will increase price efficiency and will help the markets to quickly discover the assets price.

Furthermore when it comes to orders-to execution ratios, it plays a very important role in aligning the private and social costs and thus helping social welfare to improve more. This derives from the financial market, since receiving, handling and storing messages is costly for exchanges, brokers and regulators.

Costs and Risks

With the benefits of the new regulatory changes imposed on CBT (Computer Based Trading), there are also other costs and risks involved which should equally be remembered. For instance imposing market maker obligations on algorithmic market making trading strategies raises a variety of risks. In many high frequency trading strategies post bids and offers across correlated contracts, therefore a high frequency market maker might be buying from one market and selling in another. Since it is not a requirement to post a continuous bid-offer spread with this strategy, it creates such problem. If however it was binding, then it could for high frequency traders out of the business of liquidity provision. Putting an upwards of such as 50% of liquidity, coming from high frequency trader, could mean more trouble.

With the 'Minimum resting times', the liquidity providers will post limit orders available for trade within a period of time, in return for an expected gain in the form of the bid-ask spread. Hence adding more limit orders become more costly, since posting a limit order offers a free option to the market which is exercised at the discretion of the active trader. Hence if an active trader better or newer information, the limit order which was posted previously would be adversely selected i.e. buying when the stock is going down and selling when the stock is going up. Thus as a result it creates an increase in the bid-offer spread or decreased depth as posting limit order becomes less attractive.

Evaluation of MiFID II (function)

With the implication of the new MiFID, the firms are required to set a number of costly requirements. The Banking Technology (2014) argues that the directive requires costly investments in the areas (i.e. algorithmic trading) which are more likely to threaten the market stability. At a go, the European Commission

has estimated that an initial one-off implementation costs will be in the region of 512-732 m. Prokowski (2017) further adds that a big portion of its costs are related to post-trade optimisation and recognising synergies in reporting requirements for MiFID II. In order to reduce such high implementation costs, outsourcing IT processes and approaching to data management sellers has been one of such efficient ways to accomplish it.

Lord Balfe (2017) has more critically pointed out that there is a trade of between choice and protection. MiFID II imposes restrictions on the type of investment product which can be sold execution. This as a result may increase the overall protection for many retail investors, who mainly deal with the most straightforward products. While implying this, investor choice is getting reduced. These changes in MiFID II is probably going to affect most adversely to the more sophisticated retail investors, who may lose the opportunity to engage in higher-risk/higher-return investments.

One thing is certain that from outside, the changes of MiFID II to may not look as big, like its earlier version- MiFID I; however the changes are surely very significant.

Despite high implementation costs, it is still fair to say that MiFID II lands a positive step towards greater transparency, client protection and builds resilience for European securities market. Some of these hard decisions are definitely putting major impacts. However McNutty(2013) assures that if the rule making continues at an EU pace, policymakers risk significantly softens the bite of reforms in a field in which market behaviour and technology move considerably faster.

Evaluation of new MiFID's impact on Europe and Economy- Discussion

MiFID first came into light by 2007. However as it is confirmed by the FCA.Org that it was the financial crisis shook this regulation (effectively) that now it is being comprehensively revised in order to improve the functioning of financial markets and to strengthen investor protection. With MiFID II emerging, it controls significant changes in business and operating models, compelling financial firms to make huge technological and structural changes.

Optimistically if this matter is given with some light, then there should not be much problem. This is because this time various amendments have taken place to counter the problems if any such takes place again in the near future. At a glance some big changes which have taken are the formation of EU Recovery and Resolution Directive, implementing new MiFID II and Basel III and many more. Also, the way the regulatory body is managing the credit default swap and in future putting more attention to short selling is noticeable and very appreciable. It is trying to ensure that the firms avoid the unnecessary risks and move steadily for growth.

Certainly many positive things that are being discussed above, in theory, all should work well. However, this new system as a whole does not provide any such guarantee that it will be a trouble proof system; unless its metal being tested by another financial crisis as big as the earlier ones.

The regulatory body also lacked proper crisis management system and issues related with the credit rating agencies were parts of the cause. Hence the role of other financial Directives (i.e. including MiFID) and its changes should be thoroughly evaluated and everything should be taken into the account before making any generalisation to say that whether the whole regulatory system will be effective or not.

Other concerns arose with the risk of failure, where there are few gaps in the regulatory structure.

The argument is stretched further, as Christopher Woolard emphasises on the bonding between MiFID II, IMD II and PRIIPs (Packaged Retail and Insurance Based

Investment Products) Regulation and he further goes into explaining that how this confusion still exists due to different characteristics of European domestic markets. This is because as some product are labelled as ‘insurance’ and whilst others are not, even when the product is the same. Furthermore Aberdeen Asset Management points out that there is a conflict as with MiFID II addresses investment product and IMD II set the framework for selling insurance products, including an investment feature and this clearly overlapping as stated. Lord Balfe (2015, pp-54) also states that “ESMA would try to ensure that MiFID II and MiFIR rules were consistently implemented at national level. Yet inconsistencies of implementation could arise because of various waivers and exemptions. Some market player would accordingly seek to exploit the different rules.” (Lord Balfe 2015, pp-54).

Lastly and more generally Nicolas Veron has put up a more general view in regards to inconsistency stating that “... the problem of inconsistency in implementation was due to the lack of enforcement” and critically argued that “the European Commission has enforcement powers that it has not used to the extent it should have”. Further arguments suggest that there is not proper enforcement and implementation with laws which could lead to failure.

Furthermore, these new changes are creating some toll on Europe as whole too. The growth of the EU has slowed down significantly, since after the financial crisis (2007-2011). One of the overriding concerns which Lord Balfe (2017) expresses is that “the legislative framework had been focused too much on stability rather than growth.” (Lord Balfe, 2015, pp-90).

However, Michael Barnier emphasised that financial stability as an essential precondition. Similarly, Andrea Enria warned that capital was necessary to assist in bank lending; and that it was risky to focus more towards support growth than stability rules.

The growth of the economy could grow slowly because it has hit the economy really hard and may also affect the investor’s confidence level. The severity of the financial crisis is still putting its toll on the financial market and making it suffer.

In the end, it is still ok to stay slightly optimistic towards Europe’s economy as it is slowly recovering from its big loss. However this time the regulatory body has to become more cautious than ever as new challenges are still waiting ahead, and because of ‘globalisation’ as trading is becoming so easier, it drawing out more complexities as well. Along with these, the success of the regulation will also depend on how disputes between the EU countries are handled. Failure to handle issues like with Greece will greatly affect the market and its currency. All these are connected to MiFID II, as MiFID II itself can bring the success for the regulation; all other parts have to be equally effective and should have similar goals, while not conflicting with one another. Similarly, MiFID II has to ensure its part that it is working effectively and provide a better customer protection, etc.

Conclusion

This critical review of literature looks deeply into the financial regulatory frame of European Union. This literature review has helped to understand the meaningful motives, actions and intentions of those

participating in the research (i.e. the EU Commission (EC), the financial regulatory body, the European Parliament and the Council of European Union). A lot of discussions took place in order to assess the implementation cost of the new MiFID at 2017.

These new regulations, in theory, look nice however before reaping the benefits, it itself has some costs and risks to bear. For instance, the slower growth of the economy, in order to make it more stable and investors at many cases are discouraged to take high-risk strategies hence sacrificing the opportunity to receive high returns. All these are the form of costs and issues are well discussed and argued to see whether MiFID II will be the right kind of choice for EC to implement. From the findings and research implementing MiFID II is a good choice; but only time will answer how effective it will be to combat the problems.

Sadly what also has been found while studying this paper is the weakness of the regulatory framework, and has become an even bigger issue of concern that the implementation cost of MiFID. Yet this should not reduce the significant achievement which the reformed framework represents, especially within such short amount of time.

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THE EFFECT OF BUSINESS ETHICS ON CONSUMER PURCHASE DECISION IN SOFT DRINK INDUSTRY

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ABSTRACT

This study sought to examine the effect of Business Ethics on Consumer Purchase Decision in soft drink industry using University of Lagos staff and students as a case study. The interest of the study was to ensure that organisations act ethically, provide information on their products and comply with government policies on ethics to enhance purchase decisions of consumer. The research was conducted using a Survey method and the primary data was collected using questionnaire. The response sample included one hundred and forty respondents (140) and all the three hypotheses were significant at 0.05 standard error. Based on the findings, the study concluded that Business Ethics affect Consumer Purchase Decision, in as much as availability of information on a product and Government Intervention on ethical behaviour of organization goes a long way in influencing the Consumer Purchase Decision.

Keywords: Business Ethics, Consumer Purchase Decision, information Search, Government Intervention, Cost.

1.0 INTRODUCTION

Every time someone decides about whether (or not) to purchase a product or service, there is the potential for that decision to contribute to a sustainable pattern of consumption. Each purchase has ethical, resource, waste and community impact implications. When individuals consider the adoption of sustainable lifestyles, they engage with an increasingly complex decision-making process. These everyday decisions on practical environmental or ethical solutions often result in trade-offs between conflicting issues (Moisander, 2007). Recent studies on ethical behavior suggest that consumers are increasingly caring about ethical dimensions of product, service and business process. These concerns may have positive financial impact for the business involved if company handles it well (Wong Szeki, 2012).

Academics and business managements have participated in different kinds of debate about the social responsibilities of business, there has been little investigation on what the general public's attitude towards those social issues (Brammer and Pavelin, 2004). Despite the amount of attention given to the marketing ethics in recent years, the buyers side of the exchange process remain under researched (Hunt & Vitell 1992). Although consumers are the key stakeholders in the marketing exchange process, there has been little research attention focused on them (Hunt & Vitell 1992; Folkes & Kamin 1992). Smith 1995 argues that

we are now living in the “ethics era”, where society’s expectation of marketers has changed, and we face challenged to basic marketing assumptions. According to some marketing scholars this is in part driven by the fact that consumers are better informed, more educated and awareness is greater of consumer’s right and product requirement at least in Western society (Hirschman 1980; Barnes and McTavish 1983). However, possessing “Consumer Sophistication” is no guarantee that consumers participate in wise and ethical buy practice (Titus & Bradford 1996). There is difference between sophisticated consumer and sophisticated consumer behavior (Titus & Bradford 1996), a distinction is not always recognized in the marketing ethic interaction. It is not enough to possess the prerequisite knowledge and ability to make efficient consumer decision one must also act according to that knowledge. Sproles, Geisfield & Badenhop (1976) argued that efficient decision making requires consumer fully informed; are today’s consumers fully informed about the ethical behavior of organisations and does it translate into efficient ethical purchase? There are those committed ethical consumer who seek out environmental friendly products and boycott those firms perceived as being unethical. For them information guides ethical purchasing decision. Others consumer possess the same amount of information in terms of ethical and ethical marketing conduct, but this does not lead them to boycott offender nor reward ethical firm. Organisations are encouraged to behave in an ethical manner because information about a firm’s ethical behavior is thought to influence product sales and consumers’ image of the company (Mascaventas 1995)

Although it seems obvious that consumers hold more positive attitude toward company than companies which behave unethical, this information may be combined in a complex way (Folkes & Kamins 1999). According to research, information about ethical and unethical action has an asymmetrical influence on attitudes such that vice detract from attitudes more than virtues unchange them (Reeder & Brewer 1979; Skowronski & Calston 1987). Thus, one might expect consumer to punish unethical behavior but not necessarily reward ethical behavior. It has been suggested that many people believe that there is a responsibility not to do harm but do not automatically believe that others have the right to be helped (Folkes & Kamins 1999, Spranca, Minsk & Baron (1991). Ethical minded consumers, therefore, need not consistently buy ethically.

Based on this, Ethics is the study of what is good and evil, right and wrong, and just and unjust. Business ethics, therefore, is the study of good and evil, right and wrong, and just and unjust actions in business. Ethical managers try to do good and avoid doing evil. A mass of principles, values, norms, and thoughts concerned with what conduct ought to be exists to guide them. Yet in this vaporous mass, the outlines of good and evil are at times shadowy. Usually they are distinct enough, but often not. So, using ethical ideas in business is an art, an art requiring judgment about both the motivations behind an act and the act’s consequences. (Steiner and Steiner 2015)

Business ethics vis a vis consumer purchasing behaviour has been noted to have created inherent controversial issues, since time immemorial researchers and present scholars had come up with conflicting conclusion. An area that causes dispute is the question of the effect of ethical/unethical business activities on the purchase behavior of consumer. The question why organizations tend to be unethical in their business activities knowing fully well the right of the consumers, their health and their behavior to such product, in this vein this paper tend to research into this and the unravel the mysteries behind this.

2.0 LITERATURE REVIEW

Ethics (ethos in Greek) is the discipline that examines moral standards or the moral standards of the society. (Velasquez, 2011). Ethics (or moral philosophy) deals with individual character and the moral rules that govern and limit our conduct. It investigates questions of right and wrong, duty and obligation, and moral responsibility. (Shaw & Barry 2010: 7)

Business ethics (BE) is a specialized study which constitutes of moral right and wrong, good or bad, that focuses on business institutions, organizations and activities. Business ethics is something which concentrates on the moral standards as well as the moral and ethical problems which may arise in business environment. Such moral standards apply in the business policies, institutions as well as in behaviour. This means that business ethics is a form of applied ethics or professional ethics. Business ethics can also be defined as written or unwritten codes of principles and values that have been decided within a company. In most basic terms, business ethics is knowing the difference between right and wrong, good and bad and finally choosing the one which is right and good to do in business life.

Often business ethics is divided into three different kinds of issues; society or systemic, corporate as well as the individual issues. Society issues are seen in business ethics as issues which are ethical questions on for example, economic, political, and legal or in other social systems in which the organizations work. Such questions could be for example, whether environmental legislation has been arranged so that the environment responsibly in respect of other companies have a better chance to succeed, or whether environmental obligations under ignoring success of your business is more profitable? Corporate issues in business ethics, ethical questions are raised especially about the company itself, such as conservation of the environment, treatment of the staff, work safety and so on.

2.1 EMPIRICAL LITERATURE REVIEW

Several different approaches have been made to explain the effect of Business Ethics on Consumer Purchasing Decision. Emmi Seppanen researched on the effect of Business Ethics on Buying Behaviour in Metropolia Business School in 2003. The purpose of the thesis was to find whether business ethics influence buying behaviour. The topic was chosen after a school project on ethically produced clothing. Quantitative research method was chosen to get a larger picture of consumers' opinion. The research was conducted by electronic questionnaire and was sent to Metropolia Business School, Finnish department. The main objectives were to be able to create a bigger picture of ethical consumerism and the current opinions of the topic. The results of the study showed that consumers would like to get more information more easily on ethical clothing. Majority of the respondents are not satisfied with the current availability of ethical clothing in Finland. With a better marketing majority of the respondents would prefer companies with good ethical values and be willing to pay little extra for ethically produced clothing.

2.2 CONSUMER PURCHASING BEHAVIOUR

Consumer behavior includes mental, physical and emotional activities which people do or use when they want to select, purchase, use or throw away the product or the service that provide their needs and demands (Jeddi, Atefi,, Jalali, & Poureisa and Haghi, (2013). Knowing these attitudes help marketers to get familiar

with the way costumers think and feel, as well as the way they choose various brands, products etc. or how the environment, reference groups, family, vendors, etc. can affect them (Abdul Brosekhan, Muthu Velayutham and M. Phil, (2013). Understanding consumer buying behavior can help marketers get more familiar with their customers; moreover, it could be the basis for marketers to develop appropriate marketing strategies. If marketers be familiar with consumer buying process, they know how costumers try to get information about the thing they want to buy, what factors can encourage them and what factors influence their decision to buy it (Bakhshi, 2012). In many studies about consumer behavior, the classical principle of consumer behavior was a five-step decision-making model includes: 1. Identifying problem, 2. Information Retrieval, 3. Evaluating Alternatives, 4. Selecting the product, 5. Evaluating after the purchase (Bakhshi, 2012)

2.3 FIVE ETHICAL APPROACHES

There are several general approaches to ethical shopping, such as fair-trade, boycotts and simply buying less. In this chapter we will take a closer look to five most important approaches. The first approach is fair-trade. There are various terms to describe fair trade, such as fair is sometimes replaced with alternative, responsible or ethical. Some organizations like to refer it to community trade, to highlight how their proposal aspires to support local communities. Also, different levels of formality are related to fair-trade, from officially certified products with the Fairtrade mark all the way to uncertified goods whose ethical qualifications are mostly based on trust. (Clark 2004: 15-16). All these share the same basic idea, to improve the livelihoods of poor and marginalized workers in the developing countries, this meaning paying the producers more money for their goods and work. Fair-trade also aspires to empower producers and encourage forming democratically run co-operations. (Clark 2004:16) The fair-trade concept has been around much longer than the trademark and certification system Fairtrade. The Fairtrade emerged in 1980's in Holland in response to collapsed international coffee prices. Fairtrade has internationally agreed standards and the supply chain has also been reviewed to make sure that rules are been followed. These standards are designed to address the imbalance of power in trading relationships, unstable markets and the injustices of conventional trade. (Fairtrade [www-page](http://www.fairtrade.org)) It is important to remember that Fairtrade is not a brand or company, it is certification system. (Clark 2004:19)

The second approach is boycotts. It is nothing new to refuse to do business with a person, business or country. Boycotts really took off in the 70's and 80's with calls for consumers to dodge companies doing business in apartheid South Africa and Nestlé for its irresponsible baby milk promotions in the third world. (Clark 2004:27-28) nowadays boycotts are probably the most broadly understood approach to ethical consumerism, these are not just aimed to certain countries or companies but also to certain products. It is hard to measure accurately the value of goods boycotted on ethical basis, but only by UK shoppers the amount is around two to three billion pounds per year. (Clark 2004: 28) Boycotts do still happen and are quite powerful tool for a change, if enough people would boycott a certain product or company. All this is in theory, and in practice it is quite difficult to measure their effectiveness.

The third approach of ethical shopping is selective shopping. With the selective shopping is meant to shop in the chosen shop and choose a certain brand. The clear majority of our purchasing is done in high-street

shops and brands. The question arises, should we make ethical discriminations between high-street names, such as Nike and Adidas or K-Citymarket and Prisma? It is almost impossible to avoid high-street shops, so why not to choose the most responsible one. Whether this kind of picking or a certain store or brand really makes a difference is quite hard to measure exactly. The irony of selective shopping is that most likely a bigger change would happen by confronting a manager rather than avoiding the store itself. (Clark 2004: 36-39) The fourth approach buy less, is aggravating to said to save the planet. Supporting ethical brands or products is all good, we do face a fundamental issue that western consume way too much. Firstly, there is only so much goods in world, so buying more must affect the availability of the product somewhere else. Secondly our consumption habits are unsustainable. Perhaps the biggest argument to support buying less is what our consumption habits do to the world. Climate change and rainforest clearance are just some examples. (Clark 2004:40-46) The fifth and last approach is to buy local and it is often thought to be the core principle of ethical shopping. Buying locally is more ecofriendly than buying globally. The main reason is simple, less transport fuel is spending when buying locally. Buying locally would especially give its benefits in food industry, when you would be guaranteed to get your food fresh. (Clark 2004: 46-50)

2.4 THEORETICAL FRAMEWORK

2.4.1 PROSPECT THEORY

This is a behavioral economic theory that describes the way people choose between probabilistic alternatives that involve risk, where the probabilities of outcomes are known. The theory states that people make decisions based on the potential value of losses and gains rather than the final outcome, and that people evaluate these losses and gains using certain heuristics. The model is descriptive: it tries to model real-life choices, rather than optimal decisions, as normative models do.

The theory was created in 1979 and developed in 1992 by Daniel Kahneman and Amos Tversky as a psychologically more accurate description of decision making, compared to the expected utility theory. In the original formulation, the term *prospect* referred to a lottery. The paper "Prospect Theory: An Analysis of Decision under Risk" (1979) has been called a "seminal paper in behavioral economics."

Decision are based on judgement. Judgement are assessment about the external state of the world. They are made especially challenging under conditions of uncertainty, where it is difficult to foresee the consequences or outcomes of event with clarity. Decisions involve internal conflict over trade-offs. They are made difficult when choices promote contradictory values and goals. Prospect theory directly addresses how these choices are framed ad evaluated in the decision-making process.

Psychology literature has for some time promoted prospect theory as a descriptive model of decision-making under risk or uncertainty. The theory suggests that people evaluate a prospect on gains and losses rather than on final assets and further that they view gains and losses separately. Prospect theory can be deconstructed into four distinct processes, the editing process, the value function, probability weighting and risk attitude assessment.

The editing processes

The editing process is used to try and bring some simplification to decision making. It is suggested that our cognitive processes often involve short cuts or "rules of thumb". These rules of thumb are known as

heuristics. There are many different types heuristic that we use to break down a complex problem to many more simplistic concepts.

Representative Heuristic

We can sometimes see something as being representative of the bigger picture. There is a danger here as we may be operating on a small sample of data and use that data to make assumptions about a wider problem. A good example of the use of the representative heuristic is deciding to employ a person based on their performance at a job interview and resume. Data received from these sources can often be skewed and biased. However due to the lack of information we may have to resort to decision making based on this representative sample.

Availability Heuristic

We use the available heuristic to estimate the probability of a certain event by the ease to which it comes to mind. We would estimate the likelihood that it will rain today higher if it is overcast than when it is sunny. The available information is reflected in our decision choice.

Anchoring

Kahneman & Tversky showed that people can be influenced by quite a random number in their estimates. When people were asked if the Mississippi was longer or shorter than 2000 miles they gave a lower estimate than those who were asked whether the river is longer or shorter than 5000 miles. It has been found that once people make an initial pass at a problem their initial judgement may prove to be remarkably resistant to revision. (Nisbett & Ross)

Strengths and Weaknesses of Prospect Theory

Prospect theory has helped to explain many of the behavior patterns that could not be adequately explained by basic utility theory. Kahneman & Tverski ascribed this behavior abnormality to two human shortcomings namely emotion and the inability to understand a problem fully. Thus, prospect theory has helped to explain and predict behavior in light of these cognitive difficulties.

2.4.2 THEORY OF UTILITARIANISM

In normative ethics, a tradition stemming from the late 18th and 19th century English philosophers and economists Jeremy Bentham and John Stuart Mill that an action is right if it tends to promote happiness and wrong if it tends to produce the reverse of happiness, not just the happiness of the performer of the action but also that of everyone affected by it. Such a theory is in opposition to egoism, the view that a person should pursue his own self-interest, even at the expense of others, and to any ethical theory that regards some acts or types of acts as right or wrong independently of their consequences. Utilitarianism also differs from ethical theories that make the rightness or wrongness of an act dependent upon the motive of the agent; for, according to the Utilitarian, it is possible for the right thing to be done from a bad motive.

Utilitarianism is an effort to provide an answer to the practical question “What ought a man to do?” Its answer is that he ought to act to produce the best consequences possible.

In the notion of consequences, the Utilitarian includes all of the good and bad produced by the act, whether arising after the act has been performed or during its performance. If the difference in the consequences of alternative acts is not great, some Utilitarian's do not regard the choice between them as a moral issue. According to Mill, acts should be classified as morally right or wrong only if the consequences are of such significance that a person would wish to see the agent compelled, not merely persuaded and exhorted, to act in the preferred manner.

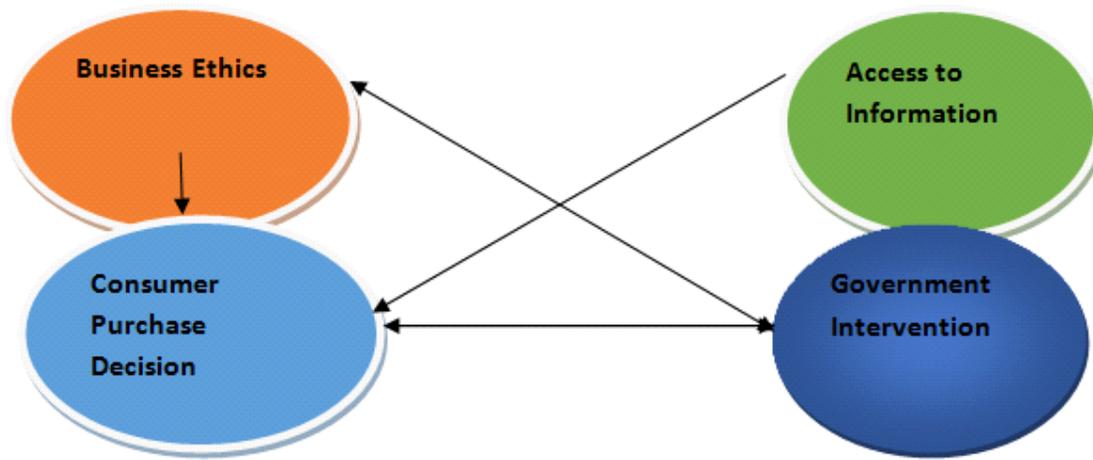
In assessing the consequences of actions, Utilitarianism relies upon some theory of intrinsic value: something is held to be good, apart from further consequences, and all other values are believed to derive their worth from their relation to this intrinsic good to an end. Bentham and Mill were hedonists; *i.e.*, they analyzed happiness as a balance of pleasure over pain and believed that these feelings alone are of intrinsic value and disvalue. Utilitarian also assume that it is possible to compare the intrinsic values produced by two alternative actions and to estimate which would have better consequences. Bentham believed that a hedonic calculus is theoretically possible. A moralist, he maintained, could sum up the units of pleasure and the units of pain for everyone likely to be affected, immediately and in the future, and could take the balance as a measure of the overall good or evil tendency of an action.

As a normative system providing a standard by which an individual ought to act and by which the existing practices of society, including its moral code, ought to be evaluated and improved, Utilitarianism cannot be verified or confirmed in the way in which a descriptive theory can; but it is not regarded by its exponents as simply arbitrary. Bentham believed that only in terms of a Utilitarian interpretation do words such as "ought," "right," and "wrong" have meaning and that whenever anyone attempts to combat the principle of utility, he does so with reasons drawn from the principle itself. Bentham and Mill both believed that human actions are motivated entirely by pleasure and pain; and Mill saw that motivation as a basis for the argument that, since happiness is the sole end of human action, the promotion of happiness is the test by which to judge all human conduct.

One of the leading Utilitarian of the late 19th century, a Cambridge philosopher, Henry Sidgwick, rejected their theories of motivation as well as Bentham's theory of the meaning of moral terms and sought to support Utilitarianism by showing that it follows from systematic reflection on the morality of "common sense." Most of the requirements of commonsense morality, he argued, could be based upon Utilitarian considerations. In addition, he reasoned that Utilitarianism could solve the difficulties and perplexities that arise from the vagueness and inconsistencies of commonsense doctrines.

Most opponents of Utilitarianism have held that it has implications contrary to their moral intuitions that considerations of utility, for example, might sometimes sanction the breaking of a promise. Much of the defense of Utilitarian ethics has consisted in answering these objections, either by showing that Utilitarianism does not have the implications that they claim it has or by arguing against the moral intuitions of its opponents. Some Utilitarian, however, have sought to modify the Utilitarian theory to account for the objections.

2.5 CONCEPTUAL FRAMEWORK



Source: Developed by the Author, 2017

3.0 METHODOLOGY

A constructed questionnaire was used in this study to find out the effect of Business Ethics on Consumer Purchase Decision. The Likert Scales, which is the most common and widely used scale in measuring attitude and perceptions was applied to this questionnaire (Achyar 2008).

The population of this study was the student and staff of the University of Lagos. Due to the large population, a stratified random sampling technique was used to make a selection of the population as sample s of the study. Out of the one hundred and fifty (150).

The data were collected based on the self-administered questionnaire. Out of the one hundred of fifty questionnaires, one hundred and forty were returned with a response rate of 93.33%. descriptive Statistical Analysis of the data were done using Statistical Package for Social Sciences (SPSS). The research hypotheses were tested using Regression Analysis, T-test, Co-efficient of Correlation and ANOVA.

4.1 TESTING OF HYPOTHESES

Ho1: Business ethics does not affect consumer purchasing decision

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.185 ^a	.034	.027	1.21361

a. Predictors: (Constant), Business Ethics

ANOVA^b

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	7.062	1	7.062	4.795	.030 ^a
	Residual	198.836	135	1.473		
	Total	205.898	136			

a. Predictors: (Constant), Business Ethics

b. Dependent Variable: Consumer Purchasing Decision

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.845	.276		13.932	.000
	Business Ethics	-.314	.144	-.185	-2.190	.030

a. Dependent Variable: Consumer Purchasing Decision

The value of R in the model (.085) indicates relationship between business ethics and consumer purchasing decision. The regression model is statistically significant in terms of its overall goodness of fit ($F=4.795$, $P<0.05$). The coefficient of determination (R^2) is .034, and this shows that business ethics can only explain 34% of the variation in the level of purchasing decision of consumers, while 66% unexplained is as a result of variation in other variables not specified in the regression model which otherwise stated in the stochastic error term. The result also revealed that the t-statistics for the parameter estimates of the business ethics in consumer purchase decision is ($t= -2.190$, <0.05). This shows that the relationship between business ethics and consumer purchase decision is negatively significant. Therefore, the null hypothesis is rejected while alternative is accepted to reveal that business ethics can affect the decision that consumers make regarding the goods they purchase. However, the Beta (β) values of 3.845 implies that holding consumer purchase decision constant, the value of business ethics will be about -.314%, and this means that the well-being of general public accounts for 31.4% in the business ethics.

Ho2: Access to information does not influence the purchasing decision of consumers

Model Summary

Model	R	R Square	Adjusted R	Std. Error of
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			Square	the Estimate
1	.155 ^a	.024	.017	.86949

a. Predictors: (Constant), Access to information

ANOVA^b

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	2.509	1	2.509	3.319	.071 ^a
	Residual	101.307	134	.756		
	Total	103.816	135			

a. Predictors: (Constant), Access to information

b. Dependent Variable: Purchase decision

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.972	.188		10.473	.000
	Access to information and cost	.129	.071	.155	1.822	.071

a. Dependent Variable: Purchase decision

The value of R in the model (.155) shows that there is a relationship between access to information and the decision of consumers in terms of purchase. The regression model is statistically significant in terms of its overall goodness of fit (F=3.319, P<0.05). The coefficient of determination (R²) is .024, and this shows that access to information can only explain 24% of the variation in the level of purchase decision of consumers, while 76% unexplained is a result of variation in other variables not specified in the regression model which otherwise stated in the stochastic error term. The result also revealed that the t-statistics for the parameter estimates of the corporate social responsibility is (t=1.822, <0.05). Therefore, the null hypothesis is rejected which means that when customers have access to information about a particular product, it has a significant effect on their purchase decision. The Beta (β) values of 1.972 showing that holding consumer purchase decision constant, the value of access to information will be about .129, and this means that consumer purchase decision values accounts for 12.9% in the access to information.

Ho3: Government involvement in business ethics does not affect consumer purchase decision

Model Summary

Model	R	R Square	Adjusted R	Std. Error of
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			Square	the Estimate
1	.411 ^a	.169	.163	.76961

a. Predictors: (Constant), Government involvement in business ethics

ANOVA^b

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	16.131	1	16.131	27.235	.000 ^a
	Residual	79.369	134	.592		
	Total	95.500	135			

a. Predictors: (Constant), Government involvement in business ethics

b. Dependent Variable: Consumer purchase decision

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.985	.161		6.131	.000
	Government involvement in business ethics	.380	.073	.411	5.219	.000

a. Dependent Variable: Consumer purchase decision

The value of R in the model (.411) shows that there is a relationship government involvement in business ethics and consumer purchase decision. The regression model is statistically significant in terms of its overall goodness of fit ($F=27.235$, $P<0.05$). The coefficient of determination (R^2) is .169, and this indicates that government involvement in business ethics can only explain 16.9% of the variation in the level of purchase decision of consumers, while 83.1% unexplained is a result of variation in other variables not specified in the regression model which otherwise stated in the stochastic error term. The result also revealed that the t-statistics for the parameter estimates of government involvement in business ethics is ($t=5.219$, <0.05). Therefore, the null hypothesis is rejected, and alternative is accepted which means that when government involves in business ethics, it can make consumers to have more confidence on the products they are buying and therefore having significant effect on their purchasing decision. The Beta (β) values of .985 showing that holding consumer purchase decision constant, the value of access to information will

be about .380, and this shows that consumer purchase decision values accounts for 38% of government involvement in business ethics.

5.0 CONCLUSIONS AND RECOMMENDATION

The study shows that Business Ethics affects Consumer Purchase Decision, availability of information to the consumers and the intervention of the Government in Ethical behavior of organization goes a long way in influencing the consumer Purchase Decision.

Considering the hypotheses, there is a positive relationship between Business Ethical and Consumer Purchase Decision, also positive relation exist between Access to information and Consumer Purchase Decision. The intervention of Government in Business Ethics goes a long way in affecting the Consumer Purchase Decision Positively.

Therefore, based on the findings of this study, it is generally concluded that if an organization behaves Ethically it will have a great impact on the purchasing decision of the consumers.

On the recommendations which is based on my finding, I will suggest as follows:

- i. Government should be highly involved in the monitoring of the ethical compliance of organisations, and any organization that deviate should be punished
- ii. Consumers be informed on the unethical behaviour of organization and this should be published in dailies
- iii. Access to information by the consumer should be made paramount by the organization, any new developments or changes should be made available at every point in time.
- iv. Government should set up a body purposely in ensuring standard ethical behavior of organisations.

6.0 AREAS OF FURTHER RESEARCH

There is need for researchers to unravel the reasons while consumers purchase the products of organisations that are not ethical complaints.

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IMPORTANCE OF MANAGERIAL COMPETENCIES IN IMPROVING FUNCTIONING OF EDUCATIONAL INSTITUTIONS

Dr. Radhika Kapur

Abstract

Managerial competencies are required to render an important contribution in making improvements in the functioning of the educational institutions. It is essential for the heads, directors, instructors and staff members to upgrade their managerial competencies. Through bringing about improvements in managerial competencies, the individuals will be able to implement the managerial functions of planning, organising, directing, leading, staffing, co-ordinating and controlling in an appropriate manner. When the individuals, who are in leadership positions in educational institutions are able to guide and direct others appropriately, manage resources in a suitable manner, be professional in their conduct and generate information in terms of various aspects, they will be able to acknowledge the significance of managerial competencies in the functioning of the educational institutions. The managerial competencies are not only vital in the functioning of the educational institutions, but within the classroom settings as well. When the instructors are teaching students, they need to implement managerial competencies. The main concepts that have been taken into account in this research paper include, aspects of managerial competencies, types of managerial competencies, formation of competency models, and measures for improving managerial competencies.

Keywords: Activities, Educational Institutions, Competency Models, Managerial Competencies, Programs, Tasks

Managerial competencies render a significant contribution in not only service and manufacturing organizations, but in educational institutions as well. There is a direct correlation between managerial competencies and job performance. The major aims of managerial competencies is to bring about improvements in the performance of the individuals, achieve goals and objectives and enhance the system of education. Managerial competencies also play an important part in identifying the limitations and measures, which need to be put into operation to bring about improvements. In order to make improvements in managerial competencies, the major aspects that need to be carried out are, possession of knowledge, skills and abilities, which are needed to perform ones job duties in an efficient manner; develop interest and enthusiasm towards ones job duties and develop the possibility to implement appropriate behavioural traits within the working environment and inculcate the traits of morality and ethics (Krajcovicova, Caganova, & Cambal, 2012).

To acquire an efficient understanding of managerial competencies, there are two components, which needs to be acknowledged. These are, one of them is the task that is necessary to fulfil and the second are the skills of the individuals. To perform a particular task or activity, it is crucial for individuals to generate information in terms of managerial competencies. The individuals are required to upgrade their skills and

abilities. To augment managerial competencies, individuals are required to bring about modifications in not only their job performances, but also behavioural traits that enable the individuals to demonstrate the effective performance of the tasks within the organizations. Through managerial competencies, members of the educational institutions are enhancing their skills, needed to carry out job duties in an operative manner. In addition, they make improvements in their personal traits related to work, knowledge, skills, aptitude and values which may facilitate the performance of job duties (Krajcovicova, Caganova, & Cambal, 2012).

Aspects of Managerial Competencies

The main aspects of managerial competencies have been stated as follows: (Krajcovicova, Caganova, & Cambal, 2012).

Knowing the Educational Institutions

Knowing the organization is referred to acquiring all the relevant information in terms of the organization. When the individuals are recruited or when students get enrolled, they are provided with information in terms of the educational institutions. The workforce is required to undergo a training program, which may make provision of relevant information regarding the educational institution. On the other hand, the students are also required to attend the orientation program. The various aspects that are taken into account are, history, departments, personnel, libraries, laboratories, infrastructure, resources, programs and policies, academic honesty and overall environmental conditions. Through the training and orientation programs, individuals are able to acquire an efficient understanding in terms of educational institutions and how they need to carry out their tasks and activities to achieve academic goals and to enrich the overall system of education.

Leading and Managing Individuals

Leading and managing individuals involves the implementation of skills and abilities that are necessary to lead and guide them in the right direction. The individuals, who are in leadership positions, need to be magnanimous leaders. They need to ensure, they provide pertinent information to the individuals, provide effective solutions to their problems, guide them well, provide all the materials, technologies, tools and equipment and create an environment that would enable the individuals to carry out their job duties satisfactorily. Furthermore, the leaders are supposed to provide feedback, which may generate awareness among individuals in terms of how they are implementing their job duties.

Managing Resources

In the management of resources, the individuals need to ensure, there are availability of appropriate tools and equipment that are necessary to carry out one's job duties in a well-organized manner. In educational institutions, there are three types of resources, which needs to be managed. These are, financial resources, human resources and teaching resources. In the management of financial resources, the individuals need to ensure they make adequate use of finances and spend the resources on necessary aspects. In the case of human resources, it is vital for them to possess the necessary educational qualifications, competencies and aptitude. They need to upgrade their skills and abilities to achieve the desired goals and objectives. Teaching resources are the appropriate teaching methods and teaching materials. It needs to be ensured that teaching resources are upgraded in an appropriate manner to facilitate the teaching-learning processes satisfactorily.

Effective Communication

Effective communication processes are regarded as indispensable for the implementation of tasks and activities appropriately. The implementation of effective communication processes are depicted in teaching-learning processes, discussion meetings, workshops, seminars, conferences, giving feedback, organization of competitions, presentations and brief conversations. These aspects primarily put emphasis on verbal communication. In verbal communication, it is vital for the individuals to make use of decent and polite language and ensure they do not impose detrimental effects upon anybody. Written communication is the communication that takes place through emails, letters, messages and notices. In order to encourage effective communication, it is vital for the individuals to depict respect and courtesy.

Types of Managerial Competencies

The various types of managerial competencies have been stated as follows: (Manalo, & Khan, 2017).

Communication Competency

Communication competency focuses upon the aptitudes and capabilities of the individuals to transfer and exchange information that may lead to understanding between individuals. In order to perform ones job duties well and meet job expectations, it is necessary to hone ones communication skills. In providing education to adults and in higher educational institutions, it is necessary to augment this competency, as they are dealing with individuals inside and outside the educational institutions. Communication may be verbal, written, formal or informal. Formal communication is the one that takes place among individuals, particularly when they discuss with each other work-related aspects. Making provision of knowledge in terms of working environment, job responsibilities, programs and policies, strategies and approaches and so forth are referred to formal communication. Whereas, informal communication is discussion matters, other than work-related. The members of the educational institutions build social connections and interpersonal relationships through informal communication. Therefore, the members of the educational institutions need to upgrade various aspects of communication to augment communication competency.

Planning and Administration Competency

Planning and administration competencies are the ones, which determine what tasks need to be implemented to achieve desired goals, determining how they need to be carried out, allocating resources for enabling them to be done and monitoring progress to ensure they need to be done. In upgrading of planning and administration competency, there are various aspects, which need to be taken into consideration. These are, collecting and analysis of data, generating information in terms of modern and innovative strategies and approaches, making provision of solutions to problems, making wise decisions, taking risks and anticipating the consequences. This competence, requires the leaders to hone their skills and abilities, which are required to carry out tasks and activities appropriately. It is essential for the leaders to possess time management skills. These skills upgrades the abilities of the leaders to take into consideration, projects and issues at one time. On the other hand, financial management requires the leaders to augment their understanding in terms of budgets, cash flows, financial reports and annual reports. These documents are made use of to make financial decisions.

Teamwork Competency

Teamwork competency puts emphasis upon promoting teamwork. It is related to the formation of small

groups of individuals, who would work in collaboration with each other in the achievement of particular goals and objectives. In providing education to adult students, the educators encourage that they work as a group. When the individuals work as a group, they are able to generate awareness in terms of various ideas and perspectives, the tasks are assigned to the team members in accordance to their skills and abilities, create a supportive environment, in which teamwork is acknowledged and appreciated and team members need to ensure that they possess the essential resources, materials, technologies, tools, and equipment. The team members need to provide help and support to each other to implement their tasks and activities towards the achievement of the desired objectives. Teamwork competency enables the individuals to acquire an appropriate understanding of the fact that they need to maintain good terms and relationships with each other to achieve desired goals and objectives and incur job satisfaction.

Strategic Action Competency

Strategic action competency focuses upon acquiring an efficient understanding in terms of overall mission and values of the working environment. In this competency, it needs to be ensured that the tasks and activities of the individuals are dedicated towards the achievement of desired objectives. In this case, there are three aspects, which need to be taken into account. First, understanding the educational institutions that would enable the leaders to recognize, when changes provide threats as well as opportunities to the individuals. In other words, changes can be favourable as well as unfavourable to the individuals. When the changes are unfavourable, it is necessary to eliminate them. It is needs to be ensured that changes are favourable. Second, the leaders need to understand the concerns of the stakeholders and strengths and limitations of various business strategies. Third, taking strategic actions is crucial for leaders. They need to understand how to assign priorities, make decisions that are consistent with the mission and goals, recognize the challenges of alternative strategies, address them and establish operational goals that would facilitate the implementation of strategies.

Multicultural Competency

In educational institutions, the individuals are different from each other in terms of factors, such as, caste, creed, race, religion, ethnicity, age, gender, educational qualifications, natures, skills, and socio-economic background. In spite of these differences, it needs to be ensured that individuals form good terms and relationships with each other, work in co-ordination, there should be provision of equal rights and opportunities and not any kind of discriminatory treatment. The multicultural competency of the individuals enables them to form positive viewpoints in terms of various cultures. This competency also enables the individuals to accept and respond constructively to various political, economic and cultural variations not only within the educational institutions, but also the community. When the individuals form positive viewpoints and accept other cultures, ethnicities, religions and other factors, they are not only able to carry out their job duties in an appropriate manner, but also incur job satisfaction. Within the classroom settings, there are differences among students as well, but they need to communicate effectively and work in co-operation to achieve their academic goals. Hence, multicultural competency needs to be acknowledged and appreciated.

Self-Management Competency

Self-management competency is referred to the competency that is necessary to manage oneself. In

order to sustain ones living in an appropriate manner, enhance career prospects and achieve personal and professional goals, it is necessary for the individuals to augment self-management. Self-management is regarded as an aspect that is of utmost significance. In self-management, there are number of factors that need to be taken into consideration. These are, generating awareness in terms of goals and objectives, inculcating the traits of diligence, resourcefulness and conscientiousness, recognising the significance of morality and ethics, implementing honesty and truthfulness in dealing with others as well as in carrying out tasks and activities, augmenting communication, leadership, time management, decision making, and conflict resolution skills, developing interest and motivation towards work, recognising ones duties and responsibilities, having control on the feelings of anger and frustration, maintaining good terms and relationships with individuals, within as well as outside the home and conducting analysis in terms of limitations and implementing measures to improve them. Therefore, when the individuals take into consideration these aspects, they are rendering an effective contribution in augmenting self-management competency.

Formation of Competency Models

A competency model is the collection of competencies that define the successful job performance in a particular environment. The presence of competency models is to facilitate the work of recruiting in the designing of training and development activities. Competency models are the basis of evaluation and successful job performance and provides direction to career planning. These can be developed for specific jobs, job groups, organizations, educational institutions and industries. A competency model provides the description of specific combination of knowledge, skills and personality characteristics. These are crucial to performing ones job duties satisfactorily. The organization of competency models is in accordance to the type of competency, such as, leadership, personal effectiveness and technical capacity (Krajcovicova, Caganova, & Cambal, 2012).

In the formation of the competency model, it is vital to take into consideration various aspects. These include, identification of emerging themes, which would enable the individuals to identify the areas in terms of which competencies are to be improved. Development of group coded material is vital and it needs to be in accordance to the emerging themes and drafting of new competencies and dimensions. In addition, the individuals need to upgrade their critical thinking and problem solving abilities ([Hitt, Woodruff, Meyers, & Zhu, 2018](#)). Problem solving abilities are meant to signify the intention on the part of the leaders to work through and with others. In the formation of competency models, the individuals need to get engaged in problem solving and for this purpose, they need to work in co-ordination with others and promote teamwork.

Another important aspect that needs to be taken into consideration is development of critical thinking abilities. The individuals are normally required to make use of analytical thinking and conceptual thinking. Analytical thinking is regarded as the ability to break things down in a logical manner and recognize the cause and effect. Whereas, conceptual thinking is referred to the ability to see the patterns and connections among things that are unrelated. Hence, in the formation of the competency model, it is vital for the individuals to develop logical reasoning abilities, so they can work effectively and form a competency model. It may prove to be beneficial to the individuals and educational institutions on the whole. In order to ensure the competency model is successful, the members need to upgrade their leadership skills ([Hitt,](#)

[Woodruff, Meyers, & Zhu, 2018](#)).

In order to form competency models, it is necessary to understand the following procedure: (Krajcovicova, Caganova, & Cambal, 2012).

Setting of Objectives – Before the formation of competency models, it is necessary to set objectives. The job functions of all the members of the educational institutions are geared towards achievement of particular goals and objectives. When the individuals are aware in terms of particular objectives, it would be manageable for them to form the competency models.

Defining the Opportunities – Another step in the formation of competency models is to define the range and opportunities that are available. A good competency model includes specific behaviours, illustrating a good level of development for each competency. It is necessary that such descriptions exist for each group. This is the reason, model becomes large and especially difficult to create.

Selection of an Approach – It is vital for the individuals to make selection of the approach that would enable the formation of competency models that would enrich the system of education and prove to be beneficial to all the members. In making the selection of approach, the individuals need to work in collaboration and integration with each other. Approaches and methods are necessary in the formation of competency models in an effective manner.

Promoting Teamwork – In the formation of competency model, the main aspect in promoting teamwork is to determine the detailed parameters of output and how to implement it with the measurable success criteria. It is apparent and comprehensively understood that even heads and leaders need to work in collaboration with the other members to achieve the desired goals.

Identification of Different Levels of Performance – At the initial stage, the individuals may experience setbacks in rendering an effectual performance. Within the course of time, they identify the flaws and inconsistencies and make improvements. Therefore, identification of different levels of performance helps in acknowledging the gaps between past and present performance of the individuals.

Collection and Analysis of Data – To provide true and effectual training to the education managers, it is necessary to conduct scientific research on a large scale. The research process gets completed with the collection and analysis of data. The individuals are able to find out what competencies, they need to possess and how they can be upgraded ([Moldazhanova, Toleubekova, Zhumataeva, & Sarzhanova, 2018](#)). Collection and analysis of data is essential in competency models. The competency models are usually formed regarding a particular aspect. Hence, collection and analysis of data facilitates in generating awareness among individuals in terms of aspects, which need to be improved through the formation of competency models.

Verification of Competency Model – The verification of competency model helps the individuals to understand, whether their tasks and efforts have proven to be beneficial or not. The verification of competency model also enables the individuals to identify how they would be beneficial in performing ones tasks and activities satisfactorily and achieving the desired goals and objectives.

Preparation of Competency Model for Use – Once the competency models have been formed, they need to be prepared for use. Preparing the competency model for use is referred to that individuals need to up-grade their competencies satisfactorily. In addition, they need to understand what competencies need to

be made applicable for what kinds of situations.

Generating Productive Outcomes – After the preparation of competency model for use, it needs to be ensured that they generate productive outcomes. It is the primary job duty of all the members of the educational institutions to ensure that they make use of competencies and aptitude in such a manner that would render an effective contribution in generating productive outcomes.

Assessment of Competency Models – It is necessary to conduct assessment of competency models. The assessment methods identify the limitations, so individuals are able to put into operation, approaches and strategies that would facilitate in the generation of productive outcomes. In order to conduct assessment of competency models, the individuals participate in tasks and activities, which would enable them to make use of competency models.

Measures for Improving Managerial Competencies

The measures, which need to be identified for bringing about improvements in managerial competencies have been stated as follows:

Identification of Job Positions

The improvements are brought about in the managerial competencies of the individuals on the basis of their job positions. After the job positions have been identified in educational institutions, the individuals are recruited on the basis of their educational qualifications, skills, abilities and personality traits. In order to meet job expectations, it is essential for the individuals to upgrade their managerial competencies. For instance, the heads of the departments are vested with number of responsibilities. Hence, they need to augment their competencies in terms of implementation of various functions of management, administration, teaching and so forth. Therefore, it can be stated that identification of job positions is one of the important aspects that would lead to improvements in managerial competencies. One of the ways to identify job positions is through key task analysis. The strategies, objectives, as well as supporting activities are taken into consideration. The individuals need to ensure that they inculcate the traits of ingenuity and creativeness in the implementation of job duties (Ryan, n.d.).

Improving Writing Skills

Once the jobs have been identified, it is important to measure the degree of performance variability to establish opportunities both for the improvement of performance as well as the capabilities, which are required to execute strategies in an appropriate manner. The main objective of enhancing the competencies of the individuals is to upgrade ones performance. For instance, in higher educational institutions, the students would be able to achieve the desired academic goals, when they upgrade their writing skills. Bringing about improvements in writing skills would enable the individuals to effectively work on their projects, research papers and other assignments. In order to bring about improvements in writing skills, the individuals are required to develop the habit of reading, and get engaged in practice exercises. Therefore, it can be stated that improvements in writing skills, is not only indispensable for students, but also for the individuals engaged in teaching professions. In higher educational institutions, research and writing are regarded as an integral part of job duties of educators and students.

Initiation of Training Courses

Initiation of short-term training courses are regarded as significant aspects in improving managerial

competencies. Research has indicated that in some cases, individuals are not well-equipped in terms of usage of technology. Hence, in order to be well-equipped with usage of technology and make efficient use of it in the implementation of tasks and activities, they get enrolled in training centres, which may enable them to augment their technical skills. When the individuals are pursuing doctoral programs, they need to upgrade their knowledge and competencies in terms of research methodology. There is an organization of research methodology course in university departments, so individuals are able to hone their competencies. Therefore, it can be stated that initiation of training courses are important ways of bringing about improvements in the managerial competencies of the individuals. The various training courses that aim to upgrade managerial competencies of the individuals are, research methodology, computer training, personality development, English speaking and so forth. The enrolment of adult learners in one or more of these courses is based on the objective of augmenting their skills and abilities.

Organization of Workshops and Seminars

In not only higher educational institutions, but in educational institutions at all levels, the organization of workshops and seminars have rendered a significant contribution in enhancing knowledge and competencies of the individuals. They are organized on the basis of the particular topic. The duration of workshops and seminars normally range from two days to couple of weeks to a month. The individuals, are also invited from other educational institutions to participate in workshops and seminars. They usually deliver speeches and make provision of information to the individuals in terms of the related topics. The educators and students are the ones, who benefit to a major extent from these workshops and seminars. They not only augment their understanding and generate awareness in terms of various aspects and topics, but also are able to enhance their communication skills. They are provided with the opportunities of making speeches and presenting papers and are able to develop links and communication terms with other individuals. Through workshops and seminars, individuals are able to generate awareness in terms of modern and innovative methods. Hence, it can be stated that organization of workshops and seminars have proven to be effectual in upgrading competencies.

Participation in Tasks and Activities

The individuals need to participate in various tasks and activities to upgrade their knowledge and competencies. These tasks and activities not only render an indispensable contribution in augmenting academic and communication skills of the individuals, but they are able to inculcate the traits of creativity, ingenuity and resourcefulness. The adults, usually belonging to deprived, marginalized and economically weaker sections of the society are the ones, who need to participate in tasks and activities, which would enable them to augment their confidence. These individuals usually feel hesitant and reside in backwardness. When they join training centres, they are encouraged to participate in activities, which would enable them to develop interest and motivation towards learning and make effective use of their academic skills to promote better livelihoods opportunities. The various tasks and activities in terms of which normally the participation of individuals is encouraged include, field-work, social work activities, plantation drives, assisting their professors in organization of seminars, workshops and conferences and so forth.

Development and Implementation of Talent Management Strategies

In the development and implementation of talent management strategies, it is necessary to make

improvements in the accuracy and training of the individuals. Normally adult learners, particularly the ones, who have not been enrolled in schools before or dropped out prematurely before honing their educational skills, have an aim, when they get enrolled in an educational institution or training centre. Their primary objective is to ensure they acquire knowledge and upgrade their skills, so they can make use of the knowledge and education for their well-being. In order to ensure that individuals make effective use of knowledge and abilities to enrich their lives, they need to upgrade their talents. On the other hand, the programs and courses, which are attended by adults aim to develop and implement talent management strategies to ensure they are able to sustain their living conditions appropriately, acquire employment opportunities and bring about improvements in their overall quality of lives. In order to upgrade ones, talents and abilities, it is necessary to make provision of various opportunities and encourage their participation in various tasks and activities.

Conclusion

In order to enrich the system of education, achieve educational goals and objectives and carry out tasks and activities in a well-organized manner, it is necessary to upgrade managerial competencies. The main aspects of managerial competencies are, knowing the educational institutions, leading and managing individuals, managing resources and effective communication. The various types of managerial competencies are, communication competency, planning and administration competency, teamwork competency, strategic action competency, multicultural competency and self-management competency. The individuals need to pay attention on a regular basis towards bringing about up-gradations within these competencies. Formation of competency models enables the individuals to generate better understanding of competencies. The procedure of competency models include various steps. These are, setting of objectives, defining the opportunities, selection of an approach, promoting teamwork, identification of different levels of performance, collection and analysis of data, verification of competency model, preparation of competency model for use, generating productive outcomes and assessment of competency models.

It is essential to formulate measures for bringing about improvements in managerial competencies. These are, identification of job positions, improving writing skills, initiation of training courses, organization of workshops and seminars, participation in tasks and activities and development and implementation of talent management strategies. The individuals need to focus upon bringing about improvements in these competencies on a continuous basis. Within the course of time, with advancements taking place in the system of education, the members of the educational institutions need to upgrade their skills and abilities and put into operation, modern and progressive methods in the implementation of tasks and activities. Therefore, it can be stated that all the members of the educational institutions are required to upgrade their managerial competencies, so they are able to carry out administrative, technical, clerical, instructional and all other functions in a well-organized manner and make improvements in the overall environmental conditions of the educational institutions.

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SOCIETY 5.0 - ITS HISTORICAL LOGIC AND ITS STRUCTURAL DEVELOPMENT

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ABSTRACT

Despite the superior technology that produces astounding name even though many are not referred to the Industrial Revolution 4.0 alongside Japan, this year held in the world's most comprehensive technology at CeBIT in Hannover, Germany was the partner country of the fair. Society (Society 5.0) philosophy that introduces Japanese Prime Minister Shinzo Abe, the philosophy of "Technology is not as a threat by society, should be perceived as a support." justification by faith, he said.

Japanese Federation of Economic Organizations Keidanren to prepare the 26-page manifesto of the Society 5.0 philosophy in light of the expected development economics and sociology reform intends to tell a wide audience. Said subject of study devotes to the process section is far from the birth of the first human and process until today's society Hunting Society, Agricultural Society, Industrial Society, Information Society and Smart Society (Society 5.0) as dedicates five. If a subject is at least so far spoken but we all knew that the most critical found inside, irreversibly people at the micro level this digital conversion, and macro levels of society was subject to better prepared. Keidanren, society emphasizes that there should be cooperation in order to continue the path of the Society 5.0. The main aim of the society is to ensure the integration into society of technological developments. So instead of fearing technology and technology is intended to create a society living in a society with its cooperation they bring. The Society 5.0 was first beginning to reveal the causes of Industry 5.0 name, it is located in ensuring the integration of technology with social life.

Therefore, this article proposes global solutions in-depth look at the concept of new social movements and Society 5.0 further enhanced the theoretical framework is given in the applicable knowledge and concrete work for the development of new social movements.

Keywords: Digital Transformation, Industry 4.0, Society 5.0, Governmental Industrial Revolution, the Industrial Revolution 1, 2nd Industrial Revolution, the Industrial Revolution 3.

1. Introduction

To explain the concept of Society 5.0 must also examine the Industrial Revolution. Until today; social, cultural and economic changes that cause 4 has experienced the industrial revolution.

Industry 1.0: Mechanization - (1780-1870) : In the middle of 1780, the advent of mechanical water and steam generating plants starts behind.

Industry 2.0: Mass production - (1870-1970) : British-born inventor began in the 1870s with cheap steel production in the Bessemer invented. It spreads by electrical and chemical means. In 1882 it has continued with the use of electricity in cities with Edison.

Industry 3.0: Automation - (1970-2010) : After the Second World War has emerged after the programmable

machine with the use of digital technologies in production. Key component of this revolution, the PLC are programmable digital circuits. The third industrial revolution, the revolution of computers and informatics will be considered as the web develops rapidly.

Industry 4.0: Smart factories - (2011-?) : Machines and robotic physiological systems, automation systems equipped by machine learning algorithms that have been checked with the acquisition of cyber-physiological systems has emerged smart factories. Industry 1.0, 2.0 and 3.0 in manpower stage has an important place.

When the industry began to lose 4.0 bride is seen that the importance of human power.

Naturally, those who think differently, who do not plan the future and not based on the human factor in doing so. Despite the superior technology that produces amazing state name not mentioned much since the Industrial Revolution 4.0 as Japan, held in the German city of Hannover in the year 2017 the world's most comprehensive technology exhibition CeBIT partner country was. Society (Society 5.0) philosophy that introduces Japanese Prime Minister Shinzo Abe, the philosophy of "Technology is not as a threat by society, should be perceived as a help." justification by faith, he said.

Under this article, known as new social movements experienced stages Society 5.0 / development stage to be examined so-called and their structure will be evaluated in the context of reflection on our lives.

2. New Social Movements

The world's experiencing radical change and transformation of economic, we are witnessing a period of political and social structure that changed rapidly. Especially since the mid-20th century the accelerating industrialization, urbanization, modernization in a similar manner the process, shows the effects occur in regions where both can influence beyond the continent with common communication channels. All of these changes and the social role and position of social actors and come back on the agenda and discussed in the conversion. Since the 1960s movement against the system clearly observed with deep and rapid transformation it can be said that the world had a conversion. Students in 1960, the new left and the civil rights movement; 1970s and 1980s, the environment, women, peace and human rights movements; 1990s and 2000s 'global justice movement' appeared one after the other, and have increased as well. The reasons for these changes occur social movements that took place in the social plane, the participants of the features are modifying the target format and movements. So, gains intensity of identity-based approach, the diversity of issues and creates the impression that at first glance classroom-based social movement has emerged types. Increased participation as obvious of the new middle class, the conquered to convert targeting the government, especially the space and identity orientation as the target of the change in the cultural field is outweighed this 'new' together with social movements, the social movements theory that examines these movements innovations have occurred.

Political and economic transformation is therefore not limited to the social changes and transformations in the social field is obvious that also affected. Of the social good or defined, which established a good relationship. Is it a good or the political sphere, and the vision of the future or his future sunup to offer an alternative analysis which questions the basis elements of new social movements. According to the theorists of social movements theory, the diversity of new social movements, depending on the politicization of conflicts and contradictions of the new era demands tangible assets rather than demand-oriented and identity; politicization

of the demands of this effort is having only a general world opinion instead of belonging to groups defined by class and by voicing the parts forming an alliance of modernism criticism. In the political sphere demands of the methods used to find the money, it is the use of channels other than the corporate policy. Thus, movements, networks, social media, forums, such as the platforms are connected by skinny ties. The new social movements brought criticism on the theoretical description of mainly 'new' remains vague and the contents of the 'powerless about what is to analyze the movements of completely break inferences from the old. Moreover, the lack of future movement perspective view partly broken, and exhibit the movements make it difficult to resolve as a whole. The new social movements brought criticism on the theoretical description of mainly 'new' remains vague and the contents of the 'powerless about what is to analyze the movements of completely break inferences from the old. Moreover, the lack of future movement perspective view partly broken, and exhibit the movements make it difficult to resolve as a whole. The new social movements brought criticism on the theoretical description of mainly 'new' remains vague and the contents of the 'powerless about what is to analyze the movements of completely break inferences from the old. Moreover, the lack of future movement perspective view partly broken, and exhibit the movements make it difficult to resolve as a whole.

Roots emerging from the 1960s' new 'it spans a wide audience and geography based on the motion today for a better understanding of this global movement, taking into account the analysis of social movements theory, the 'new 'and' the diversity of the old movement, a historical process of similarities and intersections in it must be addressed. Thus, the opportunity to offer a new future perspectives of both social subject in recent years to define the political sphere as well as in the Society 5.0 can be improved.

3. From Industry 4.0 to Society 5.0

According to the dictionary the word Revolution Turkish Language Institution; "In a certain area; rapid, drastic changes and qualified "means. The industrial revolution, instead of the limited production approach based on human power, refers to the period when the determinant of the production machine.

This is the first revolution, called the industrial revolution, changes in the production structure and naming these revolutions within the meaning of the word "certain areas" reduces the heat industry.

To explain the concept of Society 5.0 is needed to address the industrial revolution. Until today; social, cultural and economic changes that cause 4 has experienced the Industrial Revolution.

Until reaching four industrial revolution and modern-day century, the basic building blocks of the universe, each up to 1.0 from 4.0 in other words, the industry can be summed up in the following form:

- Industry 1.0: The transition from an agricultural society to an industrial society can be seen taking place in the 18th century Industrial Revolution 1, it is possible to characterize the Industry 1.0. Industry 1.0 is an industrial revolution began in Britain's leadership. This is the basic building block of the universe of water and steam power machines and transport (especially running locomotives with mist power) are beginning to use (Tunzelmann, 2003). Also, it is observed that the mechanization of production starts at this stage.
- Industry 2.0: Began to be used in electricity production, which occurred in the Century Industrial 2.0 and serial production was introduced to the system. this step with the marching band from mass production to be

shot in the head has been used in Germany and the United States as the first Henry Ford's auto plant in 1903, it possesses. (Information Movement, 2018).

- Industry 3.0: 3.0 with computer-controlled machine in the Century of experienced industry seems to start working. In other words, software production processes begin to be concerned with is connected to the aided manufacturing automation.

- Industry 4.0: Industry 4.0 in the 21st Century began the stage with widespread use of the Internet. Industry 1.0, 2.0 and 3.0 in manpower stage has an important place. When the industry began to lose 4.0 bride is seen that the importance of human power. Internet of Things, smart machines, big data, cloud technologies, data mining, artificial intelligence, dark factories, cyber systems, has begun to place our everyday lives with the concept Industry 4.0, such as autonomous robots.

BC 10,000 years, the animals were hunted whether human hunting consuming maintained their life, lived more sonar hunter-gatherer period, and the sonar from this period, life educating animal shapes are sedentary changing through reap the harvest team. In this case, as one of the first and most important revolution in the history of mankind has led to the start of the agricultural revolution.

Built for life in the society to make their production more fertile, various methods of developing and BC 3000 - Between 2000 examining the human environment, especially in Mesopotamia began to build mathematical calculations. B.C. When the year 1000 is reached, the emergence of the philosophy of science in the Greek civilization and the spread has been triggered by the development of many new insights and ideas, especially the discovery of the increasing interest in astronomy and nature of cases has increased inventions and inventions to the fore.

From the 7th century AD with the rise and spread of Islam, the Islamic Andalusia era of science, culture and the arts, they have made every effort to accelerate the start of a new era and the changes occurring in the social and economic life. Applied scientific studies have undertaken the roles of great importance in the science and technique of walking.

Chinese made 11th century with the invention of the magnetic compass and gunpowder, burning the invention of weapons, is the result of their effort to accelerate laid the foundations of modern science and technology; 15th Century emerged in Italy in the Renaissance and Reformation, led to become one of the most important turning point in the history of science of this period (Ural, 1998, p.211).

In conjunction with the invention of printing and spread of literacy increased share, according to scientific effort is showing itself in every field ancient times, has differentiated the whole world, ideology, ideas and thoughts are destroyed. One other words, illuminating the entire world scientific life has created fundamental changes. The second half of the 18th century, these changes are maintained and flourish, increasing the importance of the agricultural and industrial revolutions (Schwabe, 2017, p.15). Industrial Revolution, initially led to radical changes in Western society, including the UK, but these changes have not appeared suddenly, and still continues to influence today (Tanilli, 2004, p.118). Considering the history of mankind shows that the agricultural revolution, the industrial revolution to the transition experienced in quite a long process. But the 18th century 's, which began with the invention of the steam engine is the first Industrial

Revolution in the mid-post with the developments have been much faster, is still ongoing.

First Industrial Revolution emerged firstly with a mist machine invented by Thomas Newcomen's steam engine was developed in 1712 and around 1760 began to be used in weaving looms at the end of the same century. This allows the construction of large mechanical revolution railways and the contribution of mist production machinery (Schwab, 2017, p.16). Both tiny factories to take place both in the workshop and become comfortable with the use of serial production of the machine, especially the First Industrial Revolution of the country where the effective use of state emerged in the UK. The second industrial revolution of the 19th of the electricity used in the production of electrical power at the end of the century and has emerged under the guidance of the assembly line. Second Industrial Revolution begin in electrical systems has become more active in the Ford Motor factory established. These systems help line and the production costs and that is caused to decrease with increasing production volume and price. Fordism-flexible Ford production in this period called the period and to provide the organization with high fertility decisions intended to produce cheaper cars. Henry Ford's "Auto black, customer can dye to color car they wanted." It is the basis for the understanding of the current economic superiority of this finds its expression in the western word (Weckbordt, 2015). Second Industry Revolution; electricity, science-based chemicals has resulted in the spread of the telegraph and telephone technology to the discovery of the spread. This industrial revolution, unlike the first example has emerged of the importance of scientific knowledge (Castells, 2013). Dissemination of scientific knowledge-based communication technology to the next industrial revolution has triggered the emergence of a Third Industrial Revolution.

The programmable machine developed in 1968 with the use of scientific knowledge more actively, has led to the start of the Third Industrial Revolution. During this period, the start of production was switched to production of Fordism to Post-Fordism with the production has become easier with the use of computers and the fact decreased need for human labor. In addition, the increasing spread of the Internet has affected production and transportation facilities in a positive way in earnest. With all these developments, the world has started to become more integrated and globalized production. Three Industrial Revolution, when considered together;

-shortening the time between,

-Ambient every new industrial revolution resulting in the reduction in the need for labor, especially in the manufacturing sector compared to the previous one, stands out two important features, including our mixture. Accordingly, the capital of human labor can be substituted; It has increased the importance and the power of capital. In other words, with labor intensive technology revealed the location of the industrial revolution, leaving the capital intensive technology.

Labor-Intensive Technologies (Labor-intensive technology); labor used in the production of a commodity or a cut / equity ratio is higher than that technology used in the production of other goods or any other part of. Capital Intensive Technology; (Capital-intensive Technology) simultaneously; goods are produced or used in cutting the capital / labor ratio, other than that used in the production of a commodity or another cutting technology is described as being higher. However, the ongoing "Is it labor intensive technology? Capital Intensive Technology Is it? " The end of the debate was carried out by combining today's technology with

today labor and industry 4.0.

Industry 4.0 the biggest innovations in the industry to the economy; the brain in the art and non-human, non-human higher in the art which yield / efficiency is the removal of the software way. The result of this has been reflected in the increase in production and the economy have resulted in new business pitches. However, factory workers and interpersonal communication generally remained in the shadow of the complexity of the changes in the production is the expression language will further increase (Blum, 2016).

All of these developments on the agenda for the first time in the 2011 Hannover trade fair "Industry 4.0" that has led to the emergence of a fourth industrial revolution. This emerging revolution in the 2000s, focuses on the basics of digitization. Digitalization although the production process fully not used in mobile networks and the rapid expansion of the Internet, the use of machines with artificial intelligence and their more developed and integration fourth industrial revolution led to the start (Schwabe, 2017, p.16). More experienced, it is an open end industrial revolution has been promoting the use of computers in the production significantly, the use of high technology has brought to the forefront.

Fourth Industrial Revolution, revolution is developing much faster than in other industries. In addition, by combining various technologies in the economy and in society seriously leads to paradigm changes. This countries, companies and sectors are transforming the whole society, including in a holistic way (Schwabe, 2017, p.11).

This transformation of how the world will face serious questions about the future of humanity brings. Especially in what would be the size and speed of this change it is emerging as an important question of the institutions that responded to what extent this rate. Also, to what extent will the need for labor in the new area of business that might arise with the Fourth Industrial Revolution become an important subject of discussion and brings many problems. This can be achieved, depending on the jurisdiction question; This transformation of the whole society of economic, social, cultural and political that we will continue to be affected even affected.

In other words, what matters is that the industry is still at Industry 4.0 actually "Whether a revolution or an evolutionary process, perhaps the only manufacturer of robots have a fixed idea of marketing economy-politician" and so on. There are many different opinions (Weckbrodt, 2015).

Industry also called the Fourth Industrial Revolution 4.0 also provides intelligent factories. Uncovering the interaction of virtual and physical production system. Thus, the products can more easily be made specific to the customer which would also create an increase in consumer benefits. This revolution, causing the increase in productivity and make better quality products is also changing customer demands and requests. Also, understanding the importance of the companies entering into cooperation has triggered the emergence of a new partnership (Schwabe, 2017, p. 62).

Industry 4.0 or 4. Industrial Revolution, many modern automation system is a collective term that includes data exchange and production technologies. This internet revolution of the object is a set of Internet services and value, consisting of cyber-physical systems. At the same time, this structure plays a major role in the development of smart factory system. This revolution is the collection of each data in a production environment, and will appear to allow more efficient business models for the well to be monitored and analyzed.

Thus;

- First Industrial Revolution (1.0) has developed the mechanical production system using the power of water and steam.
- Second Industry Revolution (2.0) with the aid of electric power serial production has started.
- The Third Industrial Revolution (3.0) and the digital revolution, the use of electronics and IT (Information Technology) was further automated with the development of production (Bauernhansl and Hompel, 2014, pp. 5-7).

Accordingly to present fore fourth Industrial Revolution shown in the table below summarizes the history of the development flow (Rayeling, 2017).

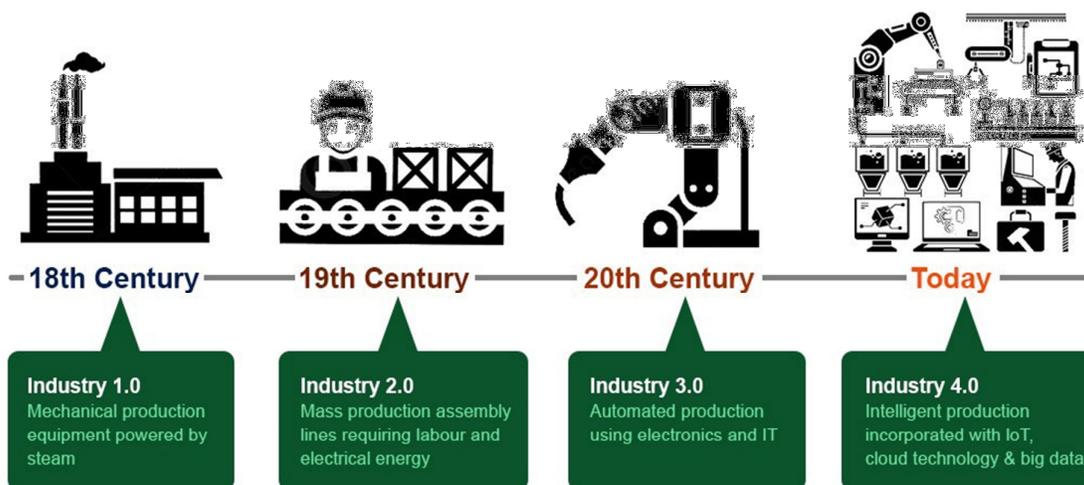


Table 1: Industry 4.0 Historical Development

Since the object of digitalization and into our lives everyday concepts such as the Internet was the fourth industrial revolution was started by Industry 4.0 alias. Industry 4.0 in the 21st century under the leadership of Germany, in order to ensure long-term competitive advantage has emerged. Therefore, it is possible to characterize Germany as the inventor of this universe. Germany announced by the Ministry of Education and Research and the Future "Project" is one of 10 projects called "Industrie 4.0" (Industry 4.0); 2011 Hannover is a concept that emerged in the fair. The attempt to express this concept; it is a new industrial revolution. The starting point is used for naming of digitalization referring to computer software and hardware, called version numbering. Third Industrial Revolution began in the new production concept with computers and robots to take place in the movement, a revolution that there was no criticism of Industry 4.0; much more widespread and mobile Internet, small and efficient sensors, advanced computers, artificial intelligence, machine learning, the internet of objects, cyber-physical systems, autonomous vehicles, and developments such as advanced robotics is characterized (Schwab, 2016: 16).

Internet in the amount of information being produced all over the world with the start to take place at every stage of our lives has been a huge increase. In this context, the amount of information generated leads up to a doubling every two months. Reinsel et al (2017) studies, when the amount of data produced in 2016 and that it 163 zettsbyte to go to foresee. Information to produce such a rapid and intense sharing has affected the developments in the art.

Allowing the introduction of information technologies in the industrial sector began to stay in the background and manpower increased by 4.0 Industrial machine control. Robots come to the fore in the context of the production process is one of the highlights of Industry 4.0 (Pereira and Romero, 2017). Exchange information with each other to enter into the business of artificial intelligence technology has emerged intelligent machines that can be found. In short, the industry began to be digitalized.

The world's first digital factory is one of the activities carried out by Siemens Amberg plant in Germany is almost unmanned. Siemens Amberg plant was established in 1989. 75% of the jobs at the factory is carried out by machines and computers; only 25% of parts are made based on manpower (Sari, 2016).

Every animate and inanimate object will pass into communication by connecting to the Internet, intelligent communication between machines production brought about a concept we are discussing at the moment with the economic and social transformations. In today's economic system, it needs to constantly change and development to maintain its continuity. Quickly the ongoing difficulties in the use of resources and population growth and changing world, brings together the innovations and changes. The world is growing and competition is increasing. Besides the vital quality and efficiency in production. In this case, technological progress, brings together industry approaches like robotic or 4.0.

Nine advances in technology underlying the industry 4.0 (augmented reality, big data and analytics, autonomous robots, simulation, horizontal and vertical system integration, additive manufacturing, cyber security, cloud, industrial objects, the Internet) although it is used in manufacturing many current industry 4.0 with production will undergo conversion. Isolated, optimized cells optimized come together in an integrated manner as well, with a production flow automated to increase in productivity and suppliers with manufacturer-customer will replace the traditional production relations among and between the machine-human (Russman et al., 2015: 2-3).

Industry 4.0 while yet entered our lives; Society 5.0, 5. Japan in 2016, is a concept introduced in the Science and Technology Basic Plan. Then, in 2017, arranged in Hannover, Germany CeBIT IT Fair in Japan's Prime Minister Shinzo Abe has been raised by the concept of Society 5.0. Industrial Society's philosophy which is also referred to as, instead of being considered as a threat by the technology society has been stated as being perceived as an auxiliary (Develi, 2017). The main aim of the society is to ensure the integration into society of technological developments. So instead of a fearful society tech and aims to create a society in cooperation with its living they bring society's first name as the beginning of the failure to uncover Industry 5.0,

Japanese Federation of Economic Organizations (Keidanren) study, which is also produced by Article 26 of the manifesto Society 5.0. said study hunter societies, agricultural society, industrial society, information society and developments in smart society, including all five parts are covered. Accordingly, in the final stage of the process, the society as a result of the 5.0 arises the concept of smart society. Industry 4.0 "information society" phrase is often used, while in the society 5.0 "super-smart society" began to be used for expression.

The hunter-gatherer society, agricultural society, industrial society, information society and after the physical space and society that has emerged 5.0 integrates a strong cyber space (Salgues, 2018). The rapid developments in information technology makes it possible to combine the physical space-cyber space with

real-world information. It was born from the merger of cyber-physical systems (CPS) is expected to cause large changes in society structure. Rising through the Japan Society 5.0 vision of individuals in terms of both economic development is aimed to resolve the social difficulties of constructing a human-centered society has reached the high quality of life. This social structure; region, age, gender, language and so on.

Which is used in much of the Society 5.0 objects, such as refrigerators can keep a list of available materials in our homes and they can give orders to the market with the help of the internet is diminished. Or people with operating the contacts get in the car to go home by calculating the vehicle will go back home few minutes to be adapted to house the people's expectations accordingly (adjusting the temperature of the house, heating the food in the microwave, cooking coffee, etc.) can provide.

Society 5.0 of robots with human society is a case where a high level of cooperation. Robots especially people who are making the undertaking jobs that require physical strength rather than control and monitoring tasks.

Given that the digitalization of processes and value chains and robots stand out as a result of the workforce is the main factor in the falling people the only task management function; In the near future it could be anticipated levels encountered serious employment problem. Frey and Osborne (2017) studies, the current occupations of the people began to be built by robots also occur on the hands of the state as a low-medium-high risk were divided into three groups. As a result of the study it was judged to be at high risk category 47% of the total employment in the United States. In other words, 47% of the current occupation will probably begin in the near future be done by machines. transport within 702 occupational groups studied.

Instead of by the World Economic Forum will be a reduction in the amount of full-time workers in the labor force until 2022 and will increase the physical office staff are referred to remote employees we (World Economic Forum, 2018).

Undoubtedly, Society 5.0 and 4.0 and entered our lives with artificial intelligence concept is affecting much of the globe. Artificial intelligence has made many definitions. Among them stands out Google's engineering director Ray Kurzweil definitions made by: "Artificial intelligence when performed by people to perform functions that require intelligence is the art of creating machines".

Artificial intelligence in 1943, first as Warren McCulloch and Walter Pitts is seen that the work done by the emerge. Artificial intelligence is a term first used in 1956 by John McCarthy. After receiving his doctorate title in 1951 John McCarthy embarked on the task at Dartmouth College. Dartmouth College is the birthplace of artificial intelligence official. Today we see that the artificial intelligence used in many fields. As examples; Apple operating system integrated into Siri, developed by Hanson Robotics, Sofia, is a software of Microsoft and works with voice commands Cortana, given Alphago developed by Deepmind Google's artificial intelligence company.

All of these developments in Turkey we will look at the effect is caused by Turkey's possible to say that they're a little bit behind. The survey by the private sector organizations including TUBITAK thousand who have received the support of R & D was carried out in June 2016. The survey includes questions on their smart-digital production systems and technological development. When the survey results were analyzed; 19% of businesses that do not have any information about this topic, it is general knowledge that 59% were

found to be 22% if the comprehensive information. awareness of issues relating to the three sectors that most electronics, software and emerges as material. related technologies in three to five years, half of the businesses surveyed were found to be on target to integrate into their structures. As a result, According to the survey data it has emerged between Turkey maturity level of the between Industry 2.0 and Industry 3.0 (TUBITAK, 2016). Such a result can be understood in terms of Turkey should be 4.0 times the industry for the transition to a remarkable road in question.

4. Society 5.0 and Its Structural Development

Rising through the Japan Society 5.0 vision of individuals in terms of both economic development is aimed to resolve the social difficulties of constructing a human-centered society has reached the high quality of life. Of course, where it would be the target obstacle is final. To briefly summarize Society 5.0 goals and barriers;

Society 5.0 Goals

- To produce a solution to the aging population,
- Virtual and real world to give effect to the agreement,
- Using taking into account the social benefits of the internet of things,
- Support of the actions and behavior that does not harm nature.

Society 5.0 Obstacles

- Several legal loopholes,
- Social prejudices,
- Technological deficiencies,
- Lack of staff qualification

Society 5.0 is determined by the boundaries of the thoughts of five critical areas. These areas are: preventive health services, mobility, supply chain, smart cities and infrastructure, the new financial services.

Society 5.0, as well as Sustainable Development Goals of the United Nations in September 2015, Sustainable Development Goals (SDG), in the 2030 Sustainable Development adopted Agenda. Both economic development, as well as the hope to bring solutions to social problems, towards a sustainable world; It is a difficult process to achieve a comprehensive system of all countries work together. Society 5.0, although Japan's growth strategy, targets are not limited to Japan because it is the same with the strategy of SDG. an aging population, the decline in the birth rate, an aging population and infrastructure such as the reduction of the difficulties faced by Japan, the difficulties will eventually encounter many other countries. Japan is one of the first countries to face these challenges.



Figure 1: United Nations 17 Sustainable Development Goals

5. Results

Both economic development as well as to create a society where human-centered provision of solving societal challenges and goals Society 5.0 is fully active and relaxed so that people can enjoy a high quality of life. Region, age, gender, language and so on. Regardless of providing necessary goods and services, people are asked to join a society created in detail to the various needs. The key to the realization, to produce high-quality data and the real world of cyber space and to create new value and solutions to solve the challenges here.

Japan's national vision that brought about this new and striving for a people-centered society and also solve various social problems.

In addition, previous industrial revolution which has always stayed behind in Turkey, which is still very new 4 Industrial Revolution can minimize the possibility of being left behind to follow a very strict way from the beginning. You should be focused on education and R & D work for, university-industry cooperation should be established, incentives should be provided and should be closely followed developments in the world and should be adapted to rapid change.

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A CONCEPTUAL FRAMEWORK ON INDIAN WOMEN EDUCATION AND ITS POSITIVE LINKAGES WITH ECONOMIC GROWTH AND DEVELOPMENT

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ABSTRACT

There is no doubt that world communities have recognized women as a critical factor in economic growth and development of any nation. But, this happened only when their lives undergo a drastic change with the advent of various legislation, social reforms and women's movement worldwide which led to major shift in the sociocultural set up. It is pertinent to mention that earlier they were engaged mainly in household chores, bearing and rearing of children and were treated on different footings. Their lives were deeply affected by patriarchal system which often results into deprivation of their basic rights including right to education. Further, with particular reference to Indian sub-continent, the picture of women education was gloomy as women were devoid of their basic right to education. However, with the passage of various social reform movements in India, various women movements, Christian missionaries and new economic reforms of 1991 popularly called as LPG concept (Liberalization, Privatization and Globalization), Indian women education witnessed a major change. With this development, entitlement of women to education begun to be considered as indispensable for economic growth and development of any nation. Moreover, a plethora of literature has shown a strong positive linkage between Indian women education and its economic growth and development. Thus, in the backdrop of voluminous literature, present study is an attempt to discuss current state of Indian women education, to identify, critically review and analyze the prior literature pertaining to positive linkage between Indian women education and economic growth and development. This study has also bring forth various issues which have remained unaddressed earlier and demands utmost attention. At the end, various valuable suggestions have also been made with an aim to fill identifiable gaps in Indian women education system so that it can contribute immensely towards achieving robust economic growth and development.

Keywords- Economic Growth and Development, LPG, UNESCO, World Bank, Women Education.

INTRODUCTION

In earlier times, the condition of women across the globe was worse. They were treated differently in all spheres of life- social, cultural economic, political and were also devoid of their varied rights including right to equal education. However, after the culmination of world war II, various international organizations like- UNESCO, World Bank emerged which played a significant role in driving the international education

agenda. Thus, in order to make a transition towards modern world, it became imperative for the world community to focus on women education. Further, collaborative efforts were also taken at international level so as to encourage the participation of women in public life and enhance their contribution towards economic growth and development. In 1950's and 1960's, the UNESCO positioned its mainstream operations towards women education and considered it instrumental to the economic growth and development of mostly newly independent nations including India. Further, in 1980's different framework was developed which emphasized more specifically the linkage between women education and specific economic outcomes (World Bank, 1974, 1975, 1980 and 1988). Thus, by the end of 1980 women education began to be recognized as a critical force worldwide for economic development. It is important to note that it was Schultz (1988), who pioneered the concept of education from an investment point of view and not consumption. He illustrated that education increases the skills and productive knowledge which in turn increases the productivity and profitability. Therefore, with the advent of such philosophy, education begun to be witnessed by the world community from Schultz's point of view. Further, it is the human capital theory which has better explained and illustrated the link between women education and economic growth and development in the sense that skills and knowledge of women gets enhanced with education which in turn increases their productivity in the labour force and thus contributes towards an economic development of a nation.

Within the Indian context, it is notable to mention that during pre and early period of British India, the education system was limited and confined mostly to Brahman males, higher castes among the Hindus. But, later on with the establishment of the Christian missionaries, emergence of various social reform movements, there was a change in a socio-cultural system. Further, history revealed that India had the most complex system of patriarchy where males were considered superior to females and were entitled to various rights and privileges than women. Women were treated differently and were subjected to extreme bias and prejudice. They had no role to play in different spheres of lives- social, cultural, economic and political and were even denied their basic right to education as enjoyed by their male counterparts. However, with the onset of varied women movements' that can be traced back to the social reform movements of early 19th century, the status of women education had undergone a tremendous change. A new dawn was witnessed in India as the modern education for girls begun to gain momentum. Thus, with the emergence of new cultural milieu, the highly Indian patriarchal society accepted the hard core reality that women should be given their basic right to education as it is indispensable for social as well as for nation's economic development. Moreover, since independence rigorous efforts have been taken by Government of India in an attempt to improve the condition of women education that are evident in the form of varied key education strategies formulated from time to time viz- the report of the commission on women's education in 1959, the report of the commission on status of women in 1974 and the National Policy on Education in 1986 which was later revised in the year 1992. In addition, commendable roles have been played by varied women movements and social activists in highlighting the importance of women education for nation's economic development. Hence, it is imperative to mention that for India to achieve the target of \$5 trillion economy, continuous up gradation of skills and knowledge of women is one among the critical development issues.

OBJECTIVES OF THE STUDY: The study aims to achieve the following objectives as stated below

- ❖ To identify, review and analyse the prior literature revealing strong positive linkages between Indian women education and economic development.
- ❖ To analyse the current state of women education in India.
- ❖ To provide valuable suggestions so as to address the issues identified in Indian women education system which will prove helpful in achieving new heights in its economic development.

RESEARCH METHODOLOGY

Though, the present study is purely conceptual and descriptive in nature. It has used desk research methodology to review previous research findings in order to gain a broader understanding about Indian women education and its positive linkage with economic development.

LITERATURE REVIEW

Plethora of literature has shown that there exists a strong positive linkage between Indian women education and its economic development. In 1980's research done across 18 countries of Latin America has revealed that education is the variable with the strongest impact on income equality. It has also been observed that 1% increase in secondary education of the labour force would increase their income from 15%-60%. Further, prior research have posited a positive correlation between women literacy levels and Gross Domestic Product (GDP) in the sense that an increase in literacy levels from 20%- 30%, enhances GDP from 8%-16% for a number of countries worldwide (Tilak & Jandhayala, 1987). In addition, scholars like Ravis et al., (2000) have conducted a study across 76 developing countries, the results of which revealed that cross country regressions have shown a significant positive relationship between women education and economic development. Thus, indicating that an investment in women education causes variance in a nation's economic development. Moreover, it is imperative to mention here that various studies have reported their results based on Schultz philosophy that education should be viewed from an investment point and not an expenditure which suggests the nations to invest their resources in women education. This is highly needed to enhance women's capacity, skills and knowledge in order to achieve robust economic development (Unterhalter, 2005 & Vaughan, 2010). In addition, research has also noted that the state of women education in world has not changed altogether. There are still many shortcomings and gaps which need to be addressed with the collaborative efforts of various stakeholders viz- government officials, international organizations, women activists and academicians (John, 1999 & Vaughan, 2013).

Women Education and Economic Growth and Development: An Indian Scenario

In Indian subcontinent, the state of women education was much gloomy during both pre and early period of British era. Lives of women were deeply dominated by complex patriarchal systems which deprived them from their basic rights to education. However, it is noteworthy to mention that modern education for women in India paved its way with the coming of Christian missionaries and mushrooming of various social reform movements. Later on, with India's independence, promulgation of constitution in 1950 led a revolutionary change in Indian education system as women were promised access to free and compulsory education from the age of 5 to 14 years. Further, in order to eliminate the sex stereotypes government of India had come up with the series of commissions viz- Commission on Women Education (1959) and Commission on Status of Women (1974) which recommended a common course curriculum for both boys and girls. Moreover,

research has revealed that contemporary women's movement in India emerged as the burgeoning movement that challenged gender inequalities in education and marked a significant shift in understanding the women issues (Agnihotri & Mazumdar, 1995). In addition, research has highlighted that Indian women education must go beyond the elementary level so as to increase the labour productivity and economic growth and development (Geeta Gandhi, 2001). This does not indicate that importance of elementary education has been undermined. But, the study has noted that in order to achieve robust economic growth and development, education beyond an elementary level is a prerequisite. However, India has achieved strides in economic growth and development with the major reformation of Indian economy in 1991 (Liberalization, Globalization and Privatization) popularly called as "LPG concept". After reformation, it has been witnessed that literacy rates have not only continued their trends, but have also shown a remarkable improvement over the last decades for both males and females. In addition, critical review of existing literature has revealed certain inconsistencies in the sense that though India is moving forward towards achieving greater literacy for females. But, there exists few lacunas in Indian education system which are evident in the form of unavailability of schools for girls in proximity of their rural areas which discourages their parents in sending their girl child to school (Bajpal & Goyal, 2004). Further, a report released by Human Resource Development Ministry in India has revealed that though the number of females enrolled for higher education in India have gone up to 17.4 million in 2017- 18 from 12 million in 2010- 11. However, a significant gap is still persistent in professional and diploma courses for the women which clearly indicates a presence of gender bias in Indian higher education system.

STATISTICAL COMPILATION OF GENDER RELATED INDICATORS IN INDIA

It has been prepared by Central Statistics Office and reveals the following highlights of the last Census of India 2011.

- ❖ The previous census 2011 has revealed that literacy rates for females are 64.63%, whereas for males, it is over 80%.
- ❖ As per NSS 71st Round, the rural literacy rate for females is 56.8% as compared to 72.3% for males. For urban population, the literacy rate for females is 74.8% as compared to 83.7% for males.
- ❖ It has been witnessed that highest female literacy rate is in Kerala- 92.1% and lowest is in Bihar- 61.8%.
- ❖ As per the last census, Adult literacy rate above 15 years of age is maximum for males -78.8% and minimum for females- 59.3%.
- ❖ Last census data has revealed that enrolment ratio for females are only 44%. The major reasons cited are- lack of interest in education, financial constraints and stereotypic beliefs.
- ❖ It was also observed that there were 93 girls for 100 boys in primary classes, 95 in middle and 91 in secondary level.
- ❖ It has been found that gender gap in literacy rate has reduced from 21.6% in 2001 to 16.3 % in 2011.

- ❖ Last census report 2011 has also reported that there exists wider disparities in educational outcomes across different regions of the country. As, Southern states in India have been found to perform well in education sector than Northern ones. The reasons found for same have been that in Southern states the government lays main emphasis on growth of education than Northern States where politics and bureaucracy have been found to be major focus of government.

FINDINGS AND CONCLUSIONS

After making critical analysis of existing literature, it was observed that Indian women education has gone through many phases from early British era to the period of independence. It is evident from the Indian history that modern education for girls in India gained momentum with the advent of various social and women movements and Christian missionaries. Moreover, it was after the promulgation of Indian constitution in 1950 that entitlement to equal education was recognized as women's constitutional right. In addition, post economic reform period of 1991 witnessed a tremendous growth in Indian women education and its pivotal role in achieving robust economic growth and development. However, apart from developments, it is pertinent to mention that current study has also brought forth various critical issues which have remained unaddressed earlier and which call due attention. These are discussed below in detail and require collaborative effort on the part of all stakeholders- government, civil society, NGO's etc in order to change the complete state of women education in India so that it can contribute immensely towards achieving robust economic growth and development.

- ❖ As per the last census report available, it has been witnessed that though the female enrolment ratio has increased in the primary, middle and secondary schools, but gender gap in education is still persistent up to a certain level.
- ❖ The study highlights that gender gap in education still exists at both urban and rural areas, but disparity is wider in rural areas as compared to urban ones.
- ❖ The study has witnessed an adult literacy gap in India is still significant- males 78.8% and females 59.3%.
- ❖ During the critical review, it has been observed that female enrolment ratio in India is lesser- 44% and financial constraints, gender stereotypic belief and lack of interest in education are its major reasons.
- ❖ The study also notes a wide disparity in India across the different regions in terms of educational outcomes in the sense that Southern states are found to be performing well than Northern ones because they prioritize education more than politics. Thus, statistics has clearly indicated that education sector being a key area is often influenced by bureaucratic structure of our country and our maximum resources are utilized in politics and bureaucracy rather than in education sector.
- ❖ The current study has also noted that gender bias is still persistent in higher education of India as less number of females are enrolled in professional and diploma courses.

- ❖ The critical analysis of existing literature has also bring forth that India's national policy on education(1986) which was later revised in 1992 is limited in scope in the sense that it puts maximum thrust on basic education rather than higher one.

Therefore, on the basis of existing literature on Indian women education and its positive linkage with economic growth and development, it can be concluded that Indian women education has witnessed drastic change since independence and post economic reforms of 1991. It has achieved many strides but there is still a long way to go because the current study has identified various issues already explained above which needs to be addressed well on time so that Indian women education can contribute immensely towards achieving robust economic growth and development.

SUGGESTIONS

In the back drop of critical analysis of existing literature and conclusions drawn, following suggestions have been made so that current state of Indian women education can be improved in order to achieve a sound economic growth and development.

- ❖ There is the need of an hour for better infrastructure- roads, buildings, technology, other facilities coupled with active and fair involvement of various stakeholders viz- government machinery, women activists, civil society, NGO's etc so as to improve the current state of Indian women education.
- ❖ Government of India should give full opportunity to private players in order to invest their resources into women education which will enhance skills and knowledge of women folk for the betterment of nation.
- ❖ In order to ensure robust economic growth and development, Government of India should make education sector its main priority than bureaucratic structure. It is the need of an hour to realize that education is a key area than politics and bureaucracy and pivotal for a nation's economic development. Thus, adequate investment should be made in it.
- ❖ Bold strategy for universal education is highly needed at least through 14 years of age. Special attention is needed to ensure the education of girls on the same basis as of boys.
- ❖ Government of India should enhance the budget allocation for education and keep certain ratio of it reserved particularly for women education. This money should be spent mainly by the State Governments, but with the local responsibility for overseeing the effective utilization of resources.
- ❖ Collaborative efforts are also needed on the part of other stakeholders like- women activists, civil society, non-governmental organizations etc to change the mind-set of the people who are still influenced by gender stereotypic belief and give less priority to women education. They should be made understand that education for women is equally important as men's.
- ❖ There is a need to identify the reasons behind female's lack of participation in education. For this, various stakeholders should make an initiative by organizing door to door campaign in the areas where there is a less enrolment of females in education. Proper counselling of females and their family

members need to be done so as to change their attitude and motivate them for acquiring education for their own well-being which in turn will prove fruitful to nations economic growth and development.

- ❖ The present study has also suggested that government of India should revisit the policies formulated for women education and redraft the same so as to fill the gaps identified which have remained unaddressed earlier. This can be a good initiative for improving the lacunas in Indian women education system and can ensure a sound platform for achieving heights in nation's economic growth and development.

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IMPACT OF CONSUMERS' MOTIVATIONS ON CONSUMERS' ATTITUDES TOWARDS FACEBOOK PERSONALIZED ADVERTISING AND PURCHASE INTENTIONS: A RESEARCH MODEL

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Abstract

Personalized advertising is a strong tool to improve advertising relevance for customers and hence increases sales and profits for advertisers. The aim of the research is to develop a research model for exploring the effect of consumers' motivations on the online purchase intentions in the context of online personalized advertising in the cosmetics industry in an emerging country, Vietnam. In the present research, consumer's motivations are measured in terms of hedonic motivation, utilitarian motivation, credibility motivation and personalized content motivation. Designed questionnaires are distributed to target respondents aging from 18 to 31 years old and buying cosmetics on Facebook. Target respondents are requested to assess their motivation, attitude toward Facebook personalized advertising and online purchase intention indicated in the questionnaire. Collected data will be processed using SPSS and AMOS in order to examine if there are relationships between consumers' motivations, consumers' attitudes towards online personalized advertising and the online purchase intentions.

Key words: Consumer Motivation, Consumer Attitude, Personalized Advertising, Purchase Intention.

Introduction

Research Background

According to Digital 2020 Global Overview Report, the amount of people engaging in online things is increasing higher than ever with the 3.8 billion people active in social media, which is 9% higher than the previous year. Specifically, the total number of users of internet-related services in Vietnam officially increased by about 6.2 million (an increase of more than 10.0% compared to 2019). In terms of ratio growth compared to the previous years, the number of people using social media in Vietnam has increased rapidly with a specific increase of 5.7 million. Social media penetration in Vietnam currently stands at 67% of the total number of Vietnamese people listed in January 2020 (Digital 2020 Vietnam report). This data proves that Vietnam has a high potential in improving social media marketing more in the future.

Social networks continue to be the useful tool for most businesses to advertise their websites/mobile applications in 2019, 49% of businesses participating in the survey said they used social networks to advertise their websites and mobile applications (VECOM 2019). Furthermore, Cimigo report about Vietnamese online shopping with 300 interviews points out that young adult from 18-35 years old occupies mostly the number of online shoppers (63% of 18-24 age group and 74% of 25-34 age group).

In terms of AI, the amount dollar businesses earning from AI technology continuously increases every year. In 2025, this figure is expected to reach about \$31,236,920,000, which indicates the pessimistic view of businesses in the development and applications of AI. Moreover, the fields that AI can get involved and deep dipper varies across the departments in business such as email marketing, fraud detection (Ryman-Tubb, Krause & Garn, 2018; Kim et al., 2019), sales forecasting (Sun et al., 2008; Bohanec, Kljajić & Robnik, 2017).

AI technology has been developed in many different fields from teaching, healthcare (Fan, 2018; Dey et al, 2019; Krittanawong, Zhang, Wang, Aydar & Kitai, 2017), to smart home and smart city system (Iqbala et al, 2018). Especially in recent years, AI has really exploded in the business field, many AI-related technologies have been applied in business areas in general and in departments of enterprises in particular. Despite a shift in the use of AI for businesses (Columbus, 2021), according to H. Davenport, Brynjolfsson, McAfee and Wilson, (2019) AI is still in the dark with a small number of businesses understanding how to apply AI to operations.

In addition, more and more publishers apply AI applications to their publication. Typically, the impact of AI on retailing industry (Shankar, 2018), firm's offerings and operations (Paschen, Pitt, Kietzmann, 2019), accounting (Sutton, Holt, Arnold, 2016), service sector (Huang, Rust, 2020). The terminology of AI technology has the most citation for 2 consecutive years in Google Scholar, and tends to increase in the future.

Problem Statement

Generation Z or gen Z is an attempting market that yet to be fully exploited by marketers. This generation Z provides a clear point of view about the changes from traditional media to the digital one, where people use technology in their daily life (Priporas et al., 2017; Dupont, 2015). The transition of media has resulted in consumer behavior, which distinguishes Gen Z's behavior with other generations by preference for new technologies. The low number of responses from audience shows that gen Z is no longer attracted to the traditional marketing methods ("Marketing to Gen Z: What You Need to Remember", 2020), which demands for new methods to catch the young consumers attraction.

There are yet very few studies on the impact of enterprise AI adoption on consumers - key factor in determining the corporation growth, for example, how AI has effects on creating personalized marketing strategies (Khan, Lewis & Singh, 2009) and how it aids in managing customer value proposition (Kumar et al, 2019), how AI affects customer journey (Kietzmann, 2018). Paschen et al., (2020) prove that AI will support the B2B sale process instead of replacing all the tasks done by employees. These articles lacked an overview of the combination of AI, social media marketing and brand attitude for a customer's purchase

intention.

Moreover, there are many researches examining the effects of personalized ads in mobile (Kim and Han, 2014; Xu, 2006), traditional media (Baek and Morimoto, 2012; Yu and Cude, 2009), but yet not so many papers of this on Facebook (Tran, 2017; De Keyzer, Dens & De Pelsmacker, 2015). Even though Facebook is one of the most growing platforms nowadays, with the help of personalization, Facebook advertising reaches the customers closer than ever, It is worth deeper investigation into Facebook personalized advertising value (Tayler et al., 2011). This study is aimed to fill in the gap of these papers by creating the framework to study the effectiveness of personalized ads on consumer and their purchase intention.

Research Objectives

The present study addresses the following aims:

- Identifying motivations affecting Ho Chi Minh City young consumers' attitude when making purchase for cosmetics in the context of personalized advertising on Facebook
- Examining the application of Uses & Gratifications Theory (UGT) in predicting the young consumers attitude toward marketing on Facebook and their purchase intention for cosmetics.
- Evaluating the level of influence of each motivation on consumer attitude.

Literature Review

Personalized Advertising using Machine Learning

There are so many AI applications into life that the users simply take it for granted without realizing that they are actually experiencing AI technology (Steimer & Conick, 2018). For example, face recognition (Facebook), traffic speed analysis (Google Map), spam filters (Gmail), personal assistants (Siri, Alexa, etc). When the digital marketing era explodes with the conjunction of AI, businesses nowadays are taking advantage of the Internet advancements to build stronger relationship with their customers. (Bolton et al., 2013)

Personalized advertising is known as advertising based on customer's information (Yuan and Tsao, 2003; Wolin and Korgaonkar, 2005). This is personally information based on customer's name, email address, history of online shopping, times when visiting web, product preference, hobbies, etc (Google, n.d.). It is such a useful tool for advertisers to improve advertising relevance for consumers and ROI on business side by targeting their campaigns on particular customers. The personalization technique is one of the highly appreciated applications of AI into the business world (Development, 2019). This is where machine learning comes into place. Machine learning (ML) is the main concern of AI, as the name tells it all, the idea of this concept is to teach the machine how to learn by themselves (Mueller & Massaron, 2018).

Facebook Personalized Advertising

According to Facebook statistic (2020), they have about 2.6 billion active users per month and over 1.7 billion use this platform every day. Although there are huge competitors like Instagram or Twitter, Facebook remains the strongest in social media as they occupy 60.6% of the social media market share (Facebook, 2018). Despite the obvious power of social trading on Facebook (Lee et al., 2014; Feng & Liu, 2018),

there are not so many researchers conduct study to examine the motivations of customers to create connections with cosmetics stores on Facebook. Understanding the motivation of customer's behavior on Facebook could provide huge customers insights for both Facebook and the retailers that they can exploit these insights and encourage purchase intention and create customer loyalty. (Anderson et al., 2014)

Attitude towards Social Media Advertising

Attitude and purchase behavior are important and widely studied variables in consumer behavior research (Spears and Singh 2004). After Fishbein and Ajzen (1977) proved that there is significant relationship between the consumer's attitude and purchase intention, other researchers have supported this hypothesis in various journals (Wahid and Ahmed, 2011; Wu and Lo, 2009). In my study, I will examine the favourable or unfavourable attitude of the consumers toward marketing on Facebook.

Purchase Intention

Purchase intention is characterized as an associating mental variable between attitude formation and the actual behavior (Miniard et al., 1983). Wu, Yeh, & Hsiao (2011) define purchase intention as the probability that buyers will plan or buy a specific item or service later on. My study will indicate the intention of buying online cosmetics which is related to the chance that they will actually buy that products later on. Previous studies have proved that the purchase intention and purchasing probability has positive relationship, which means the higher purchase intention, the higher purchase likelihood.

Hedonic Motivation and Utilitarian Motivation

As stated by Hirschman (1982), there are two type of motivation hedonic and utilitarian (Rajeev & Olli, 1991) which are considered as the key for buying behavior (Jones, Reynolds, Arnold, 2006). Shopping motivations are intensely embedded by the values of shopping held by a consumer and the pleasures the consumer seeks. (Babin et al., 1994)

Hedonic motivation is that individual may have a tendency to behave in the way they can experience positive things and avoid negative experience (Kaczmarek, 2017). In another words, hedonic motivation means that people are bound to start actions which lead to rewards or away from disciplines (Gray 1981).

Unlike hedonic motivation, utilitarian motivations come from functional (for example, convenience, cost saving, product variety, etc.) or tangible factors (Solomon, 2007). Hopkinson and Pujari (1999) pointed out this motivation get involved in the situation which the consumer mostly focus on the purchasing activity, especially on e-commerce (Blake et al., 2005; Keeney, 1999). The online utilitarian consumers may find it convenient when the firms provide time-saving service and easy to access information (Childers et al., 2001; To et al., 2007; Kwon and Jain, 2009).

Personalized Content Motivation

The term personalization means that it will be made specifically for a number of customers based on their lifestyle, shopping behavior or their current desires (Bleier & Eisenbeiss, 2015; Kunert & Thurman, 2019), which will help the customers deal with variety of information and sort out information that is within their concern. The rise of personalization is based on the requirement to meet the specific preferences or conditions of the users (Wolff et al., 2011; Gajos et al., 2010). The combination of personalization and content on Web sites are the main concept of many research papers (Santhanam et al., 2013; Koidl et al.,

2013). Moreover, personalization could help to increase the active engagement and the effectiveness of users, emotional bonding with others, peer identity and social status (Lang, 1995; Sa'ä'ksja'rvvi, 2003; Oulasvirta et al., 2008). The personalized content in this study prefers to how personalized advertising will affect consumer's attitude toward the ad.

Credibility Motivation

The term advertising credibility is defined as the perceived honest, believable, trustworthy of a particular advertising (McKenzie & Lutz, 1989). It has effects on consumer's attitude behavior (Jin & Villegas, 2007). Advertising is proved to be an important determinants of product information in the market for young customers (Chandy et al., 2001). The content of social media advertising is seemed to be reliable and trustful especially in transitional economies like Southeast Asia. (Chu & Kim, 2011; Mangold & Faulds, 2009). The important role of ad credibility makes advertisers consider them very carefully in order to grow a favorable consumer attitude towards advertising. According to Nielsen (2015), after friends' recommendations, online channels are considered as the second most credible source, the least one is mobile advertisements.

Hedonic and Utilitarian Motivation and Consumers' Attitude Towards Facebook Advertising, Purchase Intention

In the context of social media marketing, hedonics needs can be aroused by posts of attractive pictures and stories. Hence, when the company can provide service and goods that meet the needs for entertainment of the consumer, it will develop positive attitude towards social media advertising and would affect the online purchase intentions of consumers as well. (Walrave, Poels, Antheunis, Van den Broeck & van Noort, 2016)

To examine the impact of social media advertising on consumer's purchase intention. Yeo et al., (2020) used purposive sampling and collected 219 questionnaires in Malaysia. They found out that interactivity, information, trust and brand image have significant effect on the purchase intention. The authors recommend larger sample size and an open questionnaire to gain more in-depth point of view from the respondents.

Moreover, Alalwan (2018) also examined the effects of social media marketing on consumer's purchase intention. By using the SEM to test the hypotheses from data collected by a survey of 437 respondents. The findings show that informativeness and hedonic motivation are the two most important factors in predicting the online purchase intention. However, the personality and demographics characteristics of the participants are not mentioned in this research. The authors also suggest conducting the study on one specific platform.

Van-Tien Dao, Nhat Hanh Le, Ming-Sung Cheng & Chao Chen (2014) has also examined the effects of ad value including entertainment, informativeness and credibility on the consumer's attitude and online purchase intention on two different social media platform. Especially, the study is conducted in Hanoi, Vietnam with the sample size of about 115 for Facebook and 300 for Youtube with the age ranging from 18 to 22. The findings show that the three factors have positive impact on perceived advertising value and the

online purchase intention. However, the limited sample size could lead to the biased results and the authors encourage to extend the research for more factors so as to improve the R^2 value.

Mahmoud (2015) investigated the link between consumer's beliefs (including informativeness, entertainment, credibility, irritation), attitude toward email marketing and behavioral responses. Out of 954 random questionnaires via email in Syria, 273 qualified responses were used to conduct the measures. By using SEM to test the hypotheses, the results find out that customer's beliefs toward email advertising have positive effects on their attitude toward the ad. Among these beliefs, informativeness and entertainment are proved to be the most important predictors toward consumer's attitude. Moreover, attitude toward the ad is found to mediate the relationship between beliefs and behavioral responses. The authors suggest further investigation into other type of digital advertising (such as social media platforms, search engines, mobile, etc).

On the basis of the above arguments, the following hypotheses are developed.

H1a: Hedonic motivation positively affects purchase intention

H1b: Hedonic motivation positively affects attitude toward Facebook advertising

H2a: Utilitarian motivation positively affects purchase intention

H2b: Utilitarian motivation positively affects attitude toward Facebook advertising

Credibility Motivation and Consumers' Attitude towards Facebook Advertising, Purchase Intention

The higher value of credibility, the higher perceived advertising value (Brackett & Carr, 2001; Hagharian & Madleberger, 2005; Liu et al., 2012), which will affect attitude toward different type of advertising including traditional, online and mobile (Xu, 2006). Specifically, in mobile advertising, credibility is one of the crucial factors in deciding consumer's attitude toward the ad (Tsang et al., 2004). As SMS advertising is also considered as digital advertising, social media advertising is also expected to have a positive impact on attitude toward the ad.

Mukherjee & Banerjee (2017) investigate the antecedents and consequences of advertisements on social networking sites. The authors have developed the framework and collected 226 qualified respondents from online surveys and then used SEM to analyze the hypotheses. The findings prove the positive relationship between entertainment, information and credibility and attitude toward social network advertisements, which then results in consumer's purchase intention and WOM intention. The limitations of this study is that the authors do not specify any particular product or industry. Besides, the context of developing countries is not examined in their study as well.

From the preceding discussion, the hypotheses are proposed as follows:

H3a: Credibility motivation positively affects purchase intention

H3b: Credibility motivation positively affects attitude toward Facebook advertising

Personalized Content Motivation and Attitude towards Facebook Advertising, Purchase Intention

Aiming to investigate the effects of perceived personalization on consumer's attitude toward social media advertising, Irshad & Ahmad (2019) developed the questionnaire to test the hypotheses and 574 out of 605 respondents were qualified, in which the authors used the SEM using AMOS 21 to run the statistical package. Irshad and his colleagues found out that the personalized content on social media positively affects consumer's attitude. However, this study did not mention any specific social networking sites or context which leads to further investigation in particular type of social network. It should be investigated with more variables related to the consumer's motivation which will affect customer's attitude.

Users also expressed that they demand more personalized services (Deloitte, n.d), proving by 76% of consumers said they want to receive personalized content (ChoiceStream Survey, 2008). From another standpoint, research in psychology and communication has shown that people prefer objects or experiences that are more closely related to themselves than irrelative ones. Consumers react faster and are attracted to personalized advertising and avoid paying attention to non-personalized ads. (Bleier and Eisenbeiss, 2015). Yoganarasimhan (2019) conducted the study using machine learning algorithms in order to test the effectiveness of search personalization, the results proves that personalization increase the click rates more than 3.5%.

Based on the prior analysis and discussion, the hypothesis is built as the following.

H4a: Personalized content motivation has positive effect on purchase intention

H4b: Personalized content motivation has positive effect on customer's attitude toward Facebook advertising

Attitude toward Facebook Advertising on Online Purchase Intention

Previous studies have examined the impact of consumers' attitude of social media marketing on purchase intention. According to previous studies, there are different factors effect customer's attitude (Nwagwu & Famiyesin, 2016) and the positive attitude toward social media marketing has a direct positive impact on consumers' purchase intention for the products/services (Sigurdsson, Menon, Hallgrímsson, Larsen & Fagerstrøm, 2017; Ashraf, Thongpapanl & Auh, 2014). Therefore, customer's attitude, which is formed based on social media advertising that utilizes various features of the brand, is considered to have a positive impact on purchase intention.

Tran (2017) conducted a study with a comprehensive model which investigated how perceived Facebook personalized ads affect consumer's attitude and purchase intention. The online survey with 613

completed observation that qualified the requirements of the author. Then she tested the model by two phases (validation and estimation). The findings show that the personalized ads positively affect attitude toward ad of the Ad lovers, which in turn affects their purchase intention.

Thanks to the previous review and analysis, the hypothesis is suggested as follows

H5: Positive attitude toward Facebook advertising has positive influence on purchase intention

Research Methodology

Research Design

This study will utilize the deductive approach as the purpose of the study is to test the Uses and Gratification theory instead of developing the new theory based on the data (Collis & Hussey, 2014). According to Bryaman & Bell (2017), deductive study will construct the theory and hypotheses before collecting and analyzing empirical data. Moreover, the deductive approach is suitable for this research as the results will probably follow previous results discussed in the literature review section. That means target respondents will have more positive attitude toward social media marketing which in turn increase the purchase intention thanks to the help of AI technology.

There are two general approaches in conducting a research: qualitative and quantitative approaches. The qualitative approach to research is focused on understanding a phenomenon from a closer perspective. The quantitative approach tends to approximate phenomena from a larger number of individuals using survey methods (Thomas, 2003). By collecting information from a large number of respondents, researchers could approximate the phenomena by summarizing characteristics throughout these groups (O'Gorman & MacIntosh, 2014).

This research focuses on exploring the influence of personalized advertising on the attitude toward social media advertising which thereafter affects purchase intention. To reach that aim, quantitative research is suitable for this study.

Sample, Sample Size and Sampling Method

Generation Z who are the consumers buying cosmetics on Facebook is the target respondents of this research. In addition, the target respondents are students and employees with the age ranging from 18 to 31 and living in Ho Chi Minh City, Vietnam. Thanks to the similarity in lifestyle of the same generation as well as intelligence and age, this segment is chosen in order to increase the probability of eliminating the potential covariates of the results. (Van-Tien Dao et al., 2014)

The researchers attempt to collect data from 250 target respondents since the adequacy of research sample size is good when it is ranked from 250-300 (Comfrey and Lee 1992). Besides, because the designed questionnaire includes 6 variables (24 items), the sample size ratio should be 10:1 (Everitt, 1975) or 20:1 (Hair, J. F., Anderson, R. E., Tatham, R. L. & Black, W., 1998)

Non-probability sampling is the most suitable method to be applied in this study because of the following reasons. Firstly, it is most possible to get access and hand out the questionnaires to people age ranging from 18 – 31 in Ho Chi Minh City, who have experienced buying cosmetics on Facebook. Secondly, due to the limited budget, time and geographical barriers, non-probability sampling is the most valid one. Furthermore, because of the mentioned sample size, convenience sampling and snowball sampling will be applied. For convenience sampling, it is the easiest and inexpensive method to collect data (Ackoff, 1953). For snowball sampling, this method could help the researchers reach larger sample size (Brewerton, & Millward, 2001).

Measurement Scale

In addition to the target respondents' demographic information such as gender, age, occupation, frequency of using Facebook, information about target respondents' motivation, attitude toward Facebook personalized advertising and purchase intention are collected using the measurement scale designed by Cheng et al., (2009); Tran (2017); Mikalef et al., (2013) and Akar & Topçu, (2011). The 7-point Likert scale is utilized to assess those items (from strongly disagree to strongly agree).

Data Analysis

Gathered data will be analyzed as follows. Firstly, the demographic data will be analyzed by using SPSS for descriptive statistics such as mean and standard deviation of the distribution. Secondly, Cronbach's Alpha, which is one of the most commonly used reliability scale measurement (Heale & Twycross, 2015) is used to test the data's validity and reliability. Next, Exploratory Factor Analysis (EFA) is employed to explain the maximum variance in the data. Then, CFA will be used to test the model-fit, the synthetic reliability of the scale, convergent validity and discriminant validity. After the CFA result, the preceding hypotheses will be tested by SEM through the stage of model verification by using AMOS.

Conclusion

The purpose of the current study is to design a research framework for discovering the impact of consumers' motivations on consumers' attitude towards Facebook personalized advertising and purchase intention in Ho Chi Minh City, Vietnam. In the study, consumer's motivation is measured by hedonic motivation, utilitarian motivation, credibility motivation and personalized content motivation. The target respondents are students and employees with the age from 18 to 31. Furthermore, the respondents are consumers buying cosmetics on Facebook. Convenience sampling method is utilized to gather the necessary data from the target respondents. Collected data is then processed and analyzed utilizing SPSS and AMOS to test the stated hypotheses that relate to the associations among consumers' motivations, consumers' attitudes towards Facebook personalized advertising and purchase intention.

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ISLAMIC CREDIT CARD: A NEW VERSION OF SHARIA COMPLIANT CREDIT CARD

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Abstract

The purpose of this paper is to study the innovativeness in the development of sharia complaint credit cards up till now. Like all other sharia complaint products, Islamic card provides an alternative to those people who want to use an interest-free credit card. The concept of interest-free card is not a new one and work has been started on it since the year 2002, when Arab Malaysian Bank introduced the 1st Interest free Credit Card with the name of Al-Taslif. So for many new concepts have been offered regarding the development of sharia-based credit card but the users of these cards are few in numbers. This limited usage of Islamic cards is either due to sharia issues which are not appropriately addressed or the viability of product for customer and bank. Keep in view the reasons mentioned above, the present study examines the existing sharia-based cards, compare their features and point out their weaknesses which prevent the customer from using such cards. In the last, we present two new concepts of sharia complaint cards, i.e., Musharka and Murabaha based credit cards. The effort has been made to overcome the weaknesses described above in existing Islamic cards and bring more clarity for the customer to understand sharia concepts regarding credit cards. The newly featured Musharka and Murabaha based credit card assigning the name of “Islamic Credit card.”

Keywords: Islamic credit card, Interest-free, Musharka, Murabaha.

JEL classification: E58, D11, G21, M15, O43

1. Introduction

A credit card is a tool facilitating the client in a way that he is buying first and paying afterward (Yee et al., 2007). For simplicity, we can say a tool that provides a line of credit to the customer for the purchase of goods and services is known as a credit card. Beside its credit buying facility, it also provides a cash credit facility to its customers, which is an extended feature of this instrument nowadays. It benefitted the

customers by providing him a credit facility, whereas the benefits for a bank are to take an interest in its funds used by the customer. Due to the element of interest, most of the Muslim customers are hesitant to use a conventional credit card. From the last two decades, an effort has been started to offer a credit card that eliminates the element of interest (riba) and make it sharia-compliant. Under this effort, few Islamic banks already provide a credit card to their customers. The most famous are; “Credit card-1” issued by Bank Islam Malaysia, HSBC Amanah credit card issued by HSBC Amanah Malaysia, Dirham Card issued by Bank Danamon Indonesia and “Sadiq card” by Standard chartered bank Pakistan. The use of Islamic credit cards at the moment is still questionable amongst Muslim scholars especially regarding the fulfillment of sharia requirements and its effectiveness in attaining *maslahah* (Public welfare). The significant elements pertaining to credit cards which create hindrance in any Islamic transaction, as suggested by (Ferdian et. Al., 2008) are;

- **Riba:** there is a need to eliminate the concept of Riba, which is forbidden in Islam. Therefore Islamic credit card holder is not bound to pay any interest (riba) even if he does not pay on time.
- **Gharar or uncertainty:** In practicing sharia-compliant card, there is a need to eliminate the concept of gharar or uncertainty. So it should avoid such payment mode where the monthly repayment or service charges are varying and uncertain.
- **Maysir or gambling** is also forbidden and should not include in credit card transactions.

Regardless of such issues, sharia-compliant cards are expected to strengthen the endangered Islamic uniqueness for Muslims in which it is prohibited for those affordable Muslims to consistently use conventional credit cards, which are forbidden in Islam. This makes Islamic credit cards a crucial form of payment for young Muslim generations. So one has such a banking instrument that provides one’s credit facility like cash advance, secure payment, charge card, and prestige (Billah, 2003).

Moreover, in countries like Pakistan, having a population of more than 20 million with the majority of Muslims, the awareness and use of such sharia-based products are too few and even drastic in the case of credit cards. No Islamic bank in Pakistan offers this product to customers and only standard chartered bank offer a sharia-compliant card with the name of “Sadiq Card.” There is a massive opportunity for Islamic Banks to offer such a product which not only boost up their profitability but also save customers from exploitation from conventional credit card in terms of interest and uncertainty.

The present study is an effort to suggest a new model for an Islamic credit card that addresses the solution of three problems and provides extension and refinement on current Islamic credit card concepts. In this way, this product is not only more acceptable to Muslims, but also it offers multifold benefits to society.

Table 1: Difference between Islamic and Conventional credit card

Islamic Credit Card	Conventional Credit Card
There is no concept of money lending here as transactions made with this card based on trade (bai).	Money lending involves transactions as transactions are based on the loan.
There is no concept of compounding profit on purchases as profit is fixed.	Here compounding of interest is applicable, which is based on the outstanding balance.
Provide better control over transactions and compel users to carry out only halal Items.	Users are free to purchase whatever they want to buy.

2. Literature review

The concept of sharia-compliant credit card is flourishing these days, especially in major Islamic economies like Malaysia, Indonesia, UAE and Pakistan. The literature covers those sharia concepts which provide the basis for prevailing credit cards. Ali, Ismail, and Hariri, (2013) conducted a case study to find either shari'ah residential mortgage-backed security (MBS) better performance than conventional or not. Results of the study indicate that Shariah MBS is cheap in the term of cost as compare to the Cagamas or conventional MBS and it has a much better return on the investment.

Çokgezen and Kuran, (2015) investigated the association among consumer demand and Islamic law, in the context of Islamic credit cards form Turkey. The essential purpose of introducing this product eliminates the factor of interest form all kinds of financial transactions. It supports the objectives of Islamic law (Sharia) against conventional products. Like other countries including Malaysia and the United Arab Emirates, Turkey also using the Islamic credit card in the competition of traditional banking.

Johana and Putit (2016) conducted the study on the influence of knowledge and religiosity on consumers' choice, adoption of halal concept and principles in Islamic credit card compliance. It is considered that religiosity influences the consumer's option of selecting financial products. This study help to help the consumers who wanted to choose the halal products in the context of the future which is more competitive against conventional banking like credit cards. Putit and Johan (2015) studied the effect of potential consumer acceptance of shari'ah products (financial cards and services). By using the simple regression results indicated that product knowledge and religiosity has a significant effect on the consumer's choice of halal credit card services.

Ali, Raza, and Puah (2017) investigated factors that are affecting the intention to choose the Islamic credit card evidence from Pakistan by using a theory of reasoned action (TRA). By using exploratory factor analysis and multiple regression results indicated that norms and attitudes have a positive association with the intentions to choose the Islamic credit card. Although the financial cost has a negative association on the purposes of determining Islamic credit cards. The study also suggests educating the customers about Islamic

credit cards to compete with conventional credit cards and plan marketing by using social media and other marketing ways.

Adil, (2006) this study developed a financial model for Islamic Credit cards for Islamic banks of Britain in the UK. Reported findings of the study suggested that in conventional credit card is based on the element of interest which is against the rules of shariah. Although many scholars believe that it is used in day to day life with a regular payment so it is avoiding the riba.

The paper suggested two model structures; on the basis of its Islamic bank of Britain can develop credit card. First model is Kafala and it is also known as closely to the charge card model, and the other model consists of a mutual combination of tawwarug and wadiah agreements. The literature covers those sharia concepts which provide the basis for prevailing credit cards.

2.1.Al-Ujrah

Islamic bank issues the card to the customer based on Al-ujrah. Al-ujrah is a contract among the banker and the customer, where the bank demands a fix annual/monthly fee to the customer for providing services like issuing new cards or deferred payment facilities.

2.2.Sharia ruling

If the bank takes a fixed amount for issuing/renewing such a card as a fee for its services, but the amount of fee should not exceed the cost of services provided, then it is allowed. The Islamic Fiqh Council has issued a declaration – no. 108 (2/12) – regarding non-covered credit cards (i.e., a credit card based on the pre-deposited amount in the cardholder account), and the decision on the fees charged by the banks.

2.3.Bay al inah Wadiah and qard al hasan

This is another model where in the first instance, an asset under the ownership of bank is initially sold to the client at a pre-decided price on installments for a specific period (time required for application to approve). The Bank afterward re-purchases that same asset at a lower price, which is considered as his credit limit. The Bank disburses the proceeds from the sale of an asset owned by the customer to a wadiah (safe custody) account which is opened by the bank. This account provides a cash balance to a customer through which the he can withdraw cash or utilize it for payment of goods like a conventional credit card. Most the bank considers their buildings and equipment (mostly computers) as the underlying asset for trading.

2.4.Sharia ruling

However, there is a lot of controversy regarding Inah as it is a fake sale. There is no movement of goods or

commodities between parties except papers. The arrangement for buying and selling was pre-specified with no risk. Additionally, the intention is not actually for trading but to take credit or loan. Majority of fiqh considered 'Inah as non-permissible because it provides a legal excuse to legitimize usury or riba.'

2.5.Al-Hiwalah

Al-Hiwalah is a kind of agreement that permits a customer to use the fund. When the customer makes purchases by using a credit card, the customer becomes a debtor. The trader who acknowledges that card becomes the principal creditor. The trader then transfer his debt to the bank, which is ready to buy that debt and becomes a new principle creditor for the customer.

2.6.Sharia ruling

According to Section 5/1 of sharia standard No.7, the above-mentioned banking transaction comes under the definition of restricted Hawala. It is a transaction where the financier is restricted to adjust the amount of a financial or tangible asset that belongs to the transferee and now in possession of the financier. However, section 6/6 says, the transferred portion of the debt is equal or lesser to the debt payable to the transferee in terms of kind, type, quality, and amount.

2.7.Murabaha model

Credit cards are also offered on the contract of al-murabaha. Here customer works as a purchasing agent on behalf of the bank. On behalf of bank customers purchased from the merchant on credit base, in this way, that asset is considered the owner of the bank. As the bank is the owner of that asset so it makes remits payment to the seller. Then the bank customer purchase that asset forms the bank and make the deferred payments.

2.8.Sharia ruling

Murabaha is a contract between the buyer and the seller. Thus, the seller must be a legal owner of the asset. This is because it will be used to justify the profit margin. The seller must disclose the cost price. That is because this contract is a part of the trustee sale. The customer shall give an extension to the repayment period to the bank. The seller must be a valid owner of the asset. That is way the Bank appoints the customer as a form of legal trick, which is debatable

2.9. Al-Ijarah, Ar-Rahn Model

In this model, in the contract of ar-rahn customers of the bank pledge his assets to the bank. In this situation, bank has permission to use those assets. After the end of al-ijarah contract bank has to lease back the asset to the customer. The bank disburses the advance money to ar-rahn into a deposit account known as “Wadiah Marginal Deposit.” Revolving balance of the Wadiah marginal account of deposit showed by credit card. Based on the available balance in the Wadiah marginal deposit account, the credit card is generally the issue. Under the contract of hiwalah al-mutlaqa, whenever the customer makes credit transactions and buys something from trader. Later on, the trader claims those debt from the relevant bank and this phenomenon we called it hiwalah al-mutlaqa.

2.10 Sharia Ruling

For Lessee who in real pledged the asset, the bank can lease out for him/her. In the contract of In-ijarah customers of the become lessee and bank become lessor. So the bank is responsible for bearing all the cost of maintenance in case the asset is out of order. In other words, the value of assets would be fall back to the customer. Ar-Rahn's contract should sign first before the Ijarah contract; otherwise, it would violate the principle of “Al-Ghunm bil Ghurm.” In this type of trading, the structure looks like a loan which is a source of profit that the bank earns interest (riba). Other than the existing sharia concepts on credit cards, a lot of researches conducted by researches to explore the reasons for the slow adoption of Islamic products. Like Cornish, Marsden, and Pallet (2012) reported the growth of Islamic banking products attained a rapid pace which enforces Islamic bank authorities to adopt some more refined methods to compete with conventional banking products. However, attainment of this level is especially tricky when sharia issues also need to be addressed along with product viability.

Moreover a lot of time and money is required for research and development. Moreover, all Islamic banks adopted the yardstick of the conventional bank for their performance measurement. This is partly due to the lack of formal study of sharia rulings on trade (Razak, Mohamed and Taib, 2008). Ahmed (2011) explains a form of Islamic product called Pseudo Islamic products which conform to the right way but not fulfilling sharia needs. He further explains that these products can be used in the absence of sharia-based alternatives.

All these researches pointed out three main issues create hindrance in the way of Islamic product development, especially concerning sharia-compliant credit card.

Table 2: Issues with Existing Credit Cards

Islamic Credit Card	Issue
Sharia Issues	So for not satisfying the customer like in other

	established sharia concepts i.e., Murabaha, Ijarah, Diminishing Musharka etc.
Product Viability for Customer	Few concepts are burdensome for the customer, either by increasing the cost of the product, customer annoyance or increase their role.
Complexity for Banks	Models presented so far are complicated for the bank as offering either no profit or challenging to implement.

3. Need for a new version of the sharia-compliant card

Although all prevailing sharia-compliant credit cards are based on sharia mentioned above principles, there are some shortcomings either in terms of sharia ruling or the product viability towards customers. Among all sharia concepts belong to credit cards, the most famous is Al-Ujrah. Although it fulfills sharia rulings but does not offer any benefit to the bank, the bank cannot demand service charges more than its cost of services. So, to cover the cost bank to create a new account for the customer's outstanding balance and takes additional service charges on that account. This act of a bank make customer burdensome and he finds no difference between a conventional and sharia-based credit card in this way.

Similarly Al-Hiwala contract has no sharia issue, but again it does not offer any benefit to the bank in its normal state. That is why the bank either adopts the same rules for outstanding balance as in Ujrah or not to opt for this concept. Besides, the idea of Bay al in is mostly rejected by the Islamic Fiaq, except Shafi school of thought. Other concepts like Murabaha and Al-Ijarah Ar-Rahn Model have specific sharia issues that create hindrance in their implementation. Moreover, all the current credit cards and their supporting sharia concepts do not create any clear and noticeable difference between conventional and Islamic credit cards. This results in a denial of using such a ticket by a huge Muslim population. Sometimes it also seems like the same traditional credit card model is being justified with the help of sharia rulings. This type of customer perception is very harmful which ultimately explains him for using a conventional credit card that as he feels no difference between them.

Keeping in view all such issues the present study is an effort to resolve such a problem clearly and distinctly and increase product viability in the mind of the customer.

3.1.The Islamic credit card

Keeping in view the existing credit cards which claim as sharia complaint, their issues regarding sharia and complexity for the customer, the present study is an effort to present another sharia-based credit card named "Islamic credit card." The following two models are given below to introduce the concept of an Islamic credit card.

3.2.Model 1: Ownership of goods (Musharka)

First of all, it is essential to understand that a credit card is used for buying products from the market on a credit basis. From sharia's point of view, the seller needs to retain the ownership of goods which he intended to sale, at least for a certain period. Islamic credit card full fill this condition by investing in the capital of some specific retail outlets where it can be applied. Now the bank becomes a co-owner with the stores based on the Musharka agreement.

3.2.1.Issuance of credit card

Credit cards will be issued by the bank to keep in view their aggregate credit limit, which should not exceed the amount invested by the bank in the capital of different stores.

$$\text{Investment in the capital of retail store} = \text{No. of issuing cards} \times \text{Card limits}$$

However, the amount of investment can be reduced up to the average monthly credit card usage of the customer.

3.2.2.Customer's payment for goods

The customer is bound to pay for goods purchased during prescribed duration with some additional fixed percentage as bank profit (on selling goods). As the price of the product varies, so the amount of profit will not be fixed. In this way, it eliminates the concept of riba. This concept is very much closer to Murabaha.

3.2.3.Way of payment

The customer sends his verified bill to the bank and the bank after charging its profit, makes the final bill which is required to pay by the customer within the allotted period.

3.2.4.Penalty

A penalty can be charged on delayed payment from customers and will be deposited in a charity account.

3.2.5.Cash advance interest

Interest will be charged when a credit card is used to withdraw cash from an ATM, over the counter at banks, or electronic transfer funds from one's account through telephone or Internet Banking. Interest will be charged regardless of whether your account is in credit or debit. The Islamic credit card offered cash

advance on time multiple counter loan basis.

3.2.6. Profit-sharing between the bank and the Retail outlet

3.2.6.1. *Profit on capital invested (Musharka)*: Islamic bank hesitates to enter into Musharka agreements the reason being unfair practices of businesses to reduce their reported profits. In such cases, the bank can demand proper documentation of activities from stores that are already applicable to most of the big superstores. Moreover, the bank can share the gross profit with stores, which can also provide a remedy for this problem.

3.2.6.2. *Profit on sale of goods to the customer (Murabaha)*: The gain on sales of products will also be shared between banks and stores on an agreed ratio. This amount can also be adjusted in profit received by the bank on capital invested, to avoid complexity.

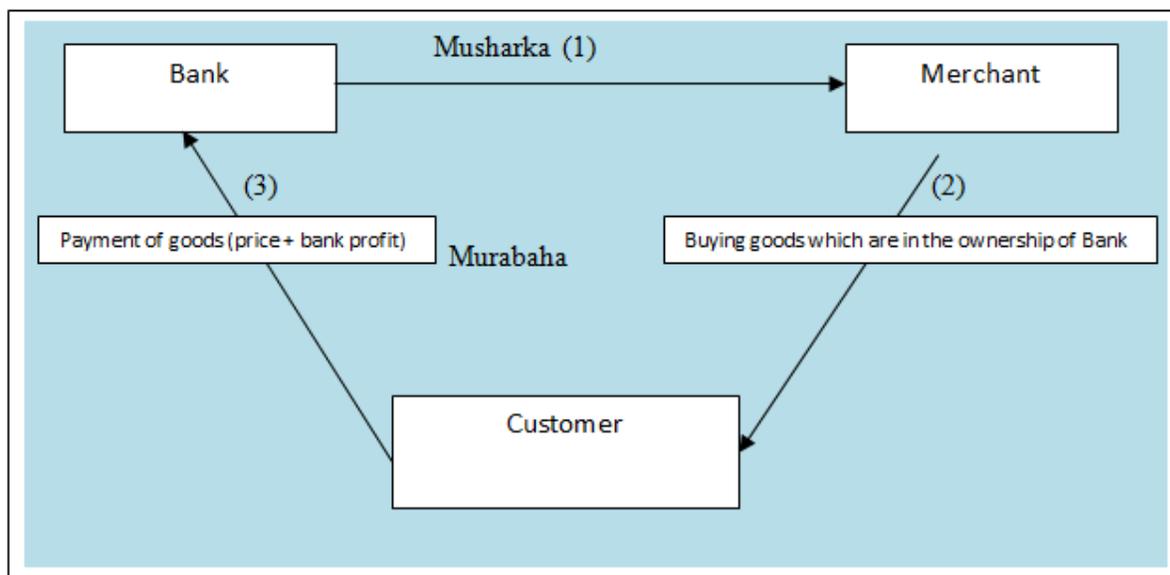


Figure 1: The Model-1 of Islamic Credit Card (Musharka)

3.3. Model 2: Ownership of goods (In house Murabaha)

In this model Islamic credit card full fill ownership requirement by purchasing let suppose 10% inventory from stores. Now the customer will buy the products from the bank rather than a particular store. Now the relationship between banker and customer is of seller and buyer, where the bank can charge reasonable profit from the customer on its goods on Murabaha basis. The carrying cost of bank goods can be adjusted with price reduction receive on bulk purchases from the store by the bank.

3.3.1. Resolve the problem of documentation and Musharka

This model resolves the complexity of Model-1, in terms of documentation, hesitation of stores to share profit with the bank, and other Musharka issues.

3.3.2.Reimbursement of amount

In this model, the bank reimburses the amount to stores to keep in view the inventory level, which needs to be maintained up to a specific standard. The other features and benefits of the both models are almost the same.

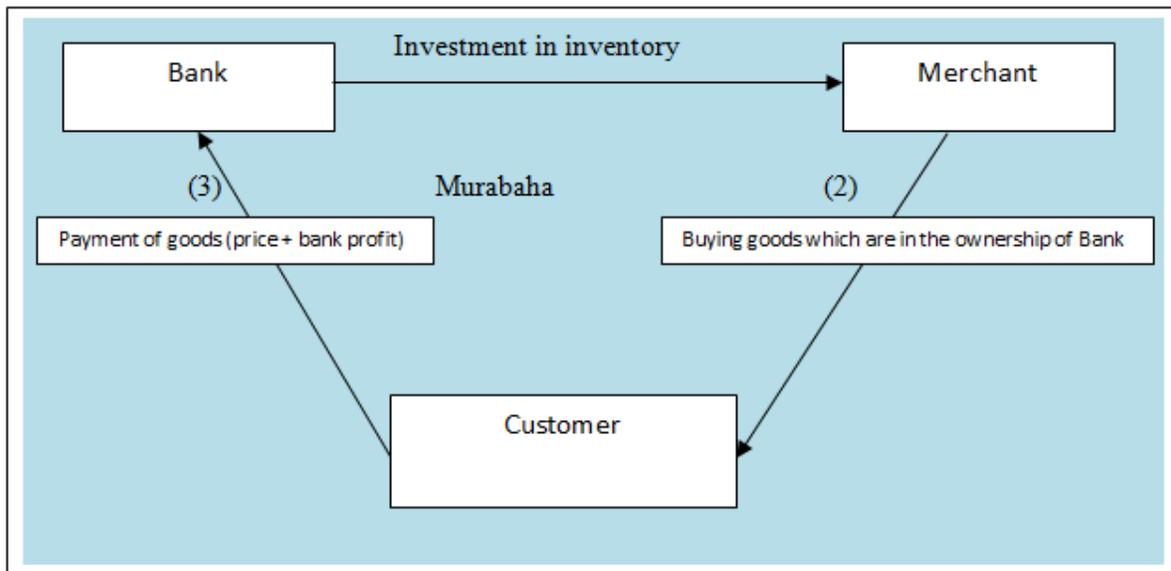


Figure 2: The Model -2 of Islamic Credit Card (In house Murabaha)

3.4.Sharia Rulings

3.4.1.Ownership of goods (By equity sharing)

According to section 3/6 of sharia standard No. 12, Musharka certificates can be issued to utilize funds for the establishing new project, develop existing ones or provision of funds for a business based on partnership contract. In this way, the certificate holder becomes the owner of the project or asset according to his share of investment.

3.4.2.Customer's payment for goods

Customers will pay for bank goods on a deferred payment basis which is the same as the Murabaha model. According to sharia standard No. 8, Murabaha is very much applicable to trade. Moreover, section 4/9 permits an institution to put a condition that the institution is not responsible for product loss or damage.

3.4.3. Penalty

Penalty on late payment can be charged but must be deposited into a charity account (sharia supervisory board of IFI).

3.4.4. Profit-sharing between the bank and Retail outlet

In the case of Banks investment in the capital of retail stores in simple Musharka, Musharka Sukuk or investment in the inventory of the stores. All these profit-sharing modes are according to sharia standards of IFIs.

3.4.5. Islamic bank capital requirements

Musharka is a form of finance that can be securitized easily, particularly in case of large projects where huge funds are needed. Every subscriber will receive a musharka certificate which represents his percentage of ownership in the assets of musharka. These certificates can be taken as negotiable instruments and can be bought and sold in the secondary market (IIBI sharia rulings).

3.4.6. Cash advance interest

Time multiple counter loan is suggested by the council of Islamic Ideology (CII) Pakistan.

3.5. Benefits

The Islamic credit card offers multiple benefits and it will generate a vast business activity, which not only provides a sharia-based product to customers who avoid interest-based credit cards.

- **Full fill sharia standards:** Islamic credit card is an effort to primarily focus on the fulfillment of sharia standards which is the leading cause of customer hesitation in terms of using credit cards. First: It eliminates the concept of riba by varying goods prices and resolves ownership issues of sellers and financiers. Second: the price tags and bank % of profit is already known to the customer, which eliminates the problem of “Gharar” (uncertainty).
- **For bank:** Islamic banks are getting two streams of profits by issuing Islamic credit cards based on Musharka, first from sales of goods to customers and second on its invested capital. Moreover, it also fulfills its capital deficiency by issuing Sukuk to individuals or institutions.

- **For customers:** customers not only get a sharia-based product which facilitates them on buying products on a credit basis without the element of riba. It also eliminates the problem of uncertainty, as most of the time credit cardholders who partially paid their bills or made full payment within due date are complaining about the undue interest being imposed on them by the bank.
- **For stores:** It will help many stores to boost up their sales, as a customer having this facility only visit those stores which are offering this facility. Moreover, it also allows stores to fulfill their financing needs as banks will offer them a partnership by investing capital for a reasonable duration.
- **Social well being:** Unlike conventional credit card which support capitalistic view where bank exploits customer needs and charge a high rate of interest, Islamic credit card offers benefits to many stakeholders of the society. In this way, a concept of overall need fulfillment and well-being can be achieved.

3.4. Conclusion and Limitations

The present study relates to the development of new sharia-based credit cards to keep in view the sharia issues about prevailing cards and customer problems concerning cost or their perception about differentiating Islamic cards with a conventional one. We are suggesting a new credit card with the name of an Islamic credit card. This card is different from already issued Islamic cards in a way that it is not using any complex sharia concept as a backup for launching this card rather already prevailing established Islamic theories which are mostly known to Islamic finance students and professionals are applied. Although the model has some complexity on the side of bankers and merchants like sharing of capital, Musharka agreement, documentation issues etc. but providing two different models, an alternate choice has been offered to banking officials.

Moreover, it resolves most of the sharia issues especially ownership of goods and offers more convenience to the customer. It also provides the feature of “cash credit” of accepted credit cards in a sharia-compliant way to the customer. This facilitates a customer to withdraw cash and spend money in his way. It not only facilitates customer by making the whole transaction clear and understandable but also it lowering customer cost which will only be charged on goods purchased.

Although a new model of Islamic credit card has been suggested but still it's a way behind to launch it practically. Before going into the implementation phase, it will be gone through a detailed market survey, advice from sharia experts and final approval from Islamic banking professionals. The use of credit cards in the Muslim community is lesser due to the inbuilt feature of interest in current cards but they are also unsatisfied about Islamic credit cards which so far fails to attain the level of establish Islamic products. The popularity of this product cannot be attained with only aggressive marketing and sales promotions; rather, product feature needs to be revised in such a way that remove customer ambiguities.

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