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INFLUENCE OF THRIVING AND JOB SATISFACTION ON TURN OVER INTENTION: MEDIATING ROLE OF JOB SATISFACTION

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Abstract
In current scenario, every organization wants to get over competitors. Every organization wants to thrive and get edge over competitors. Data were collected from 2 banks and 2 schools, 106 respondents took part in survey. In current study, we examined positive effect of thriving on job satisfaction and negative relation with turn over intention. All results are significant. Thriving has negative effect on turnover intention and positive effect on job satisfication.Job satisfaction mediates the effect on thriving and turnover intention.

Key words: Thriving, job satisfaction and turn over intention.

Introduction

In current cooperate world, there are lot of factors which determine the performance of an employee. Oragnizations seek the factors to compete in the organization. Now a days most important problem organizations face, employee is willing to get better chance to move and the turn over intention of an employee, If employee wants to move from organization to avail better opprountunity, he will not be goal oriented.

Thriving

According to (Porath, Spreitzer, Gibson, & Garnett, 2012) Thriving is defined "as the psychological state in which individuals experience both a sense of vitality and learning."

According to (Qingguo Zhai, Saifang Wang, 2017) supervisor and coworker support mediated by thriving increases job satisfaction of an employee. If employee thrives at work place, it means he is ready to learn more and is energetic about his work. Thriving has many antecedents which enables employee to thrive. Thrives employee reduces turnover intention (Abid et al. 2016).Thriving mediates the effect of LMX outcomes affective commitment and job performance ("Jie LI," 2015). Thriving associates with behavioral outcomes (Mushtaq, Abid, Sarwar, & Ahmed, 2017) thriving is the most discussed phenomena in current scenario, every organization which wants to excel in the cooperate world tries to achieve the level where his employees thrive. Scholarly interest has been increasing in thriving at workplace (Abid and Ahmed, 2016).

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Job satisfaction

Job satisfaction is how an employee feels during his work (Salem et al. 2010).Job satisfaction is basically analyze after complete study of job attributes (Brayfield & Rothe, 1951).job satisfaction can be measured by different ways like job involvement, job commitment, work engagement etc. Job satisfaction means how employee takes his job .if employee is satisfied, he enjoys work. Employee empowerment leads to job satisfaction as well and improve his mental health (Spreitzer, G.M. 1996). job satisfaction is need of time, satisfied employee gives his/her full input to achieve the goal of an organization. Supervisor support and coworker support also stick employee to organization,commited employee is satisfied employee and there are many factors which effects the satisfaction level of an employee(Tepper et al., 2004).Leader or boss attitudes effect employee level of satisfaction (Hidayat, 2016). Satisfaction means how much you are willing to input in your work.

Turn over Intention

Turn over Intention means employee willingness to leave the job, there can be many factors which can effect employee thinking to quite the job(working condition,co worker support, supervisor support etc).Turn over Intention can be influenced by many factors (Harrison, D. A., Newman, D. A., & Roth, 2006;Tett, R. P., & Meyer, 1993).In last decades (2001-2009) companies downsize their employees ,which increases the job insecurity among employees and increases turnover intention for better and handsome outcomes(Mgedezi, SiphoRaymond Toga, 2014).According to (Abid, Zahra, et al., 2016)supportive environment reduces the turnover intention of an employee,If employee thrives at workplace he feels energetic and he tries to give his maximum input. Work mindfulness decreases the employee turnover intention(Dane & Brummel, 2013).Turn over intention decreases by supportive ethical leadership approach(Akdogan A. Asuman, 2015).

Objective

The purpose of this research is to see the effect of thriving on turn over intension, if employee thrives it reduces the turn over intention of an employee and it increases the job satisfaction of employee.

Significance

In previous researches we see the relationship of thriving with turnover and job satisfaction(Abid, Zahra, et al., 2016),(Zopiatis, Constanti, & Theocharous, 2014),(Tzeng, 2002),(Porath et al., 2012).Relationship between these three articles have not been seen before. Job satisfaction mediates the effect of thriving and turnover intention.

Research Gap

In this research we are going to see how the thriving effects the employee job satisfaction and turn over intention. The organizations in Pakistan are not worked too much on these three variables collectively.

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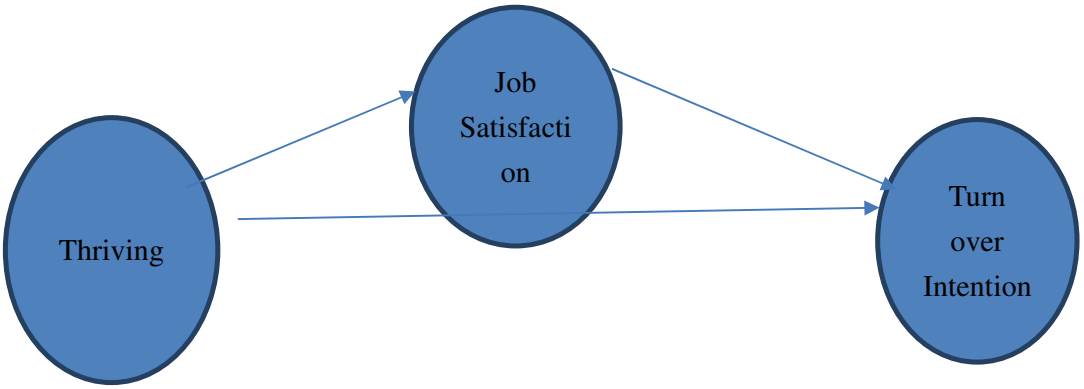
Theoretical Model



Hypotheses Development

Thriving and turnover Intention

If employee is thrive at work place ,he learns more and feel more energetic during his work. If an employee feels alert and energetic at his work place he reduces his intention to leave the organization(Shihong et al., 2018).

Hypothesis 1: Thriving is negatively related to Turnover Intention

Thriving and Job satisfaction

If an employee thrives at work place ,it increases his level of job satisfication.Satisfied employee enjoys his job and learns more. If an employee does not satisfied with his job ,he gets tired from what he does ,satisfied employees enjoys his work. Sometimes employees needs to be feel energetic(Mushtaq et al., 2017).

Hypothesis2:Thriving is positively related to job satisfaction.

Job Satisfaction and Turnover Intention

Job satisfaction motivates employee to keep carry on the current organization((Sukriket, 2014 ;Huei-ling liu, 2018;Sector & Zaraket, 2017; Knapp, Smith, & Sprinkle, 2017),job satisfaction effects turnover intention. Thriving have a negative relation with turnover intention.

Hypothesis3: job satisfaction negatively effect turnover intention

Job satisfaction mediating the effect on thriving and turnover intention.

Methodology

Measures

Thriving at work

Ten items scale was used to measure thriving at work developed by ((Porath et al., 2012)on five point Likert scale ranging from (1=strongly disagree to 5=strongly agree).The sample item of learning is “I continue to learn more and more as time goes by” and for vitality dimension “I feel alive and vital”.

Job satisfaction

Three items scale was adapted to measure job satisfaction(Cammann, C., Fichman, M., Jenkins, D., &

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Klesh, 1979).on five Likert scale,it ranging from (1=strongly disagree to 5=strongly agree).All in all, I do not like my job,2;iam satisfied with my job.

Turnover Intention

The three items scale were used to measure the turnover intention by(Mitchell, T.R., Holtom, B.C., Lee, T.W., Sablynski, C.J.,&Erez, 2001).These items ranging from (1=strongly disagree to 2=strongly agree).The sample items are 1; I think a lot about leaving the organization.2: As soon as possible, I will leave the organization.

Sample Size

All data were collected through convenient sampling. 150 questionnaire distributed but only 106 responses were received.

Population

Data was collected from private sector. All data was collected from Lahore ,Punjab,Pakistan,south Asia. All data was collected from 2 banks and 2 schools.

Pilot Study

Pilot study was conducted,15 questionnaire were distributed to see the problems, if anyone will face. This study is not conducted to check the hypothesis, just to see which hurdle one can face while filling the questionnaire.

ANALYSIS

Correlation table

Data Analysis and Interpretations

Table 1 provides bivariate correlations among all study variables. The correlations coefficients are in the anticipated directions and provide initial support for the study hypotheses. Consistent with our hypotheses, the bivariate correlations indicate that thriving at work is negatively associated with turnover intention(r =-.219*, P> 0.05),Thriving is positively associated with job satisfaction (r = .701**., P > 0.01),turn over intention is negatively associated with job satisfaction (r =- 0.381**, P > 0.01).

Table 1: Correlation Matrix

Variables	Mean	S.Deviation	1	2	3	4	5	6	7	8
Gender	1.6571	0.47694	1							
marital status	1.5619	0.49853	-.274**	1						
Age	2.3048	1.0389	-0.02	.520**	1					
qualification	3.1429	0.62678	0.069	0.018	-0.097	1				
experienced	2.4095	0.93742	-0.178	.429**	.720**	-0.117	1			
t.i_M	1.7238	0.63793	-.219*	.221*	0.162	-.381**	.261**	1		
th_M	4.2733	0.75832	0.083	0.002	-0.157	0.028	-.209*	-.219*	1	
j.s_M	4.3143	0.6112	.208*	-0.08	-0.006	0.016	-0.115	-.381**	.701**	1

95%*99%**

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Table 2:Regression Analysis

Hypotheses	Coeffi	Se	T	P significant	LLCI	ULCI
Th-j.s	.5648	.0567	9.9700	.000	.4525	.6722
j.s-t.i.	-0.4666	.1336	-3.4923	.0007	-.7316	-.2016
Th-t.i	.0795	.1077	.7383	.4621	-.1341	.2931

Table 3:Mediation Analysis

Variables	Coeffie	Se	T	P	LLCI	ULCI
Effect of x on y	-0795	.0809	.7283	.4621	-.1341	.2931
Indirect effect of x on y	-.2635	.1133			-.5390	-.0886

We used Andrew Hayes spss (version 24) for analysis. Regression analysis run to know the impact of thriving on job satisfaction (B=.5648,t=9.9700,t=9.9700,LLCI=.4525,ULCI=.6722).In second model we see job satisfaction is effecting negatively turn over intention(B=-.4666,t=-3.4923,t=-3.4923).These results shows our two hypotheses(H2 ,H3)are acceptable.
(B=.5648,se= .1077,t=7383,LLCI=-.1341,ULCI=.2931)In third model we see thriving is not effecting turnover intention negatively.Our third hypothesis (H1)is not acceptable, as we saw in past, thriving effecting turnover intention negatively but in current study we see they do not have the same effect.

Discussion

In this study we see the results that thriving directly effects job satisfaction if employee is satisfied he thrives more. Simultanously, job satisfaction effects turnover Intention of an employee. Thriving have a insignificant effect upon turnover intention. Job satisfaction is negatively related with turnover intention (Mcinerney, Korpershoek, Wang, & Morin, 2018). Thriving at workplace is very important, effects the overall performance of an employee (Walumbwa, Muchiri, Misati, Wu, & Meiliani, 2017). In this study, we explore the relationship of thriving.(Abid, Zahra, et al., 2016). Thriving has a positive effect on job satisfaction (Abid, Khan and Michelle Chia-Wei Hong, 2017). which means people are more energetic and gives more output ,if they enjoy work. Job satisfaction reduces the effect of intention to quite, and our study supports it(Sukriket, 2014). In previous studies (Shihong et al., 2018) used to say that thriving has a positive effect on turn over intention ,but our study contradict it, this study shows that thriving is not reducing the effect of turn over intention, it means there are many other confounding variables or factors which effect turn over intention. This study shows the partial full mediatation.

LIMITATIIONS

There are many limitation for future study. Firstly sample size is very small, if we increase the sample size results would be much better.secondly,we collected the data only from private sector, data can be collected from public sector as well.Lastly,we can consider more variables for better understanding. There

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are many confounding and some important variables which effects and need to study.

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IS MALAYSIAN ATHLETE RETIREMENT MATTER?

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Abstract
Retirement is something that athlete will face in sporting career it is very questionable for what will happen to athletes after they retire, especially when it comes to their physical state, emotional state and psychological state which determined the quality of life. Quality of life is crucial for every human being. Quality of life is important towards someone's health and can be affected by factor such as retirement. However, study on retirement for athletes were lacking among these years. These paper intents to review athlete's retirement does matter across preview of past research. Significance and suggestion for this topic were discussed in manner.

Keyword: Malaysian Athlete, quality of life, self-trust, self-esteem, welfare.

Introduction

Nowadays health concern has become a trend to most people in the world. People are now seeking for a healthy lifestyle and live healthily just to look better in the eye of others. World Health Organization has stated six domain quality of life which is i) physical domain, ii) psychological domain, iii) level of independence, iv) social relationship, v) environment, vi) spiritual/religion/personal belief. These domains have been a concern for all people across the globe. Moreover, in todays' lifestyle, everybody is trying to reach better standard of living which including health aspect/ health literacy. Research on quality of life have put more attention on health related quality which focus on clinical aspect, (Sajid, Tonsi & Baig, 2008; Xiao-Jun Lin, I-Mei Lin, Sheng-Yu Fan, 2013; Markus Paananen, Simo Taimela, Juha Auvinen, Tuija Tammelin, Paavo Zitting, Jaro Karppinen, 2011), psychological aspect (Alonso, Angermeyer, Bernert, Bruffaerts, Brugha, Bryson, & Haro, 2004) environmental aspect (Rogerson, 1999), and socio-economy (Gustman,& Steinmeier, 1999; Max-Neef, 1995). Quality of life in psychological domain indicates a person's health in mental and emotional. Person who is retire from work are at vulnerable state in emotional and mental. They are some cases that they are actually unprepared to retire and thus lead to mentally and emotionally unstable. Few years before, there were discussion

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regarding quality of life that associates with retirees (Alvarenga, Kiyan, Bitencourt, & Wanderley, 2009; Cakir & Denizli, 2014), however, this study has been a concern since the trend of studying this area has been scarce lately, plus it become more serious when the reading of life expectancy has increase up to 20 years in 2012 (WHO) *'The top six countries where life expectancy increased the most were Liberia which saw a 20-year increase (from 42 years in 1990 to 62 years in 2012) followed by Ethiopia (from 45 to 64 years), Maldives (58 to 77 years), Cambodia (54 to 72 years), Timor-Leste (50 to 66 years) and Rwanda (48 to 65 years)'* .This indicates that people are now live long life than before. The life expectancy latest on 2015 is 71.4 years as global. Life expectancy in high-income countries are expect to be much longer than low-income countries. Therefore, the quality of life among retires is a universal concern across the globe since most country in the world had vision to become high-income country where people will live long life especially after retirement.

Retirement is a process that people will go through once they end their career. According to Global retirement index, only 22% are ready to retire when they reach at the age of 65. It is also supported by the data from Employee Provident Fund (2015) where it shown that people are not ready to retire because they are not having enough money for retirement yet they still have the average life to live for about 20 more years. As data showed that people have at least 10-20 years ahead after retirement, this has been a serious issue about retiree life after end of their career.

Retirees have to face life after retirement with available resources that they have, for some retirees who already well prepared they might face less problem but some who does not prepare, they might be emotionally and mentally vulnerable. This situation will indicate the quality of life among retirees.

Quality of life has brought a different meaning for different people and profession (Jones, 2003) and it measures differently therefore, quality of life for sport retiree also can be exclusive thus need further attention to investigate since few study was done in this area. Although there were some researched on quality of life in various dimension however, only few study was done on athletes who have retired especially in Asian country.

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Literature Review

Sport is important element in every country across the globe. Sport can serve as a tool to unite the people regardless the background of economic, political and social. Sport can be the source of a country to generate income especially when it comes to handling and become a host of any big event such as Olympic, Asian Games, commonwealth, or at any level. If this sector is neglected than it can be a loses to one's country since sport are actively engage with the technology advancement and follow the most recent trend. Everything that involve in sport consider as important elements. Sport without an athlete brings no meaning. Therefore, athletes are important element in the world of sport since it become the things to measure the successful of sport, country's performance and reputation. Even though athletes had retired, they still possess the valuable skills and knowledge that can be contribute back to the sport sector or society. Therefore, every single athlete that involve in sport career consider valuable and important to the country.

Sport is the area that everybody across the globe are involve whether active or inactive. As we can see sports play vital role in most of institution in the world. Most of organization whether public or private sector are encouraging sport activities in their institution as sport also serve as a tool of unification. In sporting career, most of athletes are devoted his life by sacrificing times, hobby, interest and precious things in their life in order to give full commitment. For athletes, sport is like everything they have. Athletes spent most of their time to train compare with other person like employee (white collar /blue collar), and college student. Sport is athlete's life and it is a platform for athlete to push their self. However, sport is not something that going to last forever, sooner or later athlete will be retire from sport, and the challenging part is that the lifecycle of sporting career is shorter compare to normal working corporate world.

Sport retirement can be classified into two categories which is voluntary and involuntary. There are factors that lead to retirement which depending on the environment and also the nature of work itself (Hemmatinezhad, Benar, Hashemi, & Moemeni, 2013; Perkiö-Mäkelä, & Hirvonen, 2012). However, in sport the retirement process is difference from other career. Voluntary retirement is when athlete choose to

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retire whereas for involuntary is because athletes were underperformed, injured, less of interest and demotivated (Leffler,2012). However, the decision of athlete to retire will reflect their readiness to retire which will affect their psychological state after retirement.

Athlete readiness to retire is important to study because it will determine quality of life after retirement because athlete will go through new process of life and new routine which they have to adapt with the new situation. According to Locher (2016), athlete who will face retirement are about to have some adjustment towards physical, mental, social relationship and also their income. Failing to adapt will lead to stress which is not good for their wellbeing (Morin, 2011).

The global issues upon retirement has brought attention to this study where the pre-retires and worker are unprepared for retirement years. This also brings no exception to any retired athletes. According to Warshawsky & Ameriks (2000) indicate that half of individual aging between 25-71 years will not have sufficient saving to support themselves in retirement which in reality it is very important to secure human need upon post-retirement (Shanmugam, & Faudziah, 2013).

This scenario bolds the issue on athlete's retirement upon their quality of life. Athletes or sportsman are engage in sport activities. Some said that sport is like a career which athletes being employed by sport institution, and finally will be retired and it is only the matter of time. The lifecycle of sportsman in sporting career even shorter compare to ordinary working man. This can be such serious issues to be discussed about their readiness to retire in term of financial planning and career planning, since it changes majority aspect of income and career. The source of income after end of sporting career has changes, and everyday routine will be changed as well. All of the resources they have had during their active day in sport may depleted and if retirement was planned than the possibility to have positive impact on retiree's life satisfaction might happened (Shanmugam,& Faudziah, 2013). After athletes' finish their sporting career, it is very questionable for what will happen in their life after retirement such as their physical state, emotional state and psychological state. Are they really happy with their current life and is there any presence of tension or depression in their life? By looking at this sport scenario, it draws the researcher attention to study the factor contributing to athletes' quality of life after retirement. Previous

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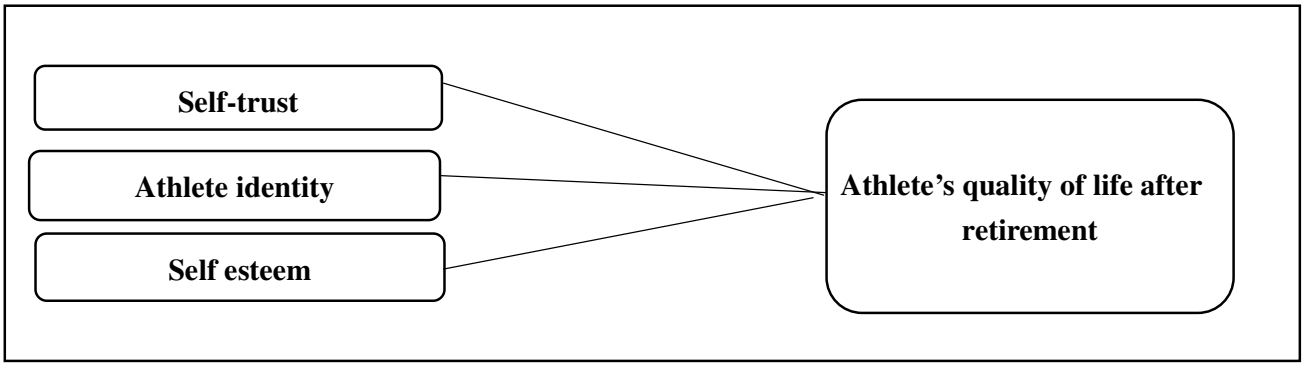
literatures have shown so much study on quality of life in health related area (Sajid, Tonsi & Baig, 2008), but study on quality of life in the end of sporting career is scarce especially in developing asean country (Malaysia, Thailand, Indonesia, Vietnam & Philippines). Furthermore, literature on quality of life were hardly found in current years. More over In Malaysia there is no retirement program for retired athletes, however there is an association that call YAKEB *(Yayasan Kebajikan Atlet Kebangsaan)* was meant to look after and gives benefits and allowances to those qualified retired national athletes (athletes at least won a medal in Sea Games Level). However, athletes that are not listed in YAKEB but have been recruited in the national program, and has not win any medal thus being cut off in the middle of program, which also had sacrifices time and social life by being away with love ones is not under the privileged and benefit of YAKEB has becoming a concern of this study. This has magnified the issues of sport retirement is important to be studied to all athletes.

Therefore this research propose a model where role of athletes' readiness to retire associate with psychological (self-trust, self-esteem and athlete identity) effect and its influence on quality of life after retirement which can be seen below.

Figure 1: Proposed model for athlete's quality of life



Conclusion

Retirement is something that will define a person's quality of life. Athlete who has passed their glory days may face this issue of retirement and it can be stressful if not well prepared. Therefore, athletes should have management support, coaches' support and parents support in order to help them prepared for retirement. This study would help policy maker to revise policy and the result of this study will be the

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foundation towards developing new planning for athletes' profession. This study will be contributed to the body of knowledge on the important of career planning in sport that will affect the quality of life after retirement. This study suggested that athletes' readiness to retire and its influence on their quality of life can be significance in giving clear view about athletes' life satisfaction upon retirement. Policy maker can benefit from the finding by developing retirement plan for athlete since there is none in Malaysia. National Sport council of Malaysia, Ministry Youth and Sport, Olympic Council Of Malaysia, and National Athlete Welfare Foundation or known as *Yayasan Kebajikan Athlete Kebangsaan* (YAKEB) can benefit the finding of this study.

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AN APPRAISAL OF SALES PROMOTION ON CONSUMER PURCHASING MOTIVES OF MTN CUSTOMRER SERVICE CENTRE, ABEOKUTA.

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ABSTRACT

This study examined the appraisal of Sales Promotion on Consumer Purchasing Motives: A Case Study of MTN Customer Service Centre, Abeokuta. It investigates the relationship between Sales promotion tools such as Price reduction, Bonus pack, Free Airtime, Contest, Refund Offers and Consumer Purchasing Motives, to determine the effect of sales promotion on Consumer Purchasing Motives .The survey research design was adopted and questionnaire used as an instrument of data collection. Convenience sampling technique was used to select 150 subscribers of MTN in Abeokuta, Ogun State. The data were analysed through the use of Statistical Package for Social Science (SPSS),while Pearson's correlation co-efficient and multiple regression analysis were used to test the hypotheses formulated whether significant relationship exist between Sales promotion tools and Consumer Purchasing Motives.

Result of the correlation revealed that there is a positive weak relationship between Price reduction, Bonus pack, Free Airtime, Refund Offers and Consumer Purchasing Motives with the Co-efficient of 0.158, 0.134, 0.562 and 0.201 respectively at 5% level of significance while Contest recorded a negative co-efficient of -0.042. The regression analysis revealed that all the five independent variables namely Price reduction, Bonus pack, Free airtime, Refund offers and Contest have positive effects on Consumer Purchasing Motives with the co-efficient of 0.090, 0.060, 0.058,0.191 and 0.011 respectively at 5% level of significance. Thus, this study recommends that operators MTN products must intensify the use of sales promotion tools such as free airtime and price reduction which mostly influenced their customers to make

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purchase decision, Free airtime and price reduction should be carefully applied on the long run but can be used in conjunction with other promotional tools such as bonus pack and refund offers. Furthermore, apart from organising sales promotion during holidays, weekends and festive seasons, telecommunication operators should enhance the situational factors such as the appearance of sales persons, location of customer service centres as well as payment processes to increase patronage.

Keywords: Sales Promotion, Price reduction, Bonus pack, free airtime, Refund Offers, Consumer Purchasing Motives

1.0 INTRODUCTION

Sales promotion is key ingredient in marketing campaign which consists of a collection of incentive tools, mostly short term, designed to stimulate quicker or great purchase of particular products or services by consumers or the trade (Kotler, Keller, Koshy, and Jha, 2013). According to Aderemi (2006), Sales promotion is a marketing activity that adds to the basic value proposition behind a product (i.e. getting more for less) for a limited time in order to stimulate consumer purchasing motives, selling effectiveness or the effort of the sales force (Aderemi, 2006). This implies that, sales promotion may be directed either at end consumer or at selling intermediaries such as retailers. Meanwhile, Promotion refers to any type of marketing communication used to inform or persuade target audiences of the relative merits of a product, service, brand or issue. The aim of promotion is to increase awareness, create interest, generate sales or create brand loyalty. It is one of the basic elements of the market mix, which includes the four P's: price, product, promotion, and place. (Ashley, C., and Tuten, T. 2015). Similarly, according to Evan and Berman (2007), Promotion refers to as any communication used to inform, persuade, and/or remind people about an organization or individual's goods, services, image, ideas, community involvement, or impact on society.

Kotler and Armstrong (2008) emphasised that sales promotion provides many benefits to the producers to adjust to short-term changes in supply and demand, the differences in consumer segments and encourages buyers to buy more.

Many purchase situations are so habitual that consumers conduct very little cognitive activity (Wathieu & Murre, 2007). In such cases, it is hard to motivate consumer purchasing motives such as brand switching or increase the number of units purchased. One of the advantages of promotions is that they can stimulate consumers to think and evaluate brands and purchase motives when they otherwise may not have. Therefore, many marketers and retailers utilize different kinds of promotional tools and strategies in order to understand the preference of consumers purchasing motives and boost their sales (Osman, Fah, and Foon, 2011).

Aderemi (2003) opined that sales promotion is an initiative undertaken by organizations to promote and increase sales, usage or trial of a product or services. It is an important component of an organizations overall marketing strategy along with advertising, public relations and personal selling. Sales promotion acts as a competitive weapon by providing an extra incentive for the target audience to purchase or support one brand over the other. It is particularly effective in spurring product trials and unplanned

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purchases.

Moreover, Sales promotion can be an effective tool in a highly competitive market, when the objective is to convince retailers to buy a new product or influence consumers to select it over those of competitors (Kotler and Keller, 2006).

However, consumer purchase motive is the process by which the individual search for, selects, purchase, use and dispose of goods and services, in satisfaction of their needs and wants. The consumer purchase motive has a direct effect on the success of the firm and therefore must ensure that they create a marketing mix that satisfies consumers. The consumer mostly goes through about five steps in taking one purchase decision. These include problem recognition, information search, evaluating of alternatives, purchase decisions, purchase and post purchase evaluation. Actual purchasing is only one stage of the process and not all decision processes lead to a purchase. Also not all consumer decisions will include all the stages but will depend on the degree of complexity and risk involved (Kotler and Keller, 2006).

The emergence of new operators and increased competition in the telecom industry in Nigeria has pushed the industry to be customer oriented and focus most of its sales promotion on the customers. The essence of this is to attract potential customers, retain its existing customers and boost sales as well. MTN Nigeria currently controls about 39.07 per cent of the total market share in the cellular mobile voice market as at June, 2017. Therefore this study intends to appraise the effect of sales promotion on consumer purchase motive of MTN service centre in Abeokuta.

1.2 STATEMENT OF THE PROBLEM

Cummins, (2008) asserted that over the past decade or half, customers have significantly changed their way of buying and have become more demanding than ever before .Customers today are more aware about the product offerings; they are responding more proactively to their expectation about product offering.

Funso, (2007) posited that resulting from inability of telecommunication firms to generate enough fund in the midst of regulation in service charges and due to this development, marketing warfare exists between the firms in the telecommunication industry and the popular tool of this warfare is tailored around price as service charge with its cardinal issue as sales promotion.

With the advent of internet technology, customers today have access to more information and significant bargaining power before making any purchasing decision. As a result, marketers today face immense challenge in meeting the ever rising expectation of their customers (Cummins, 2008).

1.3 OBJECTIVES OF THE STUDY

The broad objective of the study is to examine the effect of sales promotion on consumer purchasing motives in the telecommunication industry in Nigeria. To achieve this, the following specific objective was pursued to:

(i) Determine whether price reduction has significant relationship with consumer purchasing motive.

(ii) Ascertain whether bonus pack has significant relationship with consumer purchasing motive.

(iii) To know whether free air time has a significant relationship with consumer purchasing motive.

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(iv) To examine if contest has a significant relationship with consumer purchasing motives.
(v) To examine whether refund offers has a significant relationship with consumer purchasing motives.
(vi) To examine the effects of sales promotion tools on consumer purchasing motives.

1.4 RESEARCH QUESTIONS

(i) Price reduction has no significant relationship with consumer purchasing motive?
(ii) Bonus pack has no significant relationship with consumer purchasing motive?
(iii) Free air time has no significant relationship with consumer purchasing motive?
(iv) Contest has no significant relationship with consumer purchasing motives?
(v) Refund offer has no significant relationship with consumer purchasing motives?
(vi) What is the effect of sales promotion tools on consumer purchasing motives?

1.5 RESEARCH HYPOTHESES

H_{01}: Price reduction has no significant relationship with consumer purchasing motives.
H_{02}: Bonus pack has no significant relationship with consumer purchasing motives.
H_{03}: Free air time has no significant relationship with consumer purchasing motives.
H_{04}: Contest has no significant relationship with consumer purchasing motives.
H_{05} Refund offer has no significant relationship on with consumer purchasing motives.
H_{06} Sales promotion tools have no significant effect on consumer purchasing motives

2.0 LITERATURE REVIEW AND THEORETICAL FRAMEWORK

Brassington and Pettitt, (2005) defined sales promotion as a range of marketing techniques designed within a strategic marketing framework to add extra value to a product or service over and above the 'normal' offering in order to achieve specific sales and marketing objectives. In addition Kotler, (2003) refers to Sales Promotion as media or non- media marketing pressure applied for a pre- determined, limited period at the level of consumer, retailer or wholesalers in order to stimulate trials, increase consumer demand or improve product availability. It is also a key ingredient in marketing campaign and consists of a diverse collection of incentive tools mostly short- term, and designed to stimulate quicker or greater purchase of particular products or services by consumer or the trader. Similarly, Churchill and Peter (1995), opined that sales promotion is designed to produce quick results that will not only boost sales in the immediate future, but will translate to loyal customers in the long run. Sales promotion consists of short-term incentives, in addition to the basic benefits offered by the product, or services to encourage the purchase or sales of a product or service (Kotler, Armstrong, Saunders, and Wong, 2001). Sales promotion cannot be conducted on a continuous basis, because they will eventually become ineffective. This implies that, for sales promotion to be truly effective, it must be short and sweet, offered for a limited time and perceived to have value (Ngolanya,Mahea, Nganga, Amollo, and Karuiki, 2006).

According to Ngolanya *et al.,* (2006), the basic objectives of sales promotion are to introduce new products, attract new customers, induce present customers to buy more, to help firm remain competitive, to increase sales in off season among others. Sales promotion offers a direct inducement to act by

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providing extra worth over and above what is built into the product at its normal price (Sam and Buabeng, 2011). This temporary inducement according to them, are offered usually at a time and place where the buying decision is made.

Consumers have become more and more sophisticated as well as marketers in their bid to persuade the consumers and increase market share in the products and services they offer. This persuasion comes in the form of discounts, free gifts, bonuses, free air time among other sales promotional activities.

Sales promotion is traditionally divided into two categories (Kotler, 2003). These are those that have immediate reward and those that have delayed reward. Immediate reward promotions are offers that provide a benefit immediately such as bonus pack, price reduction on calls, and free airtime among others. Delayed reward promotions defer the benefit of the promotions and usually require the target consumers to do something before they receive the reward of the promotions. This mostly takes the form of raffle draws, refund offers that require proof of purchase etc.

The sales promotions in Nigeria's telecom industry is largely consumer market directed and the technique or tools mostly used by the firms are price off, bonus packs, contest or sweepstakes. Consumers mostly regard price offs as reduction in the price of the promoted service and hence the consumer save some few Naira upon purchase (Adekoya 2015). This normally attracts these consumers and influences the kind of purchase decisions they make regarding the service or product. The bonus pack is where an additional pack of the purchase product or service is offered free when the regular package or size of the product is purchased at the regular price. Contests or sweepstake is gradually becoming one of the popular sales promotional techniques used in the telecom industry in Nigeria. This is situation where the consumer is enticed to enter into a contest or draws for prizes that range from cars, large sums of money and house among others. They either enter into the draw automatically after purchase of a particular product or service or they need to send an SMS to a short code to enter into the contests (Aderemi 2003). Refunds and Rebates refer to the practice by which manufacturers give cash discounts or reimbursements to consumers who submit proofs of purchase (Shimp, 1993). Mostly the two sales promotional techniques provide users a delayed rather than an immediate value since the consumer has to wait to receive the reimbursement after consuming the service or products (Shimp, 1993). This is evident in the Nigeria Telecom sector where some service providers reimburse consumers the same amount of airtime consumed within a month. This is to influence their decision in buying more of their products knowing that they will get their money back in a form of reimbursement.

In other words, Belch and Belch (1998) defines consumer purchasing motive as the process and activities people engage in when searching for, selecting, purchasing, using, evaluating and disposing of products and services so as to satisfy their needs and desires. Behaviour occurs either for the individuals or in the context of a group or an organization.

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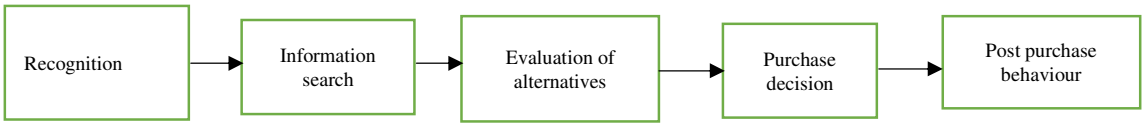
2.1 Consumer Decision Making Process

Purchase decision is defined as the stage at which the buyer or the consumers actually buys the products (Kotler, Armstrong, Saunders, & Wong ,1999). He argued that, the consumer will buy the most preferred brand. Berkowitz, Harley, Kerin, and Rudelius (1994) also proposes that the visible act of making the purchase decision lays an important process that a buyer passes through in making choices about which products and services to buy or consume. Berkowitz however suggested that there are five stages involv Thihe ed anytime a consumer wants to make a purchase decision. These are as follows in figure 1.0 below;

STAGES IN THE PURCHASE DECISION



Source: Berkowitz, Harley, Kerin, and Rudelius (1994).

Problem Recognition is the first step in the purchase decision. In marketing, advertising or sales people can activate a consumer's decision process by showing the shortcomings of competing products (Ngolanya *et al.,* 2006). The shortcomings according to them may include differences in prices, whereby the competitors' products are priced relatively higher than that of the company. Premiums can also be offered so as to attract her competitor's customers.

The consumer begins to search for information after recognising the problem. The consumers may go through his memory for previous experiences with the brand or products. This according to Berkowitz *et al.,* (1994) is known as internal search. The consumer may also undertake an external search for information, this is especially if the past experience or knowledge is insufficient. Primary sources of external information are; personal sources for example relatives and friends whom the customer trusts, public sources for example product rating organizations like National Communication Authority, consumer reports and television consumer programs and marketer dominated sources such as information from sellers that include advertising, point of purchase displays in store and inquiry from sales people (Ngolanya*et al.,* 2006).

The information search stage clarifies the problem for the consumer by suggesting criteria to use for the purchase and yielding brand names that might meet the criteria. Thihe information the consumer has may not be adequate because it does not contain all the factors to consider. It is therefore important for the consumer to come up with evaluative criteria that represent both objective attributes of the brands they may consider important (Ngolanya*et al.,* 2006). This knowledge according to them will assist the marketer to identify the most important evaluative criteria consumers use when judging products or services.

An evoked set is the set or groups of brands in the product class of which the consumer is aware (Berkowitz*et al.,* 1994). The consumer therefore makes a decision after examining the alternatives in the evoked set. Impulse buying however occurs most often during the purchase decision stage and therefore

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marketers must therefore take advantage of the impulse buying. Marketers may offer consumers something of value so that the consumers are tempted to buy the products and if the value is convincing enough, they may just end up purchasing the product (Ngolanya*et al.,* 2006).

Consumers do not necessary follow through the process on their intentions (Ngolanya*et al.,* 2006). They argued that developments at the purchase stage may cause the consumer to make a less preferred choice or not to buy at all. The circumstances at the time of sale may influence purchase decisions, the consumers preferred brand may be out of stock which could lead to no sale or seeking more information from the sales persons may shift their brand preference that the consumer had not intended to buy.

Consumers who engage in low involvement decision-making process are a challenge for marketers. Little time and effort is spent on the purchase choice, hence information aimed at convincing consumers of the benefits of the brand is likely to be selectively ignored (Ngolanya *et al.,* 2006). To them, getting the consumer to try the product on the spur of the moment is crucial. Free samples and coupons can be used to encourage consumers to try a low involvement product.

The final step in the purchase decision process is the post –purchase behaviour of the consumer. After purchase, the consumer compares the actual experience with his expectations and may either be satisfied or dissatisfied. If the consumer was dissatisfied, the likelihood of purchasing that brand becomes very low whereas the probability of a satisfied consumer purchasing the same brand is very high. In the post purchase evaluation stage, consumers build experience and knowledge about the service and make evaluation whether the service has met their expectations or not. Consumers have a predetermined standard against which to compare the outcome (Gabboth and Hogg, 1994). Consumer decision making process is adjusted according to the complexity of the purchased service. In an extreme situation, the consumer can even feel that the service is too complicated and decides not to purchase at all. When a need is actualised, consumer might move straight to buying without searching information or evaluating alternatives. In these situations, the consumer just buys the services that is familiar or reaches in for a competing service (Kotler and Keller, 2006).

2.2 THEORETICAL FRAMEWORK

i. Prospect Theory: This theory recommends that individuals identify results of a preference as supposed‘losses’ and ‘profits’ comparative to a prejudiced reference point (Kahneman and Tversky, 1984). Scholars who have used this theory of promotions (Diamond and Sanyal, 1990; Diamond and Campbell, 1990) have confirmed that the perception of consumer on promotion as a ‘loss’ or ‘profit’ is a purpose of the kind of the promotion. Thus, price promotions like price discount, which incorporate the promotional profit together with the procurement price, will be visualized as decreased losses. Nevertheless the consequences of their research revealed that an approximately equal quantity of subjects’ preferred the non-price promotion (premium offer, coupons) as in comparison to the price promotion (a price discount).

ii. Transactional Utility Theory: Thaler (1985) introduced the concept of transaction utility. Transaction utility is defined as the gain (loss) of utility when the consumer pays less (more) than the reference price of the product. The reference price is not the same as the actual price of the product but the price the consumer believes the good is worth or the price the consumer would expect to pay for the good. Positive

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transaction utility occurs when the reference price is above the actual price paid. If promotions produce transactional utility, then the firm is better off using promotions than simply lowering regular price. The outcome will be a higher response to the promotion than to an equivalent reduction in everyday regular price.

2.4 SALES PROMOTION MODELS

i. AIDA Model : This is one of the classic model for how promotional objectives are structured as well as accomplished. AIDA is an acronym for what promotional actions aspire to obtain from customers: attention, interest, desire, and action. Given that it is essential for a customer to recognize a product subsist previous to considering buying the product, getting the awareness of the market target is the initial key objective of a lot of promotional promotions (Strong, 1925b; Ferrell and Hartline, 2008).As soon the customers' aware the subsequent pace in the AIDA model is the flicker of awareness in a product by signifying characteristics, profits and uses of the product (Strong,1925a). Subsequently, "Desire**"** in the product ought to be motivated by exhibiting product control and the capability of the product to identify needs. The AIDA models' final stage is the customer drive towards the concluding action of buying the product (Sheldon, 1911; Ferrell & Hartline, 2008). The consumer is influenced in the AIDA model, so as to take action subsequent to being sentient of the product as well as having attention and yearning in the sparked product.

ii. Involvement Model: This is a second classic model that promotional objectives are structured and accomplished. In the involvement model, only subsequent to taking the feat of attempting and also using a product do individuals start to take severe note of its marketing and create any manner towards it(Cummins, 1998). Similarly, by means of the involvement model, the customer initially takes action when the customer uses the product then gets involved with the product and then the customers starts to become aware of the means of promotion prior to developing a mind-set for the product (Cummins, 1998).

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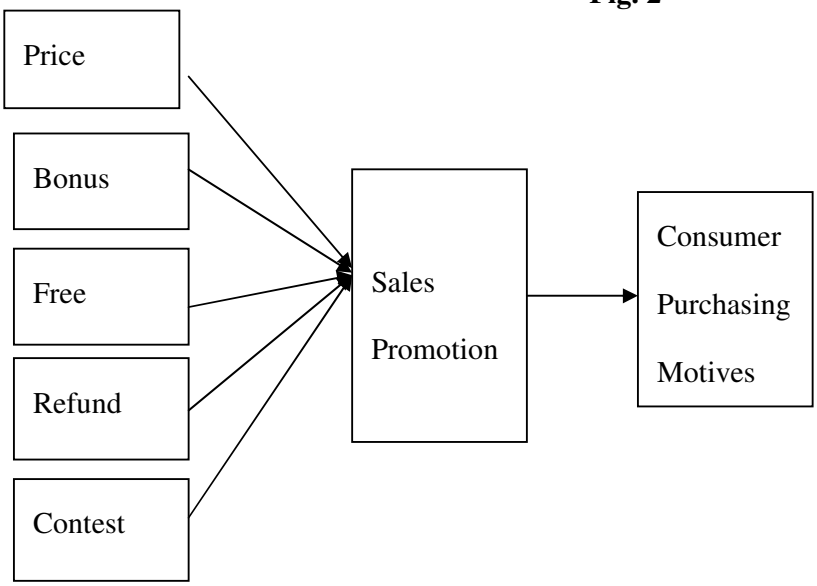
Fig. 2



Source: Proposed Conceptual Model of Sales Promotion by the Researcher (2018)

3.0 METHODOLOGY

Survey research design was adopted for the study. The target population comprised all the subscribers of MTN Nigeria Ltd. who resides in Abeokuta. Convenient sampling technique was employed to select 150 subscribers of MTN Nigeria Ltd. Customer Service Centre in Abeokuta. This study made use of questionnaire as the research instrument. For the purpose of this study, a close ended well-structured questionnaire was employed and based on a five scale where 1= strongly disagree and 5= strongly agree. The questionnaire is structured into six (4) parts. The four sub-sections includes: demographic data of subscribers, subscriber's response to sales promotion tools, examining the relationship between promotional dimensions and consumer purchasing motives, and lastly indicators that influence the purchasing motives of subscribers of MTN services.

3.1 Validity and Reliability of Instrument

The instrument's content validity was assessed using expert judgments by two academic staff in the Department of Business and Finance at the University. Similarly, in order to ensure reliability of the instrument, a pilot study with the sample of fifty was conducted at the MTN Customer Service Centre in Abeokuta to test the feasibility of the questionnaire design. The result shows that the words and statements in the questionnaire are easy to answer by subscribers without ambiguous or confused statements.

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3.2 Method of Data Analysis

The data collected was analysed with the aid of a Statistical Package for Social Sciences (SPSS) using simple frequency tables and percentages, arithmetic mean, standard deviation and multiple regression analysis for inferential statistics.

3.2.1 Model Specification

The model to be used in this study shall be specified as follows:

Consumer purchase motive = f (Sales promotion) .....……. (1)

From equation (1), consumer purchase motive is the function of sales promotion

Equation (1) shall then be specified in an operational form as follows:

$CPM=\beta_0+\beta_1 PR_1 + \beta_2 BP_2 + \beta_3 FA_3 + \beta_4 C_4 + \beta_5 RO_5 + e$..... (2)

Where:

CPM = Consumer purchase motive

PR = Price reduction

BP = Bonus pack

FA = Free airtime

C= Contest

RO= Refund offer

$\beta_1 - \beta_5$ = Coefficients

e = Error term

β_0 = Constant term

.

4.0 RESULTS AND DISCUSSION

The Socio-demographic characteristics of respondents revealed the male frequency with 84 and the percentage with 56%, female frequency is 66 and the percentage is 44%. Age, 18-30 frequency is 43 and percentage is 28.67%, 31-40 frequency is 79 and percentage is 52.67%, 41-50 frequency is 26 and percentage is 17.33%, 51 and above frequency is 2 and percentage is 1.33%. Marital status, single frequency is 39 and percentage is 26%, married frequency is 96 and percentage is 64%, divorced frequency is 15 and percentage is 10%. Educational qualification, NCE/ND frequency is 48 and percentage is 32%, HND/BSc frequency is 83 and percentage is 55.33%, PGD/MSc frequency is 13 and percentage is 8.67%, PHD frequency is 6 and percentage is 4%. Occupation, public frequency is 22 and percentage is 14.67%, private frequency is 41 and percentage is 27.33%, business owners frequency is 50 and percentage is 33.33%, student frequency is 30 and percentage is 20%, unemployed frequency is 7 and percentage is 4.67%.

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Hypotheses Testing

Pearson Correlation analysis was used to test the hypotheses on the relationship between Sales promotion dimensions and consumer purchasing motive.

H_{01}: Price reduction does not have significant relationship with consumer purchasing motive

Table 1 CORRELATIONS

		Which feature influence you more to make purchasing decision?	Price reduction
Which feature influence you more to make purchasing decision?	Pearson Correlation	1	.158
	Sig. (2-tailed)		.013
	N	150	150
Price reduction	Pearson Correlation	.158	1
	Sig. (2-tailed)	.013	
	N	150	150

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

The correlation analysis result in table 1 above revealed that Consumer Purchasing Motive has a positive coefficient of 0.158 with Price Reduction. This implies that there is a positive relationship of about 16% between Consumer Purchasing Motive and Price Reduction. The coefficient is significant at 5%. Since the relationship between the variables is significant, we therefore reject the null hypothesis. Hence, Price reduction has significant relationship with consumer purchasing motive.

That is, to ascertain whether bonus pack has significant relationship with consumer purchasing motive, a correlation coefficient matrix is fitted.

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H_{02}: Bonus pack does not have significant relationship with consumer purchasing motive

Table II CORRELATIONS

		Which feature influence you more to make purchasing decision?	Bonus pack
Which feature influence you more to make purchasing decision?	Pearson Correlation	1	.134
	Sig. (2-tailed)		.071
	N	150	150
Bonus pack	Pearson Correlation	.134	1
	Sig. (2-tailed)	.071	
	N	150	150

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

The correlation analysis result in Table II above revealed that Consumer Purchasing Motive has a positive coefficient of 0.134 with Bonus Pack. This implies that there is a positive relationship of about 13% between Consumer Purchasing Motive and MTN Bonus Pack. The coefficient is significant at 10%. Since the relationship between the variables is significant, we therefore reject the null hypothesis. Hence, MTN Bonus Pack has significant relationship with consumer purchasing motive.

H_{03}: Free airtime does not have significant relationship with consumer purchasing motive

Table III CORRELATIONS

		Which feature influence you more to make purchasing decision?	Free airtime
Which feature influence you more to make purchasing decision?	Pearson Correlation	1	.562
	Sig. (2-tailed)		.042
	N	150	150
Free airtime	Pearson Correlation	.562	1
	Sig. (2-tailed)	.042	
	N	150	150

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

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Table III above shows the correlation analysis result for Consumer Purchasing Motive and MTN free airtime. It revealed that Consumer Purchasing Motive has a positive coefficient of 0.562 with free airtime. This implies that there is a positive relationship of about 56% between Consumer Purchasing Motive and MTN free airtime. The coefficient is significant at 5%. Since the relationship between the variables is significant, we therefore reject the null hypothesis. Hence, MTN free airtime has significant relationship with consumer purchasing motive.

H_{04}: Contest does not have significant relationship with consumer purchasing motive

Table IV. CORRELATIONS

		Which feature influence you more to make purchasing decision?	Contest
Which feature influence you more to make purchasing decision?	Pearson Correlation	1	-.042
	Sig. (2-tailed)		.609
	N	150	150
Contest	Pearson Correlation	-.042	1
	Sig. (2-tailed)	.609	
	N	150	150

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

Table IV. above shows the correlation analysis result for Consumer Purchasing Motive and Contest. It revealed that Consumer Purchasing Motive has a negative coefficient of -0.042 with Contest. This implies that there is a negative relationship of about 4.2% between Consumer Purchasing Motive and MTN Contest. The coefficient is not significant. Since the relationship between the variables is not significant, we therefore accept the null hypothesis. Hence, MTN Contest does not have significant relationship with consumer purchasing motive.

H_{05}: Refund offer does not have significant relationship with consumer purchasing motive

Table V. CORRELATIONS

		Which feature influence you more to make purchasing decision?	Refund offers
Which feature influence you more to make purchasing	Pearson Correlation	1	.201*
	Sig. (2-tailed)		.014

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decision?	N	150	150
Refund offers	Pearson Correlation	.201*	1
	Sig. (2-tailed)	.014	
	N	150	150

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

Table V. above shows the correlation analysis result for Consumer Purchasing Motive and refund offers. It revealed that Consumer Purchasing Motive has a negative coefficient of 0.201 with refund offers. This implies that there is a positive relationship of about 20% between Consumer Purchasing Motive and MTN refund offer. The coefficient is significant at 5%. Since the relationship between the variables is significant, we therefore reject the null hypothesis. Hence, MTN refund offer has significant relationship with consumer purchasing motive.

Regression Result

Table VI Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.748	.560	.499	0.13088

a. Predictors: (Constant), Contest, Price reduction, Bonus pack, Refund offers, Free airtime.

Regression Result

Table VII

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.252	.401		5.618	.000
	Price reduction	.094	.095	.090	.982	.028
	Bonus pack	.068	.103	.062	.661	.010
	Free airtime	.060	.097	.058	.617	.038
	Refund offers	.180	.083	.191	2.176	.031
	Contest	.010	.082	.011	.127	.029

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Source: Field Survey, 2018.

In Table VI. above, the R^2 value of 0.5600 indicates that about 56% of the total variation in the dependent variable (Consumer Purchasing Motives) is explained by the adopted independent variables. This indicates that the model has an adequate goodness of fit.

Table VII shows the co-efficient of regression result that is needed to predict Consumer Purchasing Motive from Price reduction, Bonus pack, Refund offers, Free airtime, Contest. The Beta values under Standardized Coefficient column were obtained by standardizing all of the variables, including the dependent variable and the independent ones, before running the regression.

Price Reduction has a coefficient of 0.090 and probability of 0.028. This indicates that a unit increase in price reduction by MTN will cause consumer purchasing motive to increase by 0.090 units. The coefficient is significant at 5%.

Bonus Pack has a coefficient of 0.062 and probability of 0.0100. This indicates that a unit increase in Bonus pack by MTN will cause consumer purchasing motive to increase by 0.0680 units. The coefficient is significant at 1%.

Free Airtime has a coefficient of 0.058 and probability of 0.0380. This indicates that a unit increase in Free Airtime by MTN will cause consumer purchasing motive to increase by 0.058 units. The coefficient is significant at 5%.

Also, **Refund Offers** has a coefficient of 0.191 and probability of .0310. This implies that a unit increase in Refund offers by MTN will cause consumer purchasing motive to increase by 0.191units. The coefficient is significant at 5%.

Lastly, **Contest** has a coefficient of 0.011 and probability of 0.0290. This indicates that a unit increase in Contest by MTN will cause consumer purchasing motive to increase by 0.011 units. The coefficient is significant at 5%.

In summary, the regression equation that explains the significant relationship between sales promotion dimensions namely: Price reduction, Bonus pack, Refund offers, Free airtime, Contest and Consumer Purchasing Motive can be presented as below:

CPM **= 0.090 ** PR + 0.062***BP+ 0.058 **FA + 0.011 **C + 0.191 ** RO**

Std. Error (0.095) (0.103) (0.097) (0.082) (0.083)

The results above shows that Consumer purchasing motive is positively impacted by all the five variables namely Price reduction, Bonus pack, Refund offers, Free airtime, Contest with co-efficient values of 0.090, 0.062,0.058,0.011, and 0.191 respectively.

Since the variables used to proxy for Sales Promotion have significant coefficients in the regression analysis, the study therefore reject the null hypothesis. Hence, Sales Promotion has significant effect on Consumer Purchasing Motive.

From the above analysis, the satisfaction derived from sales promotions means it should be frequently organized as this has led to increased revenue. This in line with the study of Eric (2010), on the role of

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sales promotion in increasing revenue: A case study of the telephony industry in kumasi metropolis, asserted that sales promotion have great positive impact than negative impact on consumer purchasing motives.

Similarly, Darko, Eric (2012), in their study on the influence of sales promotion on consumer buying behaviour in the telecom industry; the case of Vodafone Ghana, also noted that sales promotion is more effective in understanding consumer purchasing motives.

CONCLUSION AND RECOMMENDATIONS

Results from the findings of this study indicated that the sales promotion strategy that mostly induced customers of MTN services were free airtime and price reduction. The sales promotion practice in the industry draw their consumers to their product and make them engages in impulse purchase. This confirms the assertion by Ngolanya, et al, (2006) that sales promotion engenders impulse buying.

The various strategies identified in the Telecommunication industry in Nigeria by consumers' supports the most frequently used sales promotions in the world as identified by Berkowitz and Hartley (2001). The notable sales promotional strategies practiced in Nigeria included bonus for talk time, premiums, frees samples, price offs, branded souvenirs, contests and free talk time to family and friends, price reduction, refund offers e.t.c.

Similarly, on Indicators that influence the purchasing motives of customers buying MTN products, such as timing of sales promotion e.g during holidays, weekends or festive seasons; payments of services on instalment, sizes of the discount as compared to the other networks, validity of the offer i.e how long the offer will last, type of product being discounted and promoted. The findings revealed that, amidst the indicators that could influence the purchasing motives of customers buying MTN products, the indicator that has the greatest effect was the timing of sales promotion e.g during holidays, weekends or festive seasons. This study therefore recommends that operators MTN services must intensify the use of sales promotion tools such as as free airtime and price reduction which mostly influenced their customers to make purchase decision. Furthermore, free airtime and price reduction should be carefully applied as it can reduce profitability on the long run but can be used in conjunction with other promotional tools such as bonus pack and refund offers. In addition, apart from organising sales promotion during holidays, weekends and festive seasons, telecommunication operators should make use of the situational factors such as display of items, appearance of sales persons, location of customer service centres as well as payment processes to increase patronage.

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ACCELERATING ECONOMIC GROWTH THROUGH ADEQUATE FUNDING OF EDUCATION IN NIGERIA

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Abstract

This study examines the relationship between government spending on education and economic growth in Nigeria over the period of 1981 to 2016 using ordinary least square regression with heteroscedasticity consistent standard error. The Durbin Watson statistics indicate no problem of serial correlation. Separate regressions were performed for the aggregate and disaggregated expenditure to avoid the problem of multicollinearity. The results showed that education funding by the Nigeria government has a positive and significant impact on economic growth in Nigeria, and capital expenditure on education has a greater impact. The study recommended that the Nigeria government should ensure that it allocates a significant proportion of its budget to education, and while the United Nations sets the yardstick at 26% of the government budget for effective funding of education, a higher proportion of the Nigeria government budget is recommended to boost the effectiveness of the Nigeria economy through improved education.

Keywords: Education funding, Economic growth, Nigeria, capital expenditure, revenue expenditure

1. Introduction

Education is an important component of economic growth and development according to a number of existing literature. Education has been identified as a central issue affecting economic growth through its effect on the productivity of individuals. This is also confirmed by the endogenous economic growth theory which argues that human capital, which includes education, is subject increasing returns and hence boosting long run economic growth. However, attaining the required level of education necessary for significant economic growth in countries in Sub-Sahara Africa in general and in Nigeria in particular remains elusive. While education is a phenomenon in existence for a long time although taking various forms in different societies as highlighted by Omojimite (2010), of concern for most countries, especially developing countries, is access to affordable quality education. As a result of poor education, unemployment, poverty and other socio-economic challenges result which is a characteristic feature of

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developing countries especially those in Sub-Sahara Africa (Todaro and Smith, 2011). Quality education ensures that school graduates have a chance to secure high paying jobs as they acquire skills relevant for the work place and as they compete with other graduates in an increasingly congested but highly competitive domestic and international labour market.

The challenges of the Nigeria education system are many as highlighted by Odia and Omofunmwan (2007). Not only have the physical facilities been neglected in terms of their maintenance as well as adequate provision, but also instructional aids are either inexistent or grossly inadequate. Those responsible for the delivery of quality education are engaged in malpractices including extortion of money from students in exchange for grades, on account of poor welfare as various entitlements are not paid. Industrial action has consequently been a prominent feature of government-owned educational institutions in Nigeria especially in tertiary education institutions, as teachers demand better welfare as well as better working conditions to enable them deliver quality education to students. Also, some government-owned institutions continue to imbibe poor educational practices such as over burdening staff with unmanageable teaching loads on account of limited funding which are to the detriment of students taught.

Education in Nigeria has been argued to be inadequately funded as highlighted by the Central Bank of Nigeria in 2000 (Omojimite, 2010). This is despite the important role that education plays for Human capital development and consequently economic growth as highlighted by various authors as Barro (1991), Loeningg (2005) and Babatunde and Adefabi (2005). This contrasts with the situation in Nigeria beginning from 1960 when Nigeria gained independence and there was a rapid expansion in the education sector which included the taking over of private schools at all levels by the Nigeria government. However, in recent time especially since the turn of the year 2000, there has been a massive rise in the emergence of privately owned education institutions in Nigeria across all levels highlighting the inability of the Nigeria government to support education adequately in Nigeria. This is more so as education is a merit good which has the potential to boost efficiency of an economy and hence should be a funding priority of the Nigeria government

If the Nigeria education system is to improve as an engine for the promotion of Nigeria's economic growth, then government funding of the education system is an issue warranting examination. Not only should tertiary institutions be appropriately funded but also secondary and primary education as the feeder institutions for the tertiary institutions. Further resulting from the funding challenges of government-owned institutions is the increased demand for privately owned institutions argued to provide better standards of education than government-owned educational institutions but for which there are often inadequate spaces to absorb potential students applying for admission to such institutions. Thus, there are significant amounts of Nigeria's population who will consequently be unable to receive formal education, which limits their access of job opportunities for livelihood and deepens Nigeria's socio-economic challenges.

Recently there have been calls for the Nigeria government to increase funding of education, based on the

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argument that it will boost Nigeria's Human capital development and promote the progress of the economy. However, increased government funding for education can only be argued if the impact of previous funding on the growth of the economy is thoroughly examined. Further expenditure on education can be decomposed into capital and recurrent expenditure which in their different ways are important for improved quality of education. Most studies however examine expenditure on education as a whole for its effect on economic growth without exploring the possible differential impacts of capital and recurrent expenditures on education (Eigbiremolen and Anaduaka, 2014; Omojimite, 2011; Hadir and Lahrech, 2015; Ogunleye, Owolabi, Sanyaolu and Lawal, 2017). The present study therefore, given the challenges of government funding of education in Nigeria, examines government education funding and economic growth in Nigeria. Government funding can be divided into capital and recurrent expenditure. While government funding on capital expenditure refers to financing of physical facilities and teaching instruments/aids, Government recurrent expenditure on education refers to that part of education expenditure necessary to maintain the day-to-day running of formal educational institutions. It is the case that while both capital expenditure on education and recurrent expenditure on education by the Nigeria government are important for education, they may have different impacts on economic growth given their different roles in aiding education delivery.

The remaining part of this study is divided into four sections. Section two contains review of existing studies on education spending and economic growth both in Nigeria and other parts of the world highlighting the research gap to be filled by the present study. Section three presents the nature of the variables and techniques of analysis adopted in the study. Section four contains the presentation and discussion of the findings while Section five contains the summary of findings policy recommendations.

2. Review of Literature

Scholars have further conceptualized education in so many ways. Education is seen as the light that derives away the darkness of ignorance and enables mankind to find its ways through the tortures and labyrinth of development and civilization (Ikechukwu, 2006). According to UNESCO (2000), "education refers to the total process of developing human ability and behaviours". It is an organized and sustained instruction designed to communicate a combination of knowledge, skills and understanding value for all activities of life. Ayu (1991) conceived education as "what brings about the moral development and spiritual upliftment of the human personality and of the community as a whole". He stressed further that education makes mankind more creative and enables him to live a more fulfilling life through interaction. Education is related to Human capital development which is of low quality in a developing country as Nigeria (Moja, 2000; Hanushek and Wobman (2007).

Improved levels of education should therefore contribute to improve Nigeria's human capital development and related to that contribute to improve Nigeria's economic growth. Further education is related to reduced occurrence of war and conflict, and increased participatory decision making. In

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addition, education is likely to reduce ignorance of society of their rights as members of society and acquisition of knowledge of how their rights may be appropriately acquired where it has been denied society. Thus education through various channels is of benefit for countries of the world. However, a major challenge of education in a developing country context is adequate funding. Education while also funded by private sector individuals, may not be left alone to the private sector given its important role for an economy and therefore requires government support. This government support needs to focus on access to education and indeed importantly the quality of education. It may be assumed that with increased funding the quality of education for a developing country may be improved.

Haller (2012) describes economic growth as the process of increasing the sizes of national economies, the macro-economic indications, especially the GDP per capita, in an ascendant but not necessarily linear direction, with positive effects on the economic-social sector, while development shows us how growth impacts on the society by increasing the standard of life. Haller also stated that Economic growth is a complex, long-run phenomenon, subjected to constraints like: excessive rise of population, limited resources, inadequate infrastructure, inefficient utilization of resources, excessive governmental intervention, institutional and cultural models that make the increase difficult, etc, and Economic growth is obtained by an efficient use of the available resources and by increasing the capacity of production of a country. It facilitates the redistribution of incomes between population and society.

Nowak and Dahal (2016) investigates the long run relationship between education and economic growth in Nepal between 1995 and 2013 through application of Johansen Cointegration technique and OLS. The model employed specifies economic growth as measured by log of Real GDP as a function of gross enrollment ratio in Primary level, gross enrollment ratio in Secondary level, gross enrollment ratio in Tertiary level. The results from OLS show that secondary and higher education contributes significantly to the Real GDP Per Capita in Nepal. The elementary education also positively influences economic growth but the results are statistically less significant. The cointegration test results confirmed the existence of long run relationship in education (a well-educated human capital) and Real GDP Per Capita. It is therefore, suggested to keep education on top priority in public policies, make serious efforts for Universalization of Primary Education and discourage the drop-out rate at all levels of education to achieve sustained economic growth.

Omojimite (2010) examines the notion that formal education accelerates economic growth using Nigerian data for the period 1980-2005. Cointegration and Granger causality test were employed for data analysis to test the hypothesis of a growth strategy led by improvements in the education sector. The results show that there is cointegration between public expenditures on education, primary school enrolment and economic growth. The tests revealed that public expenditures on education Granger cause economic growth but the reverse is not the case. The tests also revealed that there is bi-directional causality between public recurrent expenditures on education and economic growth. No causal relationship was established between capital expenditure on education and growth and primary school enrolment and economic growth. The paper recommends improved funding for the education sector and a review of the primary

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school curricula to make it more relevant to the needs of the Nigerian society.

Fabunmi (2005) analyse the dynamics of policy and planning in the Nigerian education sector from 1914 till 2004. The indirect rule system of colonial administrators restricted the spread of both Christianity and Western education to the Northern protectorate. Odit, Dookhan, and Fauzel (2010) focus on the impact of investment in education on economic growth in Mauritius over the period of 1990 to 2006. It is an attempt to explore the extent to which education level of the Mauritian labour force affects its economic growth that is its output level. A Cobb-Douglas production function with constant returns to scale where human capital is treated as an independent factor of production in the human capital augmented growth model was employed. The results reveal that human capital plays an important role in economic growth mainly as an engine for improvement of the output level. There is compelling evidence that human capital increases productivity, suggesting that education really is productivity-enhancing rather than just a device that individuals use to signal their level of ability to the employer.

Imam (2012) examines educational Policy in Nigeria from the Colonial Era to the Post-Independence Period. There is a widened western educational gap between the north and south of Nigeria with the predominantly Muslim areas of the north lagging behind due to some historical antecedents. In the colonial era the British educational policy did not address the aspirations of the people leading to a clamour for change in the post-independence era resulting in the first indigenous National Policy on Education in 1977. Changes have resulted in three revised editions of the national educational policy. The paper reviews the educational policy in the Federal Republic of Nigeria since 1944, highlighting specific issues on the disparity between educational policy and the implementation in context of the wider socio-economic and political development process. Bashir, Herath and Gebremedhin (2012) examine higher education and economic growth in West Virginia from 2000 to 2010. According to the authors, investment in education to increase economic growth, as one form of human development strategy, has gained economists‟ and policy makers‟ interest. It establishes human capital that makes a substantial contribution to economic and income growth. Its contribution returns in the form of skilled labor which leads to increased development and improved quality of life. Different theories and models have been used to examine the relationship between education and economic growth. Most of them concentrated on human capital accumulation as source of acceleration in economic growth. Some of them used human capital as an engine of economic growth to technological change. But for human accumulation, a country should invest more on education. A set of simultaneous equations with three endogenous variables namely, per capita income change, education change and population change were used for the analysis. Empirical results indicate that income growth and education growth are positively related while education growth reduces population growth in West Virginia.

Moja (2000) highlight the performance of Education in Nigeria and highlight some major issues. Among the issues highlighted are poor infrastructure provision, underdevelopment of Human resource capacity, poor access and inequity in the education system, inadequate government funding, poor literacy and community education, irrelevant curriculum, and cultism in higher education. Hanushek and Wobman

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(2007), highlight that schooling has not delivered fully on its promise as the driver of economic success. Expanding school attainment, at the center of most development strategies, has not guaranteed better economic conditions. What's been missing is attention to the quality of education—ensuring that students actually learn. There is strong evidence that the cognitive skills of the population, rather than mere school enrollment, are powerfully related to individual earnings, to the distribution of income, and to economic growth. And the magnitude of the challenge is clear—international comparisons reveal even larger deficits in cognitive skills than in school enrollment and attainment in developing countries. Building on several decades of thought about human capital—and centuries of attention to education in the more advanced countries—it is natural to believe that a productive development strategy would be to raise the schooling levels of the population. Indeed, this is exactly the approach of the Education for All initiative and a central element of the Millennium Development Goals. But there are four nagging uncertainties with these policies. First, developed and developing countries differ in myriad ways other than schooling levels. Second, a number of countries—both on their own and with the assistance of others—have expanded schooling opportunities without closing the gap in economic well-being. Third, poorly functioning countries may not be able to mount effective education programs. Fourth, even when schooling is a focus, many of the approaches do not seem very effective and do not produce the expected student outcomes. As shown in this report, differences in learning achievements matter more in explaining cross-country differences in productivity growth than differences in the average number of years of schooling or in enrollment rates. A development-effective educational strategy should thus focus not only on sending more children to school, as the second Millennium Development Goal is often interpreted, but also on maintaining or enhancing the quality of schooling. Evidence suggests that Educational quality—measured by what people know—has powerful effects on individual earnings, on the distribution of income, and on economic growth. Further, the educational quality in developing countries is much worse than educational quantity (school enrollment and attainment). Finally, just providing more resources to schools is unlikely to be successful—improving the quality of education will take major changes in institutions.

Urhie (2013) examines the direct and indirect effects of both public recurrent and capital expenditure on education and economic growth in Nigeria from 1970 to 2010 using the instrumental Variable Two Stage Least Squares (IV2SLS) estimation technique which ensures both unbiased and consistent coefficient estimates is employed. The result reveals that public education expenditure has both direct and indirect effects on economic growth. The indirect channel has been more relevant for economic growth in Nigeria. Thus, total public education expenditure can promote economic growth without necessarily first improving education attainment The study also reveals that public recurrent education expenditure (pree) and public capital education expenditure (pcee) have different effects on economic growth. The regression results suggest that capital expenditure has greater effect on education (proxied by secondary school education) while recurrent expenditure has greater effect on economic growth. However, to maximize the benefits from public education expenditure, strategies that ensure greater efficiency of public education expenditure were suggested. Potelienė, and Tamašauskienė (2013) examine the private return to investment in education in Lithuania from 2004 to 2011. The authors compute the private net

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present value of higher education and investment payback period. The results of the study reveal that higher education as a human capital investment yields great returns for the individual in Lithuania.

3. Methodology

3.1 Model Specification

The theoretical framework of this study is the endogenous economic growth theory (Romer, 1986) which argues that economic growth is propelled by forces from within the economy of which education is one of such endogenous forces and is subject to increasing returns. This study modifies the model of Nowak and Dahal (2016) by including Nigeria government education funding as an additional explanatory variable in the model as the main variable of interest, and population growth as an additional control variable as in equation. The model is specified as follows:

GDP=-*f*(PSE, SSE, TSE, TEFUND, POPGR) (1)

Where, GDP= Gross Domestic Product, PSE = Primary school Enrollment, SSE = Secondary school enrollment, TSE = Tertiary School Enrollment, TEFUND = Aggregated Government Education Funding, POPGR=Population growth.

The above Equation (1) when transformed as an econometric model is as in Equation (2) below:

$$\text{Log GDP}_t = \alpha_0 + \alpha_1 \text{PSE}_t + \alpha_2 \text{SSE}_t + \alpha_3 \text{TSE}_t + \alpha_4 \text{Log TEFUND}_t + \alpha_5 \text{POPGR}_t + \varepsilon_t \quad (2)$$

Where ε= Error term, α_0 is the constant of the model capturing the value of the Economic growth (as measured by Log GDP) when the independent variables are constant. $\alpha_1 \ldots . \alpha_5$ measure the effect of a unit change in the value of each respective independent variable on the dependent variable. The subscripts t refers to the time period, 1981 – 2016.

When aggregated education funding in Equation (2) is disaggregated into capital and recurrent education expenditure components and enter the model as two variables, the resulting model is as in Equation (3) below.

$$\text{Log GDP}_t = \beta_0 + \beta_1 \text{PSE}_t + \beta_2 \text{SSE}_t + \beta_3 \text{TSE}_t + \beta_4 \text{Log REFUND}_t + \beta_5 \text{Log CEFUND}_t + \beta_6 \text{POPGR}_t + \varepsilon_t \quad (3)$$

REFUND=Government Recurrent Expenditure on education, CEFUND==Government Capital Expenditure on education, ε= Error term.

β_0 is the constant of the model capturing the value of the Economic growth (as measured by Log GDP) when the independent variables are constant. $\beta_1 \ldots . \beta_6$ measure the effect of a 1 unit change in the value of each respective independent variable on the dependent variable.

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3.2 Measurement of Variables

GDP: This is the value of output of a country. It is measured in Billions of Naira and enters the models in log form so as to result in smaller sized coefficients for the independent variables in the models after regression, which can then be easily interpreted.

Primary School Enrollment (PSE): This is the total number of pupils enrolled in primary education, regardless of age, expressed as a percentage of the population of official primary education age.

Secondary School Enrollment (SSE): This is the total number of pupils enrolled in secondary education, regardless of age, expressed as a percentage of the population of official secondary education age.

Tertiary School Enrollment (TSE): This is the total number of pupils enrolled in tertiary education, regardless of age, expressed as a percentage of the population of official tertiary education age.

Government Total Education funding (TEFUND)**:** This is the total spending of the Nigerian government on education. It is the sum of capital and recurrent components of government expenditure on education. The variable enters the model in in log form.

Government Capital Expenditure on Education (CEFUND)**:** This is the spending of the Nigerian government on the capital component of education expenditure. The variable enters the model in its log form.

Government Recurrent Expenditure on Education (REFUND)**:** This is the spending by the Nigerian government on the recurrent component of education expenditure. The variable enters the model in Equation (5) in log form so as to result in smaller sized coefficients for the independent variables in the model in Equation (5) after regression, which can then be easily interpreted.

Population Growth (POPGR): This is the rate at which the population of Nigeria is increasing on a yearly basis.

Data on Gross Domestic Product (GDP), aggregated government education expenditure, Government capital expenditure on education and Government recurrent expenditure on education was obtained from the Central Bank of Nigeria statistical bulletin 2016, while data on Primary school enrollment rate, Secondary school enrollment rate, Tertiary school enrollment rate and Population growth were obtained from the World Bank World Development Indicators. The regression results were obtained using heteroscedasticity consistent standard error.

4. Results and Discussion

4.1. Descriptive Statistics

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From Table 1, the mean of all variables are above their minimum values. Relative to their maximum values though, the means of GDP (N16950.89 Billion), Total government Education expenditure (N130.82 Billion), Government Capital expenditure (N37.78 Billion) and Government recurrent expenditure (N93.03 Billion) have been quite low. This suggests that on average, over the period of 1981 to 2016, GDP, Total government Education expenditure, Government Capital expenditure, and Government recurrent expenditure have been rather very low. On the contrary, the mean of Primary school enrollment (92.06%), Secondary school enrollment (31.31%), Tertiary school enrollment (6.79%) and population growth have been high relative to their maximum values. Therefore, it is possible that low government spending on education, both total, capital and recurrent expenditure, may have played a role in low economic growth in Nigeria. This is more so important in light of high primary, secondary and tertiary enrollment rates. The Nigeria government will do well to increase spending on education, especially that of capital spending, in rectifying the situation as education spending contributes to economic growth in Nigeria

The descriptive statistics of the dependent variable and independent variables employed in the model estimated are as presented in Table 1 below.

Table 1: Summary Variable Descriptive Statistics

Descriptive Statistics	GDP (Billions of Naira)	Primary School Enrollment Rate (%)	Secondary School Enrolment Rate (%)	Tertiary School Enrolment Rate (%)	Total Government Education Expenditure Funding (Billions of Naira)	Government Capital Education Expenditure funding (Billions of Naira)	Government Recurrent Education Expenditure funding (Billions of Naira)	Population Growth (%)
Mean	16950.89	92.06	31.30	6.78	130.81	37.78	93.02	2.58
Median	4434.23	89.48	31.58	6.03	39.25	8.78	27.36	2.58
Maximum	101489.5	112.81	43.83	11.66	593.84	251.96	390.42	2.71
Minimum	94.33	78.45	17.01	2.30	0.34	0.13	0.16	2.49
Std. Dev.	26939.33	9.51	5.80	3.01	184.27	61.34	126.33	0.06
Skewness	2.08	0.65	-0.24	0.18	1.37	1.93	1.27	0.16
Kurtosis	6.46	2.58	2.79	1.55	3.45	6.01	3.16	1.72
Observations	36	36	36	36	36	36	36	36

Source: Author's computation from Eviews (2018)

The skewness of all variables except that of Secondary school enrollment is positive and the distribution have long right tails. Further GDP, total government education expenditure, government capital education expenditure and government recurrent education expenditure are all peaked in their distributions as their

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Kurtosis are above 3. The kurtosis of all other variables being below three reflect flat distributions.

4.2. Ordinary Least Squares Regression

The results of ordinary least square regression obtained following estimation of our model specified in equation (1) and referring to the examination of total (aggregated) government education expenditure for its impact on economic growth in Nigeria are presented in Table 2 below

Table 2: Ordinary Least Squares Regression Results for Impact of Aggregated Education Funding by

Dependent Variable: Log GDP				
Method: Least Squares				
Sample: 1981 2016				
Included observations: 36				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	13.72551	2.442535	5.619369	0.0000
PSE	-0.016610	0.006820	-2.435406	0.0210
SSE	0.020870	0.018081	1.154243	0.2575
TSE	0.314438	0.073250	4.292656	0.0002
Log TEFUND	0.490067	0.069188	7.083151	0.0000
POPGR	-3.241200	0.855892	-3.786928	0.0007
R-squared	0.984676	Mean dependent var		8.083532
Adjusted R-squared	0.982122	S.D. dependent var		2.260099
S.E. of regression	0.302192	Akaike info criterion		0.595503
Sum squared resid	2.739598	Schwarz criterion		0.859423
Log likelihood	-4.719051	Hannan-Quinn criter.		0.687618
F-statistic	385.5500	Durbin-Watson stat		1.897556
Prob(F-statistic)	0.000000			

Source: Author's computation from Eviews (2018)

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From Table 2, the model has a high R-squared at 0.98. Therefore, the model fits the data well and in particular 98.47% of changes in economic growth as measured by log of Real GDP are due to changes in the respective independent variables. The Durbin Watson of 1.90 reflects the absence of autocorrelation, while the statistically significant F-Statistic of 385.55 indicates that all coefficients of the estimated model are jointly statistically significant. Hence the above model diagnostics reflect a well-specified model which can therefore be interpreted.

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The constant of 13.72 is economic growth when all independent variables are held constant. The constant is statistically significant at the 1% level. Primary school enrolment with a statistically significant coefficient of -0.02 indicates that importance of primary school enrollment for economic growth in Nigeria. However primary school enrolment has a negative impact on economic growth as a unit rise in primary school enrollment will give rise to a 1.66% decline in economic growth in Nigeria. This reflects the challenges of providing adequate infrastructure for Nigeria's population seeking to achieve the basic level of literacy. Overpopulated classrooms, and in adequate staff result in poor quality education delivery which affects adversely Nigeria's economic growth since individuals are not adequately equipped with basic literacy to make a meaningful impact to the Nigeria economy. Secondary school Enrollment with a coefficient of 0.02 is insignificant for economic growth in Nigeria implying that while secondary school enrollment impacts growth, it does not make a meaningful contribution in the contest of Nigeria. Further Tertiary school enrollment has a statistically significant coefficient of 0.31 indicating that tertiary school enrollment makes a significant positive contribution to economic growth in Nigeria. This might be on account of the rise in private tertiary institutions which have arisen to support government efforts to provide tertiary education to Nigeria citizens. This is in realization that tertiary education will ensure high level training of the Nigeria labour force at an advanced level and hence the individuals on graduation from tertiary institutions may be able to contribute to the productive efforts of the economy.

The coefficient of Aggregated Government education funding (TEFUND) of 0.49 is statistically significant at the 1% level. A unit rise in aggregated government education funding will give rise to a 0.49% increase in economic growth in Nigeria. Further the contribution of Aggregated Government education funding is important for economic growth in Nigeria. This reflects the importance of sustained and increased government funding of education in Nigeria as Education while a merit good will ensure increased levels of human capital development in Nigeria and boost Nigeria's economic growth level. Finally, the coefficient of Population growth of -3.24 is statistically significant at the 1% level of statistical significance. A unit increase in population growth results in a decrease in economic growth in Nigeria. The adverse effect of population growth on economic growth is explained by the popularly highlighted adverse effects on an economic of rising population growth rates which include spread of diseases, unemployment, poverty, insufficient infrastructure provision. Nigeria as a country continues to experience challenges on account of its large population and population growth rate.

The results of ordinary least square regression obtained following estimation of our model specified in equation (3) and referring to the examination of disaggregated government education expenditure for its impact on economic growth in Nigeria are presented in Table 3. From the above Table 3 and similar to the results obtained regarding the case of aggregated government expenditure on education in Table 2, the

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R-Squared of 0.98 and statistically significant F-statistic of 407.59 indicates that the model estimated based on the model specified in Equation (3) is valid. Further the Durbin-Watson statistic indicates that the model is free from Autocorrelation. The coefficients of independent variables are all statistically significant except for secondary school enrollment which is insignificant. Thus the statistically significant variables all make significant contributions to economic growth in Nigeria. Further disaggregating government education funding into recurrent and capital expenditure components reveals that both recurrent expenditure on education and capital expenditure on education by the Nigeria government are significant for economic growth of Nigeria with both components contributing significantly and positively in varying degrees to Nigeria's economic growth.

Table 3: Regression Results for Disaggregated government education expenditure

Dependent Variable: Log GDP
Method: Least Squares
Sample: 1981 2016
Included observations: 36

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	15.83162	2.416157	6.552396	0.0000
PSE	-0.021822	0.006423	-3.397303	0.0020
SSE	0.008752	0.015756	0.555469	0.5828
TSE	0.316194	0.066288	4.769985	0.0000
Log CEFUND	0.339418	0.064181	5.288411	0.0000
Log REFUND	0.174129	0.069443	2.507500	0.0180
POPGR	-3.553802	0.832875	-4.266910	0.0002

R-squared	0.988281	Mean dependent var	8.083532
Adjusted R-squared	0.985856	S.D. dependent var	2.260099
S.E. of regression	0.268788	Akaike info criterion	0.382879
Sum squared resid	2.095165	Schwarz criterion	0.690786
Log likelihood	0.108170	Hannan-Quinn criter.	0.490347
F-statistic	407.5977	Durbin-Watson stat	2.438856
Prob(F-statistic)	0.000000		

Source: Author's computation from Eviews (2018)

While government capital expenditure on education (CEFUND) with a coefficient of 0.34 indicates that a unit rise in government capital expenditure on education gives rise to a 0.34 percent increase in Economic

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growth, government recurrent expenditure on education (REFUND) with a coefficient of 0.17 indicates that a unit rise in government recurrent expenditure on education gives rise to a 0.17 percent increase in Economic growth, With regard to the other control variables as well as the constant of the model estimated in Table 3 above, the constant of the model of 15.83 is statistically significant. Primary school enrollment with a statistically significant coefficient of -0.02 indicates that a one-unit increase in primary school enrollment results in a 0.02-unit decrease in Economic growth. Secondary school enrolment (SSE) with a coefficient of 0.01 is statistically insignificant for economic growth in Nigeria. Tertiary school enrollment (TSE) given its coefficient of 0.32 indicates that a unit rise in Tertiary school enrollment results in a 0.32-unit increase in Economic growth in Nigeria. Finally, population growth with a coefficient of -3.56 indicates that a one percentage rise in population growth results in a 3.55 percent decrease in economic growth.

From the above regression results it is evident that government education funding contributes positively and significantly to economic growth in Nigeria. Further when disaggregated into recurrent and capital components, both components of education expenditure contribute positively and significantly to economic growth, although the capital component of government expenditure on education contributes more than the recurrent component of government education funding. The higher contribution of capital expenditure on education by government relative to recurrent expenditure on education is expected since various education infrastructure such as classrooms, teaching equipment for effective education delivery and so on often cost substantially to provide given their long term nature compared to recurrent expenditure which is short term in nature and hence the contribution to economic growth through improving education may be lower. Nonetheless, government education funding in contributing to economic growth may do so through boosting education delivery, equipping students for impact in the economy in their various careers as they are more knowledgeable and better trained due to significant investment in education. While the findings of this study as regards the impact of government education funding is consistent with findings by Eigbiremolen and Anaduaka (2014), Omojimite (2010), Bashir, Herath and Gebremedhin (2012), and Nowak and Dahal (2016), this study goes further to highlight the importance of paying particular attention to the recurrent and capital components of education funding as the two components contribute unequally to economic growth, rather than just examining aggregated education funding (combining both capital and recurrent education expenditures) by the Nigeria government as performed by a vast majority of studies. Therefore, components of education funding of the Nigeria government provide vital aspects of education expenditure that the Nigeria government can zero in on in using expenditure on education to boost economic growth in Nigeria, even as such investment will play a central role in Nigeria's achievement of the desirable high levels of economic growth and consequently sustainable development. While recurrent expenditure on education is important for economic growth of much more importance is investment in capital education expenditure. Inadequate capital expenditure on education by the government in Nigeria is evidenced by poor education delivery whereby classrooms are not conducive for learning for students, and classrooms are often overcrowded.

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Further inadequate teaching equipment and poor design and implementation of education policies owing to inadequate funds by government further contribute to the inability of Nigeria's economic growth to benefit from improved expenditure on education by the Nigeria government. As regards recurrent expenditure on education, poor remuneration for teaching staff, poor welfare for staff, as well as training and poor work conditions contribute to the inability of recurrent expenditure on education by the government to boost economic growth in Nigeria as education delivery remains poor.

5. Conclusion and Recommendation

5.1 Conclusion

This study examined the impact of government education funding on economic growth in Nigeria. The study further explores the relative roles of capital and recurrent expenditure on education of the Nigeria government in contributing to economic growth in Nigeria. The study covered the period of 1981 to 2016 and reveals a positive and significant impact of education funding by the Nigeria government on economic growth in Nigeria in general regardless of whether it is capital or recurrent expenditure. Further capital expenditure on education by the Nigeria government makes a higher contribution to economic growth relative to recurrent expenditure on education by the Nigeria government. The findings highlight the high importance of education as a merit good for the benefit of Nigeria. This is more so in light of low human capital development in developing countries of the world of which Nigeria is one and in light of considerable research arguing the low level of education funding by the Nigeria government which is inadequate for Nigeria's economic growth and development needs.

5.2. Policy Recommendations

The findings of this study as discussed in chapter four give rise to the following policy recommendations.

1. The Nigeria government given the benefit to the economy of education funding should ensure that it allocates a significant proportion of its budget to education, and while the United Nations sets the yardstick at 26% of the government budget for effective funding of education, a higher proportion of the Nigeria government budget is recommended to boost the effectiveness of the Nigeria economy through improved education.
2. The Nigeria government should concentrate funding of education more on capital expenditure on education rather than recurrent expenditure on education given the higher contribution of capital expenditure on education relative to recurrent expenditure on education to Nigeria's economic growth.

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3. Investment in capital education expenditure by the Nigeria government should be made in quality infrastructure for Nigeria's long term economic growth to benefit adequately from capital education investment by the Nigeria government.
4. In increasing spending on recurrent education expenditure in Nigeria, the Nigeria government should ensure that the welfare of teaching staff are adequately addressed so that quality education delivery takes place in Nigeria/s education institutions, as education spending boosts economic growth in Nigeria.
5. The Nigeria government should ensure that wider access to education is promoted for example through free education provision, especially to those in the rural areas in Nigeria who may not be able to access education on account of its present high cost in boosting Nigeria's economic growth contribution of expenditure on education.

5.3 Suggestions for Further Study

This research study in the future may be extended by:

1. Extending expenditure on education to include spending by the private sector in exploring the effect of education expenditure on economic growth.
2. Performing a panel data study for Sub-Sahara African countries on the contribution of education expenditure to economic growth

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PORTRAYING THE PROFILE OF UNEMPLOYED INDIVIDUALS AIMING TO AID THEM RE-ENTER THE LABOR MARKET: AN INSIGHT IN THE GREEK CONTEXT AND LABOR MARKET

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Abstract

The current research aims to examine the phenomenon of unemployment in Western Athens, since several historical, economic and other negative post-war factors contributed to the degradation of the region and the emergence of high unemployment rates.Unemployment in the region has always been a social phenomenon that has led many people to misery. After the economic crisis, and especially over the last ten years, it has multiplied, causing tragic consequences for the daily lives of the inhabitants.

Therefore, it appears that due to the combination of the above factors (Degraded Area, Economic Crisis), unemployment in Western Athens is of particular interest for the purposes of the current study. With the aim to create policies and provide solutions in order to address the problem, it is essential firstly to analyze the profile of the unemployed. In order to achieve this, we will analyze their characteristics, such as the Municipality they belong to, their gender, age, duration of unemployment, educational level and family status. Through this analysis, we will next attempt to identify specific patterns and categorize them and interpret them. Overall the study aims to contribute to the solution of a major economic and social phenomenon and problem at the same time. Based on the study's findings, individuals and employers will be informed as to the current situation. As such, findings will raise awareness, which is considered as a first essential step in order to minimize the phenomenon. In addition, policy makers will be able to rely on the obtained information regarding the unemployed individuals' profiles, patterns and categories and, in turn, to create and implement a portfolio of appropriate policies and programs that will address unemployment and its negative consequences. It is our hope that the study will constitute one of the first studies that will pave the way to aid unemployed reenter the work arena, also providing important theoretical and managerial implications. Although the study regards a particular geographic region and a particular context and point in time, and as such its findings might not be easily generalizable, we still hope it can provide insight as to appropriate efforts towards addressing the aforementioned problem that appears as a threat world-widely and meets no geographic boundaries.

Keywords:

Unemployment, labour market, employment, reintegration, policy

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1 Introduction

Unemployment constitutes a severe economic and social phenomenon with extremely negative consequences that might have disastrous impact on the life of unemployed, their families and the entire societies in which they reside. Besides the increasing percentages of unemployment in local economies and societies, the former seems to have evolved into a problematic issue in the global forum, coupled by the international change of economic bases across the globe. The latter highlights the important dimensions that unemployment has attracted as a phenomenon globally, also attributed to increased competition at the international level, demand for more skilled personnel and higher standards set by firms and organizations in their attempt to outperform competition and build sustainable competitive advantage due to their human capital. (Pao-Long, Chang, Wei-Ling Chen, 2002)

To this end, the current research focuses on the examination of unemployment in Western Athens, in an attempt to portray the profile of unemployed individuals, identify certain patterns and categorize them, in order to next interpret them. The outer aim is to raise awareness with regard to unemployment, highlight the characteristics of unemployed, identify certain skills and abilities they should posses in order to be competitive in the local and international work arena and also shift attention to the design and implementation of appropriate initiatives that will link unemployed with the labor market in an efficient way. Ideally, the study's contribution will be to resolve a major economic and social phenomenon by creating more detailed profiles of unemployed in order for the policy makers to create and implement a portfolio of appropriate programs that will address unemployment and its negative consequences.

This research is an attempt to analyze the data of the unemployed in Western Athens with a view to helping them reintegrate into the labor market. The research method consists, in principle, in obtaining relevant data for the unemployed, by organizations that manage their collection and processing such as OAED, ELSTAT, EIEAD, ASDA, EBEA, and the OOSA.

The unemployed of Western Athens will then be divided in different categories. Appropriate descriptive statistics will be calculated and tables and charts will be created and used in order to identify any existing patterns of unemployment. The different characteristics of the unemployed, i.e. Municipality of origin, age, gender, educational level, family status and duration of unemployment, will be assessed as to the degree of correlation and significant impact to the level of unemployment rate.

By their turn, the administrations of the Municipalities of Western Athens, will be able to develop better policies to address the problems of unemployment, whether for the whole of Western Athens or for each Municipality individually.

The empirical part of the present research presents thoroughly the profile of the unemployed in Western Athens. Certain patterns were identified concerning the variables available (municipality, gender etc.). The extremely high level of analysis (by two and by three variables) allows the audience to compare the unemployed in any possible way and deduct conclusions about the specific characteristics of the individuals.

The most important factors affecting unemployment proved to be the education level and gender. More

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specifically, individuals of primary and secondary education have significantly larger rates and also duration of unemployment. The numbers of unemployed women are also larger than men and that goes for almost any subcategory and combination of characteristic that was assessed. The younger unemployed find jobs easier and do not remain unemployed for a long time whereas older unemployed people are driven to long-term unemployment. Finally, region is a decisive factor for unemployment. Western Athens as a total experiences higher unemployment rates historically but specific municipalities such as Agia Varvara seem to face the most acute problems.

The first constraint that we encountered stems from legislation. The data of the unemployed are sensitive personal information. Legislation prohibits the publication of statistical surveys for the unemployed, when the results refer to numbers of unemployed under ten.

In addition to this limitation, a second one regards the type of data and the ability to give us further insight into the study. That is, we have noticed that there is a complete lack of data that has to do with the progress of the unemployed from unemployment to work. There is not, for example, data available on who found work, what were the characteristics of the unemployed who found work, if they have attended any educational or vocational training programs before finding a job, if those programs helped them to find a job, if the job they found was the same as the one they were looking for, which of the factors we are examining in this research helped them to find a job or which factors are blocking them and why, etc.

Literature in unemployment demonstrates that unemployment is affected by the economic cycle and macro-economic variables but the special characteristics of the individual also play an important role. People with wider education and flexibility tend to hold on to their jobs and even if they find themselves unemployed, tend to stay unemployed for a shorter period. The region of residence is also an important factor, since most people are reluctant of moving away (especially far away) from what they consider as their home place.

The research methodology used includes descriptive statistics, cross tabulations and correlation analysis. Data were analyzed using Excel functions since the available information regarded the total population of unemployed in Western Athens. Findings demonstrate that Agia Varvara and Aigaleo are by far the most degraded areas in Western Athens, which in turn is a degraded region of Greece. Women and less educated people suffer from high unemployment rates and tend to stay unemployed for a longer period.

Overall the contribution of this study is threefold because it addresses a very important issue for the Greek economy and society. First, it portrays the accurate profile of the population of unemployed in Western Athens. The information provided comes from the official sources and it covers every single unemployed individual currently. Second, the empirical study offers an enormous amount of information that can, should and will be used by official policy makers to attend the problem of tackling unemployment. Third, from a managerial point of view it informs managers the characteristics of the unemployed in the relevant regions allowing them to draw conclusions regarding the quality of human capital.

From a policy making point of view, it shifts attention to the most appropriate ways of designing training

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and educational programs particularly addressed to the needs of such population in order to aid unemployed reenter the work arena in the most efficient way.

The rest of this section is organized as follows. Chapter 2 includes a thorough literature review and definitions of the relevant variables. Chapter 3 provides a historical review of the evolution of unemployment in Western Athens and its economic disposition. Chapter 4 describes the methodology of the research performed in the empirical part and in Chapter 5 the results of the analysis are presented. Chapter 6 includes a discussion of the most important findings of the statistical analysis. Chapter 7 assesses the theoretical and managerial implications of the study and in the next chapter the main limitations of the research are outlined. Finally, in Chapter 9 the overall conclusions are presented and the results of the empirical study are assessed with respect to the relevant theory.

2 Literature Review

Many important social phenomena, political changes, economic developments and technological achievements are considered factors that have influenced the productive process and its automation over the last decades, increasing unemployment by that way.

On the other hand, unemployment is not only a problem of the economic cycle and technological change, but a more general structural problem, inherent in the structure of the productive system itself. The globalization of the economy and the search of a new model of organization of the production process are inherited as the main cause of unemployment and an increase in the number of socially excluded. (Chletsos, 1998).

Irrespective of the responsibility of the above factors, the emergence of unemployment as a phenomenon and as a modern problem, unemployment has always been at the center of the interest of societies, which have never ceased to seek ways to deal with it.

Historically, societies have gone through various stages of development, characterized mainly by the significant technological changes of their time. These technological changes have transformed the process of producing goods literally. This change, however, has in turn resulted in the shaping-down of the needs for working hands.

Such stages, important for the evolution of mankind and forms of labor, were the agricultural era and the transition to the industrial revolution, the organization of the post-industrial era, as well as the globalization of the economy, with IT and communications playing a leading role, since all societies were slowly adopting other employment patterns, based on production automation and knowledge.

New professions appeared, requiring most of the time highly qualified staff. Many working hands were replaced by machines incorporating all new technologies. This not only resulted in the creation of unemployed, as multi-stage production was automated, but it also created additional fear of greater and more massive unemployment. All these developments awakened societies, who realized that they must now deal with the problem of unemployment.

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To date, governments are challenged and asked to formulate and implement policies, either to a lesser or to a greater extent, to help their unemployed people reintegrate into the labor market.

In the context of creating policies and solutions to tackle unemployment in Western Athens, it is necessary to analyze the unemployed profile as a first step. In order to outline the profile of the unemployed in Western Athens, we will attempt an analysis based on their demographic characteristics, such as gender, age, educational level, marital status, etc. We will then try to propose solutions to the phenomenon of unemployment through the formulation and implementation of appropriate policies.

Before attempting this, however, we will start from a theoretical approach of the labor market and the different types of unemployment, as our proposals for coping policies will be linked to this theoretical framework.

2.1 Theories for labor market and unemployment

There are three core interpretations and economic strategy approaches to unemployment. The first is the classical approach according to which the rigidities in the labor market are responsible for the presence of unemployment. The second is the Keynesian approach according to which the market often fails to create adequate effective demand for the full employment of labor. Finally, the third is the Marxist theory approach according to which employment or unemployment are depended on the capital accumulation (Katrakilidis and Tsaliki, 2008).

2.1.1 The Classical Theory

According to Classical theory, the labor market is working in conjunction with labor supply and demand, people are completely free to choose their working conditions, and the unemployment problem is solved with the least possible intervention on the part of the state.

Theory argues that unemployment is voluntary and is more likely to be linked to a person's desire to work than the availability of jobs. It also argues that when people are not willing to work, with the labor market's freely formed pay, then we have the case of voluntary unemployment.

It advocates that there can be no under employment in the labor market, if competition between companies offering jobs and between workers seeking jobs in labor market's is seamlessly and freely.

The way in which classics believe that free competition will lead to a full-time job is through the flexibility of wages. In other words, they think that there is a direct link between a reduction in wages and an increase in employment .(Lianos and Benos, 2013).

The neoclassical view of the labor market attempts to explain how the balance of salary and the quantity of work sought and offered are determined. It considers that the labor market works like any other market in which the commodity is the work of exchange. The existence of perfect competition in the labor market is a basic hypothesis of neoclassical theory. The way to export total demand and labor supply is

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the same as how to export the total demand and supply of any other product.

Neoclassicists claim that there is no involuntary unemployment in the long run, i.e. an unemployed person who wants to work but cannot. According to their view, there is only voluntary unemployment, either in a state of equilibrium or in a state of imbalance. At the point of balance, there is no unintended unemployment, as the labor force chooses to leave the labor market, because it does not want to work for this salary level (Dedousopoulos, 2009)

Further, they consider that the workers are responsible for the failure of the salary's balance with the quantity of labor offered, because workers are claiming through trade unions and are getting higher wages for themselves. Because, therefore, the total amount of wages in a country is stable, when some or all wages increase, the result is that money are not enough for all employees and thus unemployment is showing up. At this point, the fans of the neoclassical school believe that the state must solve the problem of unemployment, and thus they recommend to the state various measures.

Nevertheless, the Neoclassical Theory has not been able to explain the protracted unemployment observed in the 1970s and especially in the 1980s. It was unable to interpret why the market did not work in such a way, so that demand is equated with labor supply and the perfect competition's model be verified.

2.1.2 The Keynesian Theory

Keynesian theory rejects the dominant theory that unemployment in capitalism is voluntary. In particular, following the profound crisis of 1929, admits that unemployment is basically involuntary and that a person is involuntarily unemployed when, although he accepts working at a lower than current actual salary, he does not find employment.

It rejects the classic claim that wage cuts will bring full employment. The role of technology in changing production and productivity of the workforce is crucial in Keynesian theory. Keynes believes that although unemployment cannot be avoided in an economy, it can be cured.

According to his view, two factors, consumer demand and investment demand, are the constituents of active demand, which he identifies with national income and examines them more closely.He believes that people consume their incomes (consumer demand), to a lesser extent than the one that increase them.At the same time, it explains the reduced investment demand due to high interest rates. When they are high, then those who have money prefer to save them rather than make investments. However, due to insufficient active demand, unemployment is created as no new jobs are created.

It is also proposed as measures to resolve the unemployment problem, with regulatory intervention by the state, lowering the interest rate, reducing tax and increasing the rate of profit, increasing investment, developing production and imposing "controlled inflation" i.e. an increase in nominal wages with a smaller percentage than the rise in inflation (Keynes, 1936).

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2.1.3 The Marxist Theory

The radical approach to unemployment focuses on the factors that attract and remove the labor force from the labor market. It considers the accumulation of capital as the predominant factor in labor market developments. Exploring the determinants of employment and unemployment is particularly important for radical theory. The rise in unemployment can come either from an increase in the labor force with a stable level of employment or from falling employment with a stable level of work (Chletsos, 1998).

According to Marxist theory, which contradicts Neoclassical Theory, capitalists are increasingly trying to create surplus value by maximizing profits. Thus, they leave the workers unpaid, they increase the degree of exploitation, they reduce their employees' wages, and they intensify labor and use of means' production to ensure profit maximization to the detriment of employees.

The result of reduced wages is that workers do not have purchasing power. The lack of purchasing power creates a products' liquidation problem in turn, increases the gap between workers and employers and thus increases unemployment.

From the above theories about labor markets and their responsibility for unemployment, we conclude that employment structures are changing. Technological development, particularly in areas such as information technology, production automation and globalization, will also contribute to the organization of new forms of the economy and production processes.

2.2 Definitions of Unemployed

Let us start, however, from how unemployment is defined and what are its forms, who is considered unemployed and what the social consequences are for unemployed. In the application of the international definition adopted by the International Labor Organization (ILO) in 1982, an unemployed person is a person of working age (15 or over) who meets three conditions simultaneously:

- Being without employment, meaning having not worked for at least one hour during the reference week;
- Being available to take up employment within two weeks;
- Having actively looked for a job in the previous month or having found one starting within the next three months.

Education and training are seen as a means of improving employability, but they are not job search methods. Unemployed people who are in education or training are considered to be unemployed only if they are 'available for work' and 'seeking work'.

The definition of the unemployed by Greek law is as follows: Article 16 par. 2961/1954 states that "An unemployed person is considered to be the person who, after the termination of the employment relationship, has found no new or dependent employment". In this case, it is attempted to identify those who are entitled to unemployment benefit. There is, therefore, no provision for people who have not yet

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worked or for those who voluntarily leave their jobs for various reasons.

Pursuant to Law 1545/1985, the OAED was entrusted with the implementation and operation of the national unemployment protection system in order to protect the unemployed against the consequences of unemployment. Pursuant to the same law, which laid down the conditions for taking, the duration and the amount of the allowance, Article 3 provided for the definition of the unemployed:

"An unemployed person is considered to be the one who, after termination or termination of his employment relationship, seeks employment, agrees to work in a job offered to him by the competent departments of OAED. in his / her broader professional sector, or accepts to pursue vocational training or retraining programs and generally benefits from any possibility of employment. "

According to the same law, Article 3 paragraph 2, are not considered unemployed:

(a) Those employed or engaged in any liberal or other occupation, or who are entrepreneurs, or their main occupation, are agricultural, forestry or livestock operations other than those subject to IKA insurance,

(b) The spouse or children employed in the undertaking or business of the spouse, father or mother,

(c) Apprentices of vocational schools or those practicing within a vocational training program without employment relationship,

(d) Those who are retired by the State or by any pension fund of a primary or ancillary insurance of an amount equal to or higher than the one-time lower retirement age paid by the Social Insurance Institution (IKA) to insured persons with the exception of those receive a death pension.

*** Case d 'was replaced as above by paragraph 6 of Article 1 of Law 3227/2004 (Government Gazette A 31)

(e) Those serving in the armed forces,

(f) Those serving custodial sentences or subjected to security measures or criminal correction through reformatory or therapeutic measures in prisons or reformist or therapeutic establishments.

Apart from the definitions of the unemployed under the law, many definitions of unemployment have been said from time to time by various economic scientists. According to (Agapitos 2004), unemployment is an economic and social phenomenon where there is an excessive supply of labor, i.e. the demand for labor is less than its supply. According to the general definitions of macroeconomic theory, unemployment is the situation of a person who, while being able, willing and available to work, cannot find work.

For a better understanding of unemployment, it is important to distinguish the population from being economically active and economically inactive.

The economically active population of a country is essentially the labor force of the country and consists of those people who have work and those who are able to work, have declared they want and are available to work (Begg, D., Fischer, S., Dornbusch, R., 1998).

Furthermore, the workforce is divided into two categories, to those who work and are called employees

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and to those who do not work and are called unemployed. Therefore, the workforce is the sum of the employed and the unemployed and includes the people who can and want to work (Lianos, Papavassiliou, Hatziandreou, 2011).

The economically inactive population of a country is made up of those people who cannot work or do not want to work while they can find work. Individuals who cannot work for a variety of reasons, such as health or age (elderly, young children), or military duty, are not part of the workforce (Lianos, Papavassiliou, Hatziandreou, 2011).

In the international economic literature there is also the term "inertia", which is in contrast to the term unemployment. Since being inactive is someone who does not want to work, he belongs to the economically inactive population. Consequently, there are some people who are inactive and unemployed because they have left the job search. The unemployed are different from the inactive who have either never looked for a job or have quit the search (Petriniotis, 1989).Consequently, the definition of the economically active population is based on two definitions: the definition of employment and that of unemployment.The term employment, as used in economic science, refers in the narrowest sense to individuals rather than to the other productive factors of the economy, such as buildings, machines, etc. Employees are those who work either in paid employment or as self-employed. The remaining people in the workforce who are readily available for employment and who have stated that they wish to work by undertaking specific actions but who cannot find employment for remuneration, with their professional skills and skills, are described as unemployed (Dedousopoulos, 2000).

The most complete, in our view, is the definition according to which "an unemployed person is inadvertently unemployed when he is willing to work in a job for which he / she has the appropriate qualifications and with the current salary or even lower butcannot find such a job" (Dedousopoulos, 2000).

The last definition helps us to answer questions that can be created in the labor market, as why cannot any type of work be covered by any potential unemployed? Based on this definition, we believe that we can answer the question more substantiated, since any job, presented as a market opportunity, requires the relevant skills, education, etc.

2.3 Types of Unemployment

Unemployment, as has already been mentioned, is the absence of a job without the will of the individual, similar to his qualifications and skills. The classification of unemployment has been attempted with several criteria. Four groups of criteria for the classification of unemployment can be distinguished, i.e., according to the causes, the time (short, long term), the demographic characteristics of the unemployed (Gender, educational level, Marital status, work, etc.), policies that deal with it.

According to the causes of it, the main types of unemployment are: (Dedousopoulos, 2000)

- Cyclical unemployment or otherwise unemployment due to insufficient demand: This type of

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unemployment is affected by the economic or business cycle. It is unemployment due to reduced demand for products and services. It is the result of slowing growth in times of economic recession, resulting in the workforce absorption's inability and hence the increase in unemployment. Instead, in periods of economic growth, the result is a fall in unemployment.

- Unemployment due to friction due to change in the work environment: "Friction unemployment is due to the time a worker moves from one job to another. Therefore, at any point in time there will be a number of unemployed, whose unemployment is due to the fact that the abandonment of one job and the finding of the next day is not blinking. Consequently, the cause of friction unemployment is the result of labor market adaptation imperfections and, in particular, the lack of automatic labor mobility "(Hughes, 1975). Those who are unemployed because of the above reasons do not immediately accept any job but are looking for some time for jobs that meet their qualifications according to their professional experience. In the time they remain unemployed and until they can find what they are looking for, friction unemployment is caused. It is therefore conceivable that unemployed people who face unemployment are the unemployed for whom there are corresponding jobs(Hughes, 1975).
- Seasonal unemployment due to the seasonal nature of certain professions. It is well known that many sectors, such as the farmer and the tourist, are intensifying their work at specific intervals within the year. B.C. in the tourist industry there is labor intensity, mainly in islands and coastal areas, about six to eight months each year. The rest of the time, most businesses close, until it comes next year. Something similar is also the case with agricultural production, where there is labor intensity when the land is cultivated and the products harvested. These changes in labor or production are accompanied by corresponding changes in the employment of labor and consequently by changes in work and unemployment when the seasonal nature of their employment ends. This unemployment is called seasonal. Typical of seasonal unemployment is that it is repeated every year and is temporary and of relatively short duration.
- Structural unemployment is the one created by structural changes that technology usually causes in the economy. It happens when technological change, or the intensity of international competition, destroys jobs, while new jobs require different qualifications, or moving the workforce to other geographic areas. A job does not fit into any unemployed person, regardless of the desire to work. This is more understandable if we take into account the specialization required for most jobs. Structural unemployment is due to the lack of correlation between labor skills demanded by employers and the skills available to the unemployed for recruitment. Because there is a weakness on the part of the unemployed to fill vacancies, due to a mismatch between qualifications and demands, structural unemployment is created. The rapid evolution of recent years has brought about a significant change in production methods, which entails a structural imbalance between supply and demand for labor, which results in some kind of work being sought, while supply is unable to offer such skills, and demand for other types of work is reduced. This structural form of unemployment can occur not only between different professions but also in regions of a country when a certain category of workers with skills that cannot be moved from other areas is being asked. This mismatch, between

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jobs and skills of the unemployed, is called structural unemployment (Dedousopoulos, 2000).

2.4 Consequences of unemployment and countermeasures

2.4.1 Consequences of unemployment

Unemployment, in one way or another, is undoubtedly one of the most complex social problems. Its consequences are many for the unemployed and for society.

The unemployed live in their family environment and not far from it. They continue to exist as an integral part of society within it. It is therefore natural that the effects of unemployment will also affect the family and the social environment.Of course, the way unemployed people experience unemployment can be different from others. This is because not all the unemployed have the same support from their environment.

The growing problem of unemployment among Greek society and the other countries of the European Union, according to official studies and data, seem to be indisputable and tend to evolve into an epidemic disaster. (Bournakis, Christopoulos, 2017).But let's look at the consequences of unemployment on society and on the unemployed as such.The first economic problem is the Macro-economic problem. We have previously analyzed the various labor market theories (Classical, Keynesian, Neoclassical and Marxist).Unless we now exclude Marxist theory, the decisive common factor in solving the problems of unemployment, according to the perceptions of the above theories, is to achieve greater flexibility in the labor market, with the ultimate aim of establishing perfect competition.

We have noticed differences between them, especially as regards the causes of unemployment. In one thing, however, all these theories seem to agree with each other. The greater the number of unemployed is, the less the output for the national economy.Units, i.e. goods and services not generated due to unemployment and lost and not made available to society, are translated into a number of workers who cannot be employed in the labor market and produce because of unemployment.

Another issue, which concerns mainly the long-term unemployed and has the characteristics of the social phenomenon, is the creation of social problems. In many cases, long-term unemployed people who are particularly disappointed about the possibility of finding a job, in their endeavor to survive, are involved in illegal activities (criminality), with all the consequences this may mean for themselves and for society (Apergis, 2005).

All people are entitled to have and have dreams and aspirations for their lives. They rely on their professional rehabilitation, development, and affirmation within a social environment, especially when they start their professional career and try to enter the workplace. We can imagine how extremely frustrating and painful they are to experience an abnormal landing, different from what they did and believe in all their lives and are now confronted with social exclusion and marginalization. When one is unduly deprived of his self-evident rights to work and opportunities to choose and participate in social development, then a more general negative course begins, described from all that has been mentioned

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before and will be mentioned later on.

Equally regrettable is the situation that can be found for unemployed people approaching retirement age. In times of economic crisis, older people, for economic and business reasons or other reasons, are driven to unemployment, which at this age is not excessive to say that it is equivalent to "death." The painful in this case, compared with young people, is that older people do not have the same opportunities, as young people have, for reintegration into the labor market for many reasons. They have the strength to try to redefine (retraining, vocational training, new potential employment) to such an extent that they become competitive for the possible new jobs to find. The business environment, after decades, has become more demanding and tough and most of the time entrepreneurs prefer to hire young people.

It is now known to all that long-term unemployment is considered a major cause of poverty, alcoholism, drug addiction, family break-up. The problems that it causes can be diverse and appear, depending on the case of the unemployed, as economic, psychological, social, educational, family etc.It usually leads the unemployed to indifference about everything that is happening around them, their intense negative attitudes, poverty, loss of self-confidence and self-respect, and especially the abandonment of any attempts to acquire new skills and newer general knowledge through retraining to be prepared, for reintegration into the labor market, when opportunities will emerge again. Another problem caused by unemployment, has to do with the ways of dealing with it, which are attempted by the state. When the state chooses to tackle unemployment, with a series of passive policy measures, it results in a burden on the state budget. This is because the backbone of passive policy is usually a benefit policy.

But when such policies are chosen, not only is the loss of productive power due to unemployment, not only are there any negative social consequences for both the unemployed and the state, which we have mentioned above, but also the state is financially burdened. This, of course, also applies to active policies to tackle unemployment, but then the rationale is the gradual reintegration of the unemployed into the labor market, as will be discussed later, and not their continued maintenance in unemployment with benefits such as passive policies.

In order to deal with all of the above, it must be realized first of all that there is a complex problem ahead of us. Parameters emerging many times may also be directly correlated with the case of each unemployed individually and therefore need special treatment. This is something that will concern us in the next section.

2.4.2 Measures to tackle unemployment

Many and various measures against unemployment have been proposed, adopted and implemented by governments with various outcomes. Combating unemployment must be at the forefront of society's goals if we want to reduce at least, if not eliminate, the problems created by them, because of the phenomenon of unemployment and the proliferation of the unemployed.

So far, states have implemented various policies to tackle unemployment, with passive social policy and active politics having almost all of the treatment. The most common is to apply a mixture of the two

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above policies, with the most recent shift towards active policy programs.Passive treatment programs mainly concern welfare measures towards weaker groups in the form of benefits and other forms of assistance. Active response programs mainly concern efforts to support the reintegration of the unemployed into the labor market.The above programs must be structured so as to address all those complex parameters that affect each unemployed person separately and to provide solutions that suit him according to his age, type of unemployment, his / her family status, its educational level, the sector that seeks to find work, the economic conditions of the sector that is interested in finding a job, the general economic conditions, etc.

With the evolution of society and a better understanding of the phenomenon of unemployment, we are slowly finding that measures against unemployment must be lasting and, above all, preventive, so that we do not come to the point of dealing only with all of the aforementioned unpleasant consequences. States must be educated from the past and learn to recognize those situations that will create unemployment and take as much as possible, as far as possible, all the necessary measures to avoid them. Until this is possible, let us take a look at what is being done today to tackle unemployment.

According to the views of classical theory, the market must be left free to find its balance, and of course, if it is to apply to unemployment, it will also be eliminated through the interacting forces of the market. In contrast to classical theory, Keynesian theory believes there must be corrective and targeted state interference at the wider political and economic level.The measures that a government can take, according to neoliberal views, to combat unemployment, should aim to increase labor market flexibility, increase aggregate demand through fiscal and monetary measures and increase vocational training workforce (Diaconu et al.,2015).It is commonly accepted, in all theories, that education is the cornerstone of reducing and avoiding unemployment. We are in a knowledge-based society. Many professions are lost and others are being restructured because of the new technologies that are flooded with great speed at the time. So, any solutions can only go through modern education that has to do with the use of information and communication technologies and the continuous investment in human capital and research and development.

The education system in each country, and in particular the part of vocational training and higher education, when adapted to needs and specially to labor market prospects, can provide effective solutions to tackling structural unemployment. In order to be able to achieve this, it must constantly ensure that it maintains substantial links with production, in particular with planned and projected production. The problem recognized and attempted to resolve concerns the gap between employers' expectations for knowledge from graduates and the actual knowledge provided by universities and various educational institutions to graduates today. (Diaconu et al.,2015).

It is now time for educational programs to be drawn up, taking into account the skills that employers consider important for the job. It is important to realize that the knowledge and abilities of graduates must be able to add value to the development of a country through its production structure. (Jackson, 2008)

Social policy, as it is applied by a state that wants to be called a welfare state, must naturally be a priority to tackle the suffering of unemployment so as to bring about the desired results at least until the

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unemployed is able to reintegrate. Whether or not the unemployed person is in this position because of structural or frictional unemployment will, by definition, deal with the impact for a time, and this requires multilevel support from society.

This support should be provided at the same time in all forms. On the one hand, he must be provided with all the financial resources necessary to survive until he / she is reintegrated into the labor market while at the same time receiving psychological, counseling support and monitoring during his / her preparation for a return to the labor market and on the other hand having the necessary education, so that it can become competitive again in the new forms of work that appear and claim it. Active labor market policies have been a key factor in shaping labor market policy and in Greece over the last fifteen years. The main, if not exclusive, public service for the formulation and implementation of these policies is the OAED, under the supervision of the Ministry of Employment and Social Protection.

Along with the subsidy policies for the unemployed in recent years, there is a strong shift towards labor subsidy policies. This means that employers are subsidized when they create and offer jobs. In this way, incentives are sometimes given to employers to hire workers, who also come from special groups of unemployed.

In the last ten years, i.e. within the period of the memorandums, they have been strongly promoted as measures to tackle unemployment, measures that, in the neo-liberal terms, improve the external flexibility of labor relations-contracts involving dismissals, temporary forms of employment, reduction of labor costs, measures that take only the employer's perspective but do not count the employee as a person who has financial and psychological needs for his survival and the preservation of his family. Corresponding positions are also described in the White Paper, a series of proposals on growth, competitiveness and employment.This is by no means accepted by the GSEE's Labor Unemployment Fiscal Philosophy, which argues that the primary objectives should be to adapt economic and social policy in line with the demands of the economy and the society in general. GSEE considers that any investment, whether public or private, should be based on the human right to work and the collective good. It does not accept the labor cost reduction policy, because it also undermines workers and the health of labor relations. (www.inegsee.gr). In order to achieve this, GSEE seeks, through the accumulated scientific, research, educational and training experience it has gained in its two decades of operation, to understand in depth - after the economic crisis and recession - the diversity of the international, European and of the Greek economy, in the direction of correspondence with the documentation and formulation of policy proposals adapted to the new needs of reconstruction of the Greek economy, employment and reconstruction of the social state as well as the demands of the trade union movementUntil the 1980s, active employment policies were only marginal to the organization of political intervention in Greece. Only short-term programs and border programs were designed to improve the geographical mobility of labor - mainly to address the seasonal needs of agricultural production.Throughout the country, on a smaller or larger scale, actions have been put in place to tackle the phenomenon of unemployment, which shows that they are taking the study of the phenomenon very seriously, aiming at better treatment. Either nationally or locally, annual studies are produced on action plans to diagnose labor market needs. Thus, every year a corresponding

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countrywide study is issued by the Ministry of Labor, Social Security and Social Solidarity, OAED, INE-GSEE and other institutes for unemployment, human resources and labor relations such as the EIEAD.

The Regions respectively develop smaller-scale studies on their population and administrative boundaries.

Finally, all of the above are also developing Unemployment Observatories, and Economic and Social Observatories, i.e. research, action and meeting points and creative dialogue between a large number of researchers, aiming at highlighting the dimensions of modern economic and social problems.

This is an attempt to capture policies that can make a substantial contribution to solving the important problems that the world of work in Greece is experiencing in the current period.

2.5 Factors affecting Unemployment

The unprecedented heights of unemployment that were the results of the recent financial crisis inspired a number of studies regarding the factors that affect the unemployment rate. In a relatively recent study of 2014 conducted for the European commission (Arpaia et al., 2014) many factors have found to have an impact on the unemployment rate of the EU countries in general and Greece in particular. More specifically, the job matching process became less efficient during crisis while at the same time the rate of loss of jobs became higher. There is also a smaller degree of concordance between skill composition of labor demand and supply.

The present research attempts to analyze and assess the factors that affect unemployment in Western Athens. During this process, we will try to identify possible patterns that could be used to generalize our conclusions on the rates of unemployment in specific categories. For this reason, it is important primarily to identify those factors, on the basis of which we could recognize the patterns.

In the Greek and international literature there are many different factors that potentially affect unemployment and have been researched. The macroeconomic influence and the economical cycle have been identified as the basic causes that boost unemployment of course, but there are also other factors that are equally important, especially in local level. Some of the most common factors that have been already evaluated are examined in the following paragraphs.

2.5.1 Regional impact

Unemployment rates are not the same across all countries. They are not the same even across different regions of the same country or even prefecture. Western Athens is one of those areas that have been historically neglected and underdeveloped. But even within the geographical boundaries of Western Athens there are important differences among the several municipalities. This regional dispersion of unemployment is one of the factors that will be of interest.

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Regional dispersion for unemployment in Greece is at historical low levels while unemployment is at historical high levels, which is a common factor for all EU countries facing extremely high unemployment rates (Arpaia et al., 2014). This is due to the fact that not every region of the country is affected in the same way by the crisis. According to (Monastiriotis and Martelli, 2013), the fall in effective demand in Greece has been largest in the main metropolitan regions and the north and north-western periphery. Adjustment has been strong in some areas (e.g., Athens) but, overall, adjustment processes (such as bumping-down and changes in the mix of workforce characteristics) have been weak. The crisis has nullified the improvements in labor market performance registered since the country's entry into the Euro zone, hitting especially those regions that benefitted most from the latter. In addition, rural regions seem to be more resistant to recessionary shocks than urban regions (Giannakis and Bruggeman, 2015).

Regional characteristics are very important in order to fully comprehend the sources of unemployment. The differences among regions are the main drives behind the creation of inequalities in every aspect of the economy. The European Union collects an enormous amount of data concerning the different countries and regions in the Union and regularly performs researches on the subject.

2.5.2 Age factor

An important determinant of unemployment is the age also. Every age group has its own problems in re-entering the labor market, with most problems being concentrated in older age groups, especially those approaching retirement age. The unemployed aged 55 years and over are very difficult to reintegrate into the labor market for two main reasons. Firstly, employers do not prefer to hire these age classes. Secondly, it is not easy to retrain this category of the unemployed. Retraining has a substance when the unemployed person already has a high level of education or good specialization. In that case, when unemployed will be re-educated will become competitive to fill new jobs which will be created in the future. However, it is a problem for an unemployed person and be re-educated at an old age and to have to wait then for a job that will fit him. For this reason, especially in Greece, the age group with people aged 55 and over has been hit by the crisis. (EIEAD, 2017).

Financial crises have also an impact on the youth unemployment rate that goes beyond the impact resulting from GDP changes. Moreover, the effect on the youth unemployment is greater than the effect on overall unemployment (Chouhdry et al., 2012). Youth unemployment is generally considered an important issue in the EU as well, since the younger generations include highly educated and specialized personnel that could be very efficient in any part of the market but are forced to choose mainly part time jobs with low compensations. However, especially in Greece the age group with the people in the 55 or over, has been hit harshly by the crisis. (EIEAD, 2017).

From all of the above we understand that the age factor is one of the most important and should also be included in the analysis of unemployment.

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2.5.3 Duration of unemployment

In the Greek and international literature the duration of unemployment is usually divided in two categories, short term, which is unemployment up to one year, and long term, which is unemployment of over a year. There are also other, more detailed categorizations but this is the most frequently used by official sources such as OECD, Eurostat and ELSTAT.

Particular attention must be paid to the duration of unemployment as a determining factor in creating problems for the reintegration of the unemployed into the labor market. Many researches aim at explaining the sources of the persistent long term unemployment. Long term unemployment is positively correlated to the worsened macroeconomic environment, the overall tax burden on labor and the inflexibility of labor (Hanclova et al., 2012). It is also related to the decrease of output in an economy (Zonzilos 2000 and Christopoulos 2004) and therefore the increase over the last decade can be attributed to the financial crisis and its effects on the Greek economy.

2.5.4 Educational level

The education system in each country, and in particular the part of vocational training and higher education, when adapted to needs and specially to labor market prospects, can provide effective solutions to tackling structural unemployment. In many cases there is a gap between employers' expectations for knowledge from graduates and the actual knowledge provided by universities and various educational institutions to graduates today (Jackson 2008, Diaconu et al., 2015).

There is also a clear and distinct inverse relationship between education level and unemployment. Low educational levels indicate that the person is more likely to be unemployed or outside the labor force (Livanos 2010, Merwe 2016, EIEAD 2017).

2.5.5 Gender

There are many articles, surveys and researches concerning gender equality in the work field. Even though many steps have been made to raise the profile of equality there is still a large difference in both compensations and employment rates. However, crises seem to have a slightly different effect on gender unemployment. According to Villa and Smith (2009), in times of economic recession there is a particular increase in unemployment for the gender, which had the highest employment rate in the sector hit by the crisis, before the crisis started.

Specifically in Greece, female unemployment increased less than male unemployment mainly because the present crisis hit various branches of the economy unevenly. Some sectors like constructional for example are male dominated and have been hit by the crisis more heavily (Mavroudeas 2015).

Although the male-dominated industries are responsible to the greatest extent possible for the sharp decline in employment, the mixed sexes and women dominated industries suffer the most damage in

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terms of job losses as the recession progressed. The prolonged recession, further fueled by heavy economic measures, canceled the positive role played by the tertiary sector in the employment of women in earlier economic times and over turned the long-term upward trend in the employment rate of women that began in the early 1980s.(Karamessini 2012).

2.5.6 Family status

The family status of a person is an important factor that affects his/her business life. Unmarried people are freer to change professions, relocate and experiment in different branches of the economy, while as married, divorced/separated or widowed people are less flexible. Family (or marital) status is usually included in all relevant to unemployment or employment studies (Rodokanakis, 2012, Daouli et al. 2015) exactly because it affects the decision making of the individual.

2.6 Research questions

From the above findings of the relevant literature we conclude that the demographics of a certain group of people, as well as the region in which they reside, can significantly affect the unemployment rate and the characteristics of the typical unemployed person of the region. Therefore, it is of great importance to identify the specialized characteristics of the unemployed of Western Athens in order to assist the policy makers in providing appropriate measures to tackle unemployment.

The literature review revealed that there is a large part of the excess unemployment that appeared during the recent financial crisis that is not explained by the structural unemployment and it is related to the economical downturn. This is a cyclical / Keynesian type of unemployment and in the light of this theory the research will be conducted.

Based on the above discussion the aim of the present research is to answer the following research questions:

- What is the profile of the unemployed in Western Athens?
- Are there any specific unemployment patterns that can be identified in order to better comprehend and eventually confront the unemployment problem?

In order to answer the above questions, extensive descriptive statistics will be used as well as an analysis of the degree of correlation among variables.

3 Entrepreneurship and Unemployment in Western Athens

3.1 The Historical Evolution of Western Athens Region

Western Athens comprises by 7 Municipalities (Agioi Anargyroi-Kamatero, Petroupoli, Ilion, Peristeri, Aigaleo, Agia Varvara and Haidari).

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Before and after the war and during the period of internal migration, it was a cheap place to live. As a result, the region attracted a lot of popular strata of people that came there, on the one hand, in order to find work in the various manufacturing and industrial units, that were built in the area of Kifissos river and on the other hand with the purpose of finding a home. It was built mainly by the process of arbitrary building, without any urban planning, resulting in the formation of an image of severe degradation.

During the 1980s, efforts were made to upgrade the area by local governments, with the building of many infrastructure and reconstruction projects. However, due to the transfer of industrial units outside the urban fabric (PD 1980), many jobs have been lost. Due to the loss of jobs, residents turned to activities, such as the buildings construction, the small-scale trade, the recreation and catering, as well as to the employment in the public sector.

Unfortunately, even during the 1990s, the general area of Western Athens was left out of the reconstructions and works that were being carried out for the Olympic Games. Because of this, Western Athens was left behind the shaping development, thus presenting a new intense degradation, unlike the other regions that have benefited from the Olympic Games projects.

Because of this development, many wealthy families or middle-class families have left the area and sought housing in better areas. The new degradation has kept housing prices low, so new poorer social strata and migrants have come to occupy the area. All this has resulted in a new decline in economic activity, and entry into economic decline.

The arrival of the financial crisis, therefore, even though it raised the problems, was not the sole cause of the Western Athens crisis, which at any rate was characterized by downgrading. (Source of ASDA, ESPA 2014-2020, Proposal Submission Form for Degraded Areas)

3.2 Entrepreneurship in Western Athens

Entrepreneurship in Western Athens is characterized by a wealth of retailers. In fact, while creating the image that the main backbone of entrepreneurship in Western Athens is retail businesses, besides this, companies with a specialization in mechanical engineering and wholesale is active.

In the last decade, due to the severe economic crisis that hit the Greek economy and consequently the Western Athens sector combined with the further deterioration of this region, there is a steady decline in the number of businesses. (Table 3-1)

Table 3-1 Number of enterprises registered in the EBEA 2002-2016

	Region of Attica	Athens Basin	Western Athens
2002	108,051	88,187	10,499
2003	104,757	84,541	10,423
2004	107,974	86,823	10,777

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2005	111,509	89,279	11,181
2006	114,927	91,634	11,530
2007	118,880	94,418	11,883
2008	103,092	80,354	10,520
2009	104,437	81,280	10,599
2010	104,684	81,382	10,523
2011	104,000	80,812	10,402
2012	103,077	80,129	10,150
2013	102,625	79,802	10,028
2014	101,461	78,927	9,849
2015	100,538	78,210	9,741
2016	100,309	78,157	9,604

Source: EBEA Data, Processing: ASDA

Table 3-2) shows the percentage annual change of listed companies and the following Chart 3-1) depicts this change.

Table 3-2 Percentage annual change of listed companies in the EBEA 2002-2016

	Region of Attica	Athens Basin	Western Athens
2002-2003	-3.05%	-4.13%	-0.72%
2003-2004	3.07%	2.70%	3.40%
2004-2005	3.27%	2.83%	3.75%
2005-2006	3.07%	2.64%	3.12%
2006-2007	3.44%	3.04%	3.06%
2007-2008	-13.28%	-14.90%	-11.47%
2008-2009	1.30%	1.15%	0.75%
2009-2010	0.24%	0.13%	-0.72%
2010-2011	-0.65%	-0.70%	-1.15%
2011-2012	-0.89%	-0.85%	-2.42%
2012-2013	-0.44%	-0.41%	-1.20%
2013-2014	-1.13%	-1.10%	-1.79%
2014-2015	-0.91%	-0.91%	-1.10%
2015-2016	-0.23%	-0.07%	-1.41%

Source: EBEA Data, Processing: ASDA

Chart 3-1 Change in the number of businesses EBEA 2002-2016

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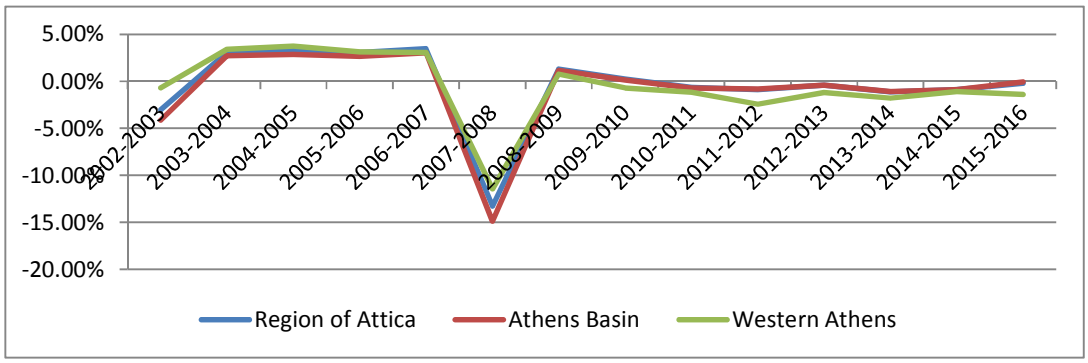


Source: EBEA Data, Processing: ASDA

At the same time, however, with the technical professions mentioned above, there is a sharp rise in the number of professions (skilled craftsmen and related workers, machinery and equipment operators and assemblers of industrial installations, small professionals, unskilled laborers, manual workers, together with freelancers).

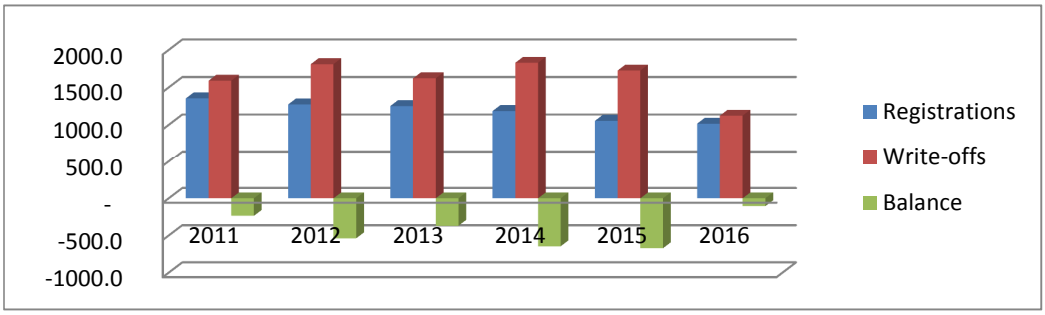
The Athens Chamber of Commerce gives the following balance of business registrations for the period 2011-2016 respectively (Table 3-3,Chart 3-2).

Table 3-3 Business Registrations and Write-offs from 2011-2016

	Registrations	Write-offs	Balance
2011	1,353	1,589	-236
2012	1,272	1,810	-538
2013	1,252	1,621	-369
2014	1,185	1,829	-644
2015	1,054	1,725	-671
2016	1,017	1,123	-106

Source: Athens Chamber of Commerce

Chart 3-2 Business Registrations and Write-offs from 2011-2016



From the above tables and charts, we unfortunately ascertain the poor economic evolution of the companies, both before and during the economic crisis, to this day. The situation would be far worse if there were no business registrations in the meantime to smooth out the overall negative balance of entrepreneurship. Despite all registrations nevertheless, the balance of the businesses is always negative.

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3.3 The Evolution of Unemployment

3.3.1 The Evolution of Unemployment in Greece

Making a historical survey of unemployment in Greece, we find that there has been an upward trend over the last 40 years.

In the following (Table 3-4), we see the evolution of unemployment from 1981 to 2017 across the country, with additional information on the registered labor force and the corresponding unemployment rates over the years.

Table 3-4 Evolution of Unemployment rates in Greece from 1981 – 2017

Year	Registered Workforce	Number of Unemployed	Unemployment rate	Year	Registered Workforce	Number of Unemployed	Unemployment rate
1981	3,677,800	148,404	4.04%	2000	4,611,950	523,466	11.35%
1982	3,716,781	215,945	5.81%	2001	4,580,250	508,396	11.10%
1983	3,839,822	301,426	7.85%	2002	4,656,000	492,641	10.58%
1984	3,867,273	314,796	8.14%	2003	4,734,450	472,634	9.98%
1985	3,890,986	303,886	7.81%	2004	4,901,800	520,002	10.61%
1986	3,889,986	287,081	7.38%	2005	4,929,200	493,544	10.01%
1987	3,873,962	285,511	7.37%	2006	4,966,700	448,197	9.02%
1988	3,960,705	303,390	7.66%	2007	4,972,800	418,344	8.41%
1989	3,966,769	295,921	7.46%	2008	4,987,300	387,856	7.78%
1990	4,010,785	281,156	7.01%	2009	5,029,900	484,709	9.64%
1991	3,935,935	301,099	7.65%	2010	5,017,900	639,353	12.74%
1992	4,034,925	349,828	8.67%	2011	4,925,400	881,831	17.90%
1993	3,831,944	370,549	9.67%	2012	4,882,400	1,195,100	24.48%
1994	3,844,402	388,669	10.11%	2013	4,838,100	1,330,336	27.50%
1995	3,961,850	396,185	10.00%	2014	4,801,400	1,274,406	26.54%
1996	4,226,000	426,826	10.10%	2015	4,791,700	1,196,965	24.98%
1997	3,823,112	426,277	11.15%	2016	4,789,800	1,130,934	23.61%
1998	4,525,750	507,889	11.22%	2017	4,772,600	1,025,100	21.48%
1999	4,586,100	554,744	12.10%				

Source: ΕΛΣΤΑΤ

We clarify that the number of unemployed comes from ELSTAT itself and was also used on the previous page (table and graph). The two additional columns are as follows:

From an ELSTAT study on employment status and unemployment rates from 2004 to 2017, we found a monthly record of registered labor (employed + unemployed) and monthly corresponding unemployment

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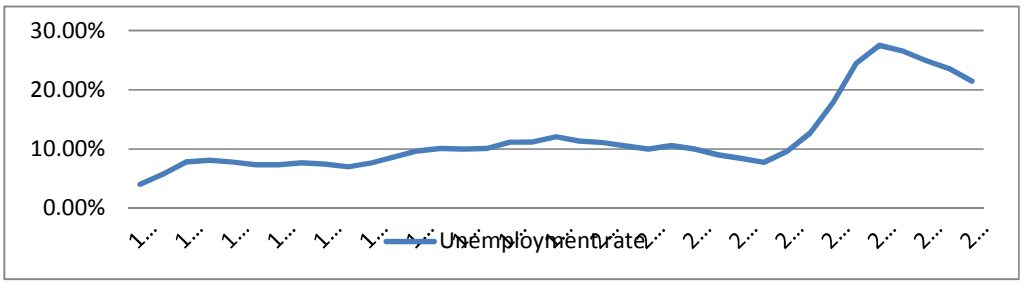
rates for all years. We calculated the registered workforce by calculating the average annual term derived from the monthly corresponding records for each year. This has allowed us to have an average annual, within the acceptable statistical error limits.

From 1981 to 2003, the tactic followed, as long as we had a sure and stable factor of the number of the unemployed, at least the data on either the registered labor force or the percentage of the unemployed were identified from other relevant studies.

So, having at our disposal, two of the three variables in the table known, we could calculate the third. This completes the entire table (Table 3-4).

Chart 3-3 Evolution of Unemployment rates in Greece from 1981 – 2017



We can see, therefore, that from 1981 until 2009, the unemployed are growing at such a rate that their number has almost tripled. From 2010 onwards, however, unemployment is raising even more (Chart 3-4). This period is also the beginning of the economic crisis for Greece.

People's consumption potential is declining and therefore this has an impact on business operations and their sustainability in general. Many businesses cut their turnover altogether or simply shrink, forced to lay off in this climate. In just three years and up to 2013, the number of unemployed is doubling and to date it remains at about the same level, without significant fluctuations.

Since then we have noticed that the number of unemployed, at country level, remains high with small fluctuations, but has never dropped to the level of the past.

3.3.2 The Evolution of Unemployment in Western Athens

The information presented so far in the present research, show clearly that Western Athens is one of the least developed areas of Attica. Unemployment could not escape the general rule of course. Before presenting the profile of the unemployed in Western Athens, it is interesting to depict the evolution of unemployment over time in the particular area, compared to the rest of Greece.At this point, it must be clarified that the percentages in the following graphs or tables are not the ones that correspond to the proper unemployment rates. This is unfortunately inevitable, since it was impossible to find the exact numbers for the working force in Western Athens. Therefore, instead of dividing the number of unemployed by the total work force, it was divided by the total population of each area. It is not of course the proper unemployment rates but since the data were not available for Western Athens, this alternative

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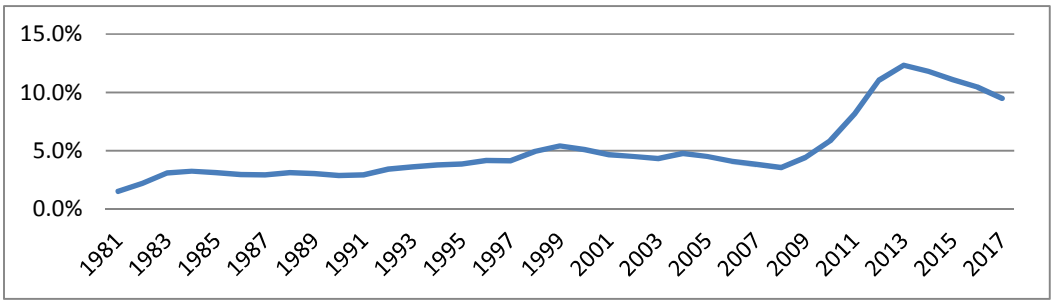
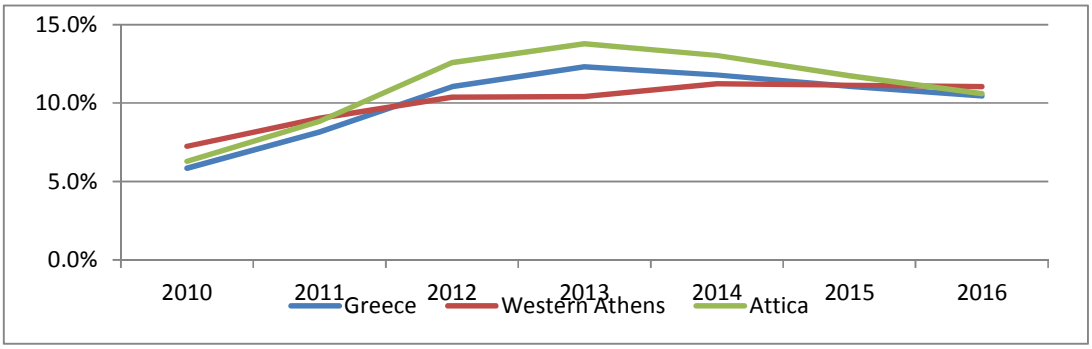
approach was used so that the percentages would be comparable directly.The first graph created (Chart 3-4) is the evolution of unemployment in the whole of Greece over the period of 1981 up to 2017. The way that the entire country was affected by the world financial crisis that originated in the USA in 2007 is more than obvious in the escalation of the unemployment rates in the country. After an almost constant increase for a decade until 1999, the rate of unemployment decreased steadily until 2008, with the exception of 2004. After the beginning of the crisis, unemployment exploded and more than tripled over the next five years, reaching its maximum value of 12,3% in 2013. After that point, the rates are decreasing again but they are still a lot higher than what it was before 2008, as it is obvious in the following graph.

Chart 3-4 Evolution of unemployment in Greece from 1981 until 2017 (percentage of total population)



The next graph (Chart 3-5) that was interesting to analyze is the evolution of unemployment rates in Greece, Attica and Western Athens simultaneously.

Chart 3-5 Comparison of the evolution of unemployment rates from 2010 until 2016 (percentage of total population)



Source: OAED

Through the information presented in the present research, one would expect that Western Athens would have the highest unemployment rates out of the three. And this is true for the period before the crisis. However, as it is obvious from the following graph, Western Athens did have the highest unemployment until the beginning of the crisis but not during.

Western Athens has higher unemployment rates until 2011 and again from 2016 (this applies also to 2017 but the data are unofficial). From the above graph a rather interesting conclusion arises. Western Athens is

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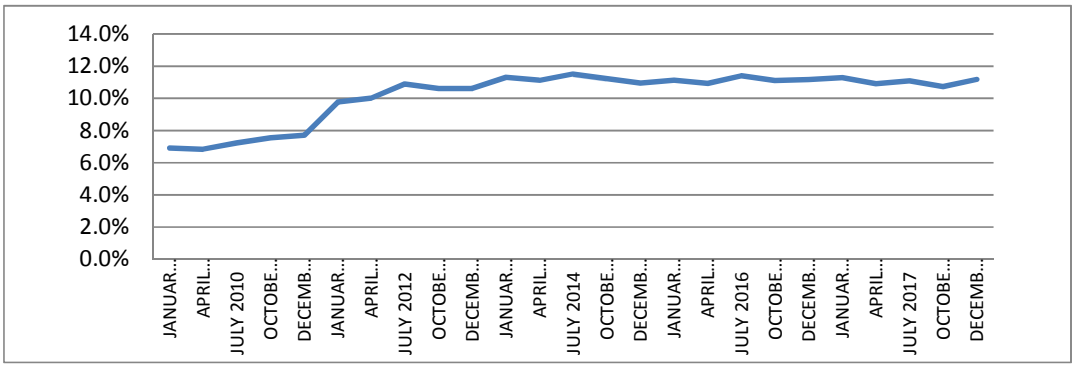
an area degraded and with very high unemployment rates in general. The financial crisis affected the more developed areas of Greece and as a result, unemployment rates became higher in Attica and the whole of Greece than in Western Athens. It is a rather astonishing outcome. It seems that the type of work that exists in this particular part of the country was affected less than the rest. Most likely it has to do with the fact that the present crisis is financial and affected more the banks, large companies that import and export and generally higher income jobs. Therefore, Western Athens felt the impact of the hit less hard since there were not that many highly paid jobs in the region. Additionally, as soon as the economy started slowly its return to normality and growth, unemployment rates in Attica and Greece decreased more rapidly, putting Western Athens back on the top. Of course, this is merely a personal estimation and it would require further research. In any case, it is a very interesting finding.

The above remarks are also backed up from the evolution of unemployment in Western Athens over the period since the beginning of the crisis, depicted in the following, more detailed graph (Chart 3-6). It is obvious that there was an increase of unemployment in 2012 and until 2017 the rates are relatively steady. The impact of the crisis was not as high as the rest of the country but its effects remain visible in the area of Western Athens at the same time when the rest of Greece is experiencing a slow but constant increase in employment. In fact, the average rate in 2017 for Western Athens is approximately the same as the one of 2016, while the rates of Attica and Greece are decreasing substantially.

Chart 3-6 Evolution of unemployment in Western Athens from 2010 until 2017 (Percentage of total population)



As it becomes obvious from the above graph, the unemployment rate is practically the same from 2013, up to 2017. This means that a new trend has been created for Western Athens, a new natural rate of unemployment so to speak, and it does not seem to change easily over the next few years. The explosive rise in unemployment from 2010 to 2012 can only be attributed to macroeconomic factors such as a decline in demand due to a crisis.The general and local government should apply a number of measures in order to reduce the (very high) unemployment in Western Athens. The exact measures that will be required, will be determined with the help of the more detailed analysis of the profile of unemployment in Western Athens, conducted in the following chapters.

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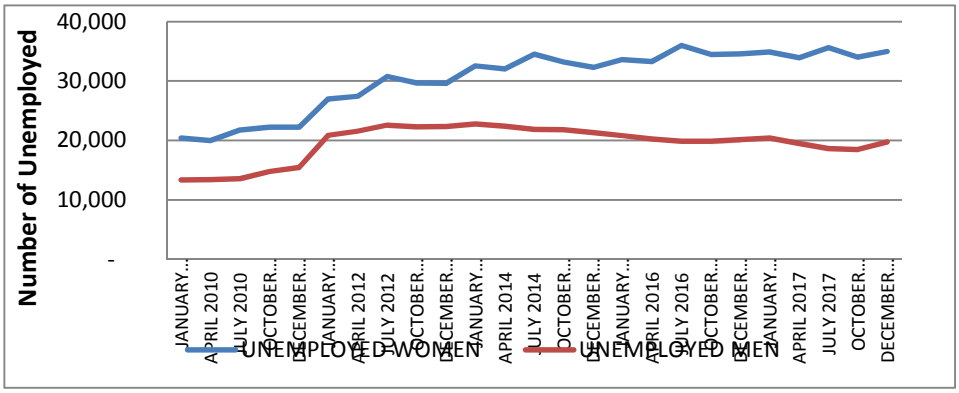
3.3.3 Characteristics of the evolution of unemployment in Western Athens

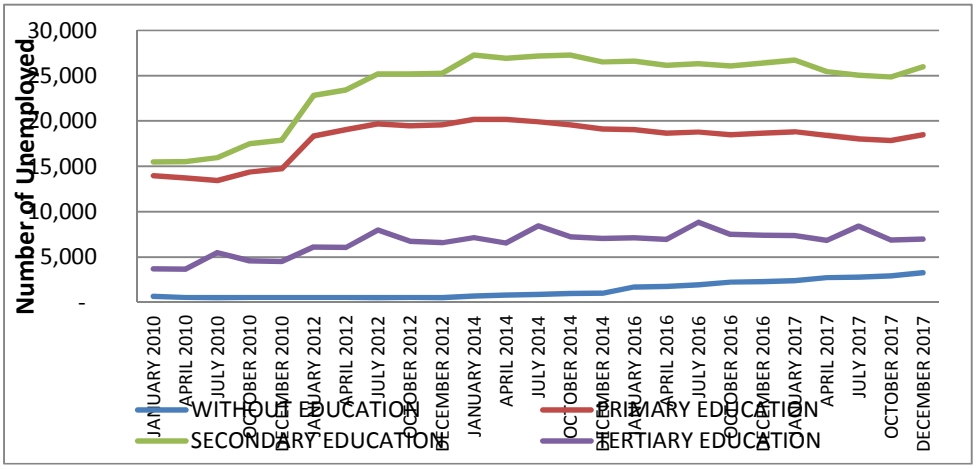
For a more detailed look in the evolution of unemployment in Western Athens, the following graphs (Chart 3-7, Chart 3-8, Chart 3-9) have been created. They show the evolution of unemployment by gender, educational level and age group.

Chart 3-7 Evolution of unemployment in Western Athens by gender from 2010 until 2017



Female unemployment seems to be a timeless problem for Greece in general and for Western Athens specifically. The number of unemployed women has always been larger than men and from the graph it is obvious that through the years of the crisis the phenomenon has escalated. The number of unemployed women has remained practically unchanged since 2014, while the number of men has decreased. This means that the drop-in unemployment rates are almost entirely due to the decrease of unemployed men.

Chart 3-8 Evolution of unemployment in Western Athens by educational level from 2010 until 2017



Regarding the educational level (Chart 3-8), the results are rather expected. The less educated someone is, the more likely is to be unemployed. Of course, there is a restriction with the particular variable, since the proper comparison should be done using the percentages of the population that have the respective educational levels. For example, if the people with secondary education level are only twice as any as the tertiary level, then the percentage of tertiary education would be higher.Unfortunately, it was not possible to retrieve information of these numbers. Therefore, the analysis will be restrained to the absolute

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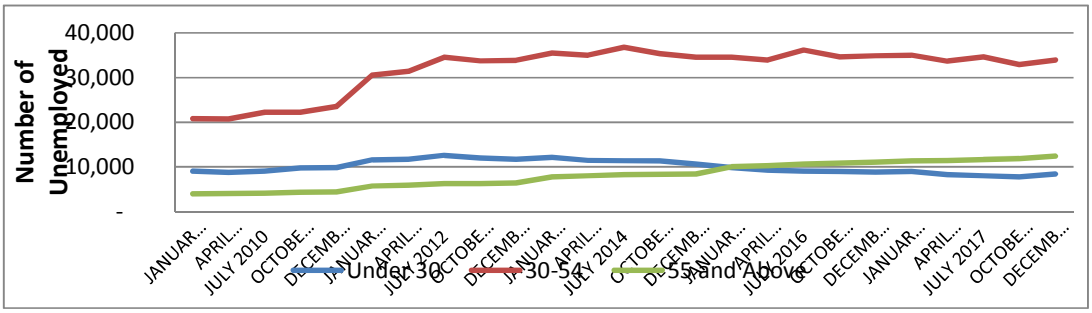
numbers.

Chart 3-9 Evolution of unemployment in Western Athens by age category from 2010 until 2017



Taking under consideration the same restrictions mentioned earlier, the number of unemployed per age group is depicted in the above graph. There is a very interesting result in the particular category. The only age group that experiences a decrease of unemployment is the Under 30. Since 2016 the number of Under 30 unemployed is less than the respective of the 55 and above. There are two main parameters which have contributed in that change. First of all, people over 55 have had significantly higher wages and consequently higher insurance expenses for their employers. That is why it was the first age group that the companies targeted on whenever there was a staff reduction. In addition, these people are searching for jobs with similar benefits and wages, making it more difficult to actually find work. On the other hand, well educated people under 30 years of age are not used to highly paid jobs and find it easier to accept a part-time and low-wage job. Most of them probably live in their parents' house, which makes it easier for them to accept such a condition.

The over 55 age group was the main victims of the recession. Especially after the reforms in the insurance and pension policy, 55 and over group became very expensive as a workforce compared to the younger generations.

3.3.4 Conclusions about the evolution of unemployment in Western Athens

In the context of the economic recession across the country, it was expected that its sub-regions would be affected, either at the Region level or at the Municipal level. It is important to realize that a region degraded, without production potential or any form of development, would have much more consequences in terms of both reducing its operations and increasing the number of its unemployed.

During the economic crisis, there has been a decline in the turnover of businesses, many of which have been forced to dismiss a large proportion of their employees and others have ceased to operate as they have not been able to profit, resulting in the loss of jobs for all employees.

As a result of this, we had the increase in the number of unemployed in the whole area of the Western Athens sector. In all 7 municipalities, but also in each one of them separately, there were strong social phenomena such as lowering consumer incomes, deteriorating quality of life, showing poverty in families that started to see inside, one or more, or even and all their capable members to work are unemployed.

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The reduction in the number of businesses, due to the cessation of the work of many of them, coupled with the decrease in the number of workers due to redundancies in others that continued to operate, has resulted in a sharp increase in unemployment.

In order to enable new emerging companies to cope with increasing competition in their industry and due to economic as well as technological developments, they adopt, in turn, the technological advances they can make in their production process. This has the effect of increasing the level of efficiency and effectiveness of the enterprise, but on the other hand, a new era for the unemployed is marketed, because most people need retraining.

The improvement of jobs in Western Athens, and indeed in a diversified local economy, is linked, presupposes and combined with improving the educational level of young people and, with regard to craftsmen and professionals and unskilled workers, by improving their skills. Many long-term unemployed, working for many years before becoming unemployed, are experiencing weakness due to technological developments in the workplace, but also because of the new knowledge that employers require, to reclaim a job and get it. This situation has led many unemployed to stop their efforts, to find new jobs, resulting in the worsening and swelling of intense and painful social phenomena. Under these circumstances, it is important first to provide support to the unemployed by creating appropriate policies and infrastructures. This support should, among other things, aim at gradual training so that they acquire the necessary knowledge and skills to have the opportunity to return to the labor market in today's competitive landscape. For this purpose, this study focuses on the depiction of the unemployed population profile and its categorization in such categories so as to facilitate those who are at key decision-making and policy-making positions, make the right decisions, develop appropriate policies and enable the unemployed to acquire, through retraining, the knowledge, skills and competences they need in order to increase their self-esteem and to regain their competitiveness in the labor market.In addition, the study will pay particular attention to the creation of such profile categories, with the ultimate goal of clear management, for returning the unemployed to the labor market.

Overall, the effort will focus on helping the study to solve a major economic and social phenomenon, creating more attractive employee profiles, meeting the demands of employers and creating competitive economic activity through the design and implementation of an appropriate portfolio of programs and educational initiatives to address the negative effects of unemployment.

Consequently, the study's conclusion will raise awareness of the negative impact of unemployment, reflect the Greek reality through the profiles of the unemployed, and draw conclusions for employers, managers and policy makers towards more targeted activities in their future.

4 Research Methodology

This research is an attempt to analyze the data of the unemployed in Western Athens with a view to helping them reintegrate into the labor market. The research method consists, in principle, of obtaining relevant data for the unemployed, by organizations that manage their collection and processing such as

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OAED, ELSTAT, EIEAD, ASDA, EBEA, and the OOSA.

The data obtained by the above organizations were processed so that the unemployed could be registered in more general categories, e.g. age (15-29) or (30-44) etc.

Having all the unemployed in categories, according to all of their characteristics we had at our disposal, we were able to combine the categories together in every possible way so that we can produce tables and charts.

The charts gave us the opportunity to analyze them further by looking for information on groups of unemployed with the same characteristics that could be described as patterns.

We used descriptive statistics to analyze and comment on charts. At the same time, we analyzed the data of the tables, using correlation analysis, in order to determine the degree of statistical significance of the relationship between them.

This kind of analysis of descriptive statistics is commonly found in official studies concerning unemployment. Examples of such studies are the reports of EIEAD (2017) and OAED (2017) which analyze the needs of the labor market, but at the whole country level. These two particular studies inspired the present research. OAED and EIEAD will be working closely with ASDA to develop the observatory of unemployment for Western Athens. The present research is exactly the material that ASDA will be looking for in order to propose certain measures to tackle unemployment.

Of course, there are numerous studies and papers that deal with unemployment and its determinants. These studies have been delivered in European or local level and concentrate on certain aspects of the problem. For example, regional dispersion has been dealt with by Arpaia et al (2014), at a EU level, and Monastiriotis and Martelli (2013) for Greece. In the same manner, Biagi and Lucifora (2005) studied the effect of Demographics and education on unemployment in Europe and Livanos (2010) studied the same effects for Greece. Villa and Smith (2009) performed a comparative analysis of the gender unemployment in European countries and the same study was conducted by Karamessini (2012) for the Greek population.

All of the above studies use descriptive statistics for their analyses since they all have one thing in common; the data used in their studies are the population and not just samples.

4.1 Data Collection

Data were searched for the unemployed of the 7 Municipalities, which make up Western Athens. The search and compilation of these data was not an easy task because of statistical confidentiality, so their concession was delayed enough.

I first addressed the Labor Force Employment Organization (OAED). After many attempts, they sent me information about unemployed people on ready tables, but they did not give me any special possibilities for personal processing at a low level. I will then describe the form of the information I have been able to obtain from the OAED.

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The second organization that I addressed for data collection was the Western Athens Development Association (ASDA). The particular organization is the Association of the 7 Municipalities of Western Athens. It has been managing inter-municipal projects for more than 20 years and has recently been designated Intermediate Management Body of the ESPA 2014-2020 Program for Western Athens.

Within the framework of the ESPA and in cooperation with the 7 Municipalities, the ASDA submitted a proposal to the Region of Attica asking for funding for the implementation of various reconstruction projects in all municipalities, with the aim of upgrading the degraded areas of Western Athens on the one hand and the implementation of social programs on the other, concerning various vulnerable social groups, including the unemployed in the region, in order either to alleviate them from the difficult situation they have been, or to provide any help to reintegrate them into the labor market.

For the aforementioned program, an amount of approximately € 59,000,000 has already been approved by the Attica Region and will soon begin all the work that will lead to the implementation of the projects by the end of the program.

One of the programs to be implemented is the creation of an unemployed observatory for Western Athens. For these reasons, the ASDA had already gathered some data concerning this sector, both OAED and ELSTAT, firstly for the drafting and submission of the original proposal and secondly for their further use during the implementation of the proposal.

Because of the fact that the interests of the ASDA coincided with my own and with the aim of this research, he accepted to give me whatever information he had gathered until the submission of the proposal, naturally restricting such wise use, violates the law on statistical confidentiality, as I will explain in detail below.

Furthermore, and always in the context of all the above, we have also approached the National Institute of Labor and Human Resources (EIEAD). Thus, all the unemployed data, which I further elaborated, from the Western Sector of Athens (7 Municipalities) were kindly provided by the Institute. From this processing, the categories I mentioned above were created, with the aim to be analyzed and conclusions to be drawn.

4.2 Data Structure

From the OAED, data were provided for the unemployed in Western Athens, which concerned the years 2010, 2012, 2014, 2016, 2017 as follows:

For each year, tables were provided which contained information on the total population of the unemployed per quarter within the year and:

- By Municipality and Duration of Unemployment for the 7 Municipalities separately, but also for the other Municipalities of Western Attica, also separately.

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- Per Municipality and per Educational Level and Duration of Unemployment for the Seven Municipalities, as well as for the other Municipalities of Western Attica, also separately.
- Per Age at the level of the 7 Municipalities in aggregate and not per Municipality, and at the level of the rest of the Western of Athens, again in aggregate and not per Municipality.
- By Municipality and by gender and by duration of unemployment for the 7 Municipalities separately, but also for the other Municipalities of Western Attica, also separately.

Because of the limitation of the legislation on statistical confidentiality and because OAED had to deal with the provision of statistical data at municipal level, it has chosen to reduce the categories so as to avoid as much as possible the occurrence of the phenomenon of the number of unemployed under 10 in the tables.

From ELSTAT through the ASDA were obtained:

Census data of the economically active population, by municipality and corresponding Unemployed by municipality for the years 1991, 2001, 2011

Census data of the Residential Education Level by Municipality, for the total Population of the Municipality, for the years 1991, 2001, 2011

Data for the total unemployed in the second quarter of 2010 to 2015 per Region and:

• By Age, Duration of Unemployment and Gender as well

• By Age, Gender, Level of Education.

Labor Force Survey, for the total number of unemployed in the country for the years 1981-2016 (Time series), data by gender and age, by region and by duration of unemployment:

Young unemployed (without previous work experience); Position in the last job;Reason that stopped working; Sector of last job activity;Type of last job profession;Type of job they request; What business he had before he started looking for a job; Education level

Unfortunately, although it seems a very interesting analysis, it was not possible to provide data at Municipal level. Thus, we can restrict ourselves to statistical information at a more general level and comparisons at the level of the Municipalities, with the data we have obtained from the EIEAD through the ASDA, as it was said before.

Therefore, the EIEAD provided anonymized data for each unemployed person separately and for the entire Unemployed population of Western Athens. The essence is that for every unemployed, we have at our disposal:

- The municipality they belong to: Agia Varvara, Agioi Anargyroi – Kamatero, Egaleo, Ilion (Nea Liosia), Peristeri, Petroupoli, Haidari
- Their Gender: Male, Female
- The age category they belong to, based on their age: 15-29, 30-44, 45-54,55 and above

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- Their Educational Level: Primary education,Secondary education,Secondary education, i.e. graduates of technical & vocational schools,Tertiary university education, i.e. university and university graduates, Holders of postgraduate education qualifications, i.e. with a postgraduate diploma or a doctorate and finally. Unspecified level, i.e. those who did not go to school or just went to a few classes in the elementary school without finishing it and possibly learned an art in practice, or people for whom their exact level of education has not been clarified but have never completed integrated level of education, or who have not stated anything specific.
- The duration of unemployment: Unemployed for up to one year,Long-term unemployed, i.e. over one year
- Their Family Status: Unmarried, Married,Separated or Divorced,Widower / Widow, Unspecified

4.3 Nature of data gathered and way of processing

Our data is nominal. All of our variables are qualitative and even nominal qualitative variables, which are purely nominal variables. Even the age, which is numerical, after its categorization, e.g. 15-30 or 30-45 etc., we will handle it as a nominal quality variable rather than as a quantitative one.

The statistical tools to be used for the analysis of this research were selected according to the nature of the variables available to us.

The most appropriate way of analyzing the results comes from descriptive statistics.

The reasons why descriptive statistics are chosen as a way of the data analysis are first because they are nominal and second because we have the entire unemployed population at our disposal.

There is therefore no reason to use another statistical method, such as Hypothesis Testing, Regression Analysis, Chi Square, etc. Besides, these methods of statistical analysis are used when we have a sample of data and not the entire population. Nevertheless, to strengthen the conclusions of our analysis, we will also use the Correlation Analysis for nominal quality variables.

The grouping of the categories and their correlations will follow the following tables 4-1, 4-2 and 4-3.

Table 4-1 One Variable Analyses

1	By Municipality
2	By Gender
3	By Age Category
4	Per Educational Level
5	Per Duration of Unemployment
6	By Family Status

Table 4-2 Two Variable Analyses

1	By Municipality & Gender

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2	By Municipality & Age Category
3	By Municipality & Educational Level
4	By Municipality & Duration of Unemployment
5	By Municipality & Family Status
6	By Gender & Age Category
7	By Gender & Educational Level
8	By Gender & Duration of Unemployment
9	By Gender & Family Status
10	By Age Category & Educational Level
11	By Age Category & Duration of Unemployment
12	By Age Category & Family Status
13	Per Educational Level & per Duration of Unemployment
14	Per Educational Level & per Family Status
15	Per Duration of Unemployment & Family Status

Table 4-3 Three Variable Analyses

1	By Municipality & by Gender & Age Category
2	By Municipality & by Gender & Educational Level
3	By Municipality & by Gender & Duration of Unemployment
4	By Municipality & by Gender & Family Status
5	By Municipality & by Age Category & Educational Level
6	By Municipality & by Age Category & Duration of Unemployment
7	By Municipality & by Age Category & Family Status
8	By Municipality & by Educational Level & Duration Unemployment
9	By Municipality & by Educational Level & Family Status
10	By Municipality & by Duration of Unemployment & by Family Status
1	By Gender & by Age Category & by Educational Level
2	By Gender & by Age Category & Duration of Unemployment
3	By Gender & by Age Category & by Family Status
4	By Gender & Per Educational Level & Duration Unemployment
5	By Gender & Per Educational Level & Family Status
6	By Gender & by Duration of Unemployment & by Family status
1	By Age Category & Per Educational Level & Duration of Unemployment
2	By Age Category & Per Educational Level & Family Status
3	By Age Category & Duration of Unemployment & by Family Status

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1	Per Educational Level & Per Duration of Unemployment & by Family Status

Due to the processing, numerical data will arise of course, reflecting the total of the unemployed in each category study, since our data refer to the entire population of the unemployed in Western Athens and not just a sample.

The above numerical data, compared with the total number of the unemployed, either in relation to the whole category or at the level of the Municipality or at the level of Western Athens or at the level of the Region or Country and sometimes with the population of all the inhabitants of the Municipality or Western Athens respectively, will be those that will act as a key criterion for creating unemployment policies.

Finally, a correlation analysis of the above categories will be carried out, in order to reveal further attributes of the unemployed, either at inter-municipal level or at the level of the categories, such as gender, educational level, age, family status and the Municipality of origin.

5 Data Analysis

5.1 Presentation of the data

There are a total of 54.553 people unemployed in the seven municipalities of the Western Athens Region. The distribution of the number of unemployed is depicted in the following table and graph.

Table 5-1 Unemployed per Municipality

Municipality	**Unemployed**
Agia Varvara	4.056
Agioi Anargyroi-Kamatero	7.145
Aigaleo	8.017
Ilion	9.697
Peristeri	16.144
Petroupoli	5.482
Haidari	4.012
Total (Western Athens)	**54.553**

Chart 5-1 Unemployed per Municipality

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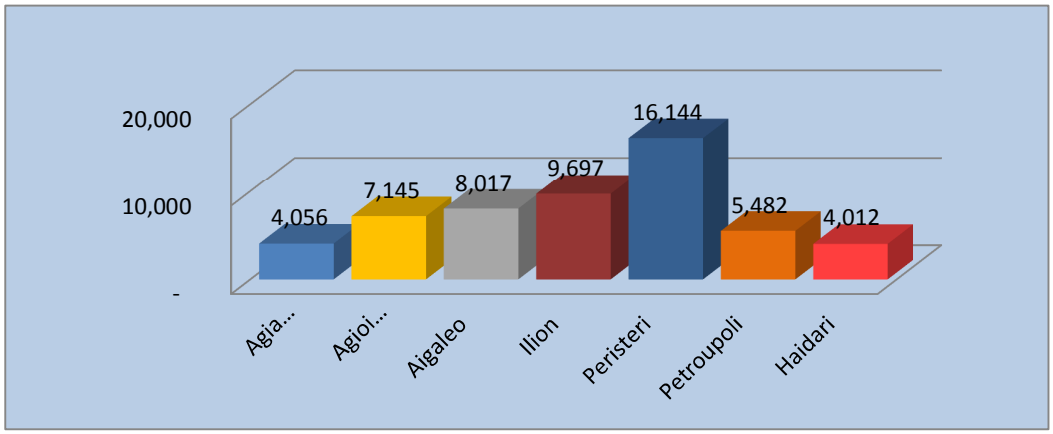

The most accurate way to compare unemployment is through the percentage of the total population in each municipality. This is the way that unemployment is usually measured and presented, since sometimes there are vast differences between the populations of different areas, making the comparison with absolute number, difficult, or even misleading.

In order to avoid any misinterpretation of the data, another table was constructed, depicting the percentage of unemployment per municipality, according to the total population of each municipality, as it is given in the last census of 2011. The results are depicted in the following table and graph.

Table 5-2 Unemployment as a percentage of the Municipality's population

Municipality	2011 Population	Unemployed	Rate of Unemployment
Agia Varvara	26.550	4.056	15,28%
Agioi Anargyroi-Kamatero	62.529	7.145	11,43%
Aigaleo	69.946	8.017	11,46%
Ilion	84.793	9.697	11,44%
Peristeri	139.981	16.144	11,53%
Petroupoli	58.979	5.482	9,29%
Haidari	46.897	4.012	8,55%
Total (Western Athens)	**489.675**	**54.553**	**11,14%**

Chart 5-2 Unemployment as a percentage of the municipality's population

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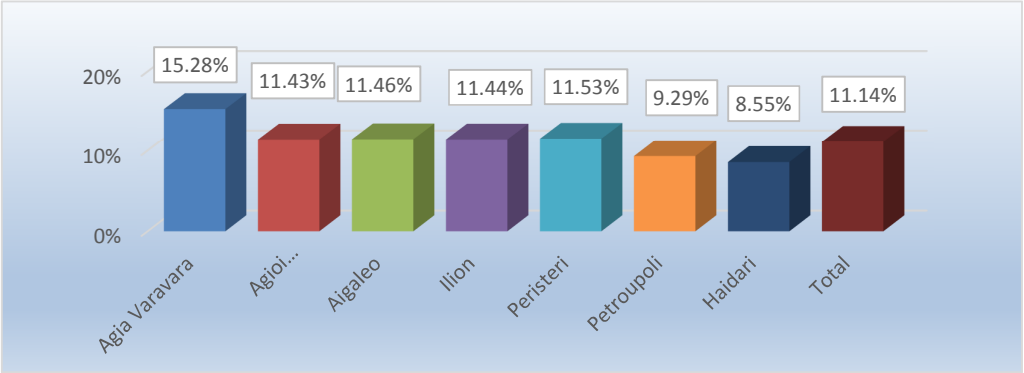
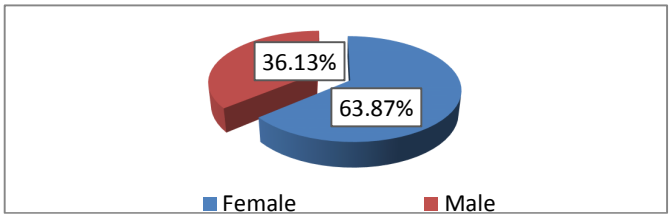


It is obvious by the two graphs above, that the results of the first graph and table can be misleading. According to that, the municipality that faces the larger problem with unemployment is Peristeri, with the larger number of unemployed (16,144). However, the percentages with respect to the population of each municipality identify Agia Varvara as the champion of unemployment in Western Athens.

The above result is of great importance. As mentioned before, the purpose of the present research is to create a profile of the unemployed in Western Athens and help the authorities to identify particular measures that will help reduce unemployment in Western Athens. Identifying the municipalities with the largest percentage of unemployment will help the government, in cooperation with the local authorities, proceed to the necessary measures.

The data conclude that the municipality with the biggest problem is Agia Varvara, where almost one out of six (15.28%) residents is unemployed. Peristeri has the larger number of unemployed people but this due to the fact that its population is considerably larger than the populations of the other municipalities. The unemployment rate in Peristeri is not very high.

Chart 5-3 Percentage distribution by Gender



Almost two out of the three people unemployed are women. This is a very concerning figure and in the rest of the analyses performed it will be in the center of the attention.

Chart 5-4 Percentage distribution by Age group

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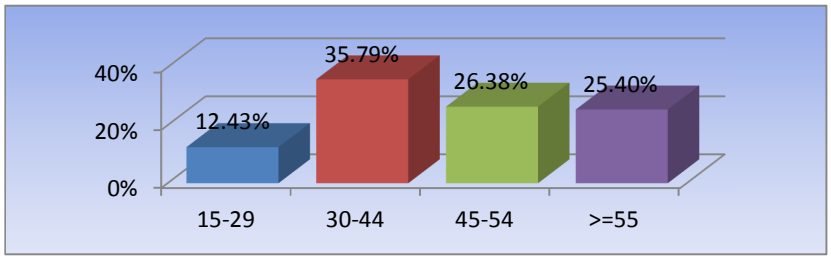
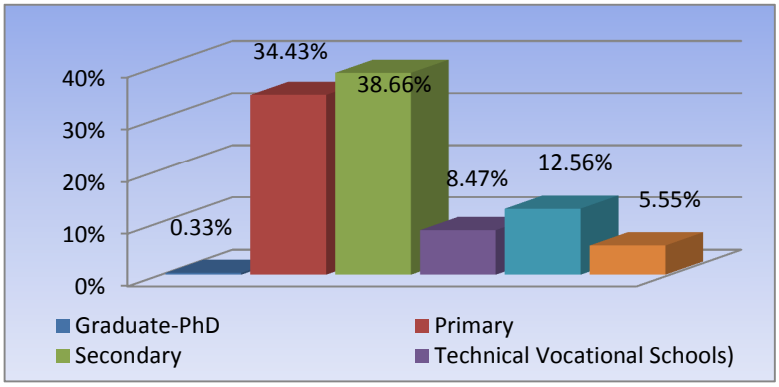


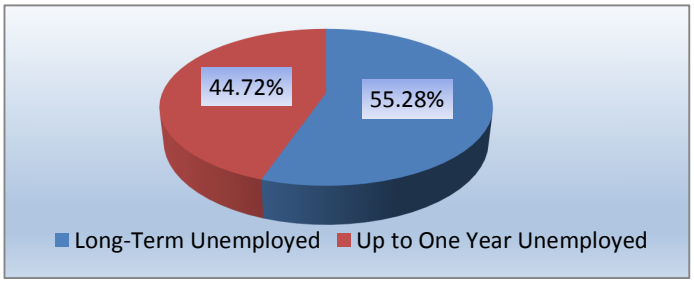
The age group with the highest percentage is 30-44 and the lowest is 15-29. However, this is not the correct depiction of the percentages for various reasons. The first is that there are no data available for the work force in each group. The particular percentages are with respect to the population of unemployed in general. It would be interesting to also show the real percentages by dividing these numbers to the total work force in each group. Unfortunately, this information is not available to the author.

Chart 5-5 Percentage distribution by Educational level



The vast majority of the unemployed in Western Athens is of primary or secondary education level. Combined they make more than 73% of the total number of unemployed.

Chart 5-6 Percentage distribution by Duration of Unemployment



There are more long-term unemployed in Western Athens and the difference is rather significant.

Finally, the last available information is the unemployed' family status. As expected the majority belong to the unmarried or married groups.

Chart 5-7 Percentage distribution by Family status

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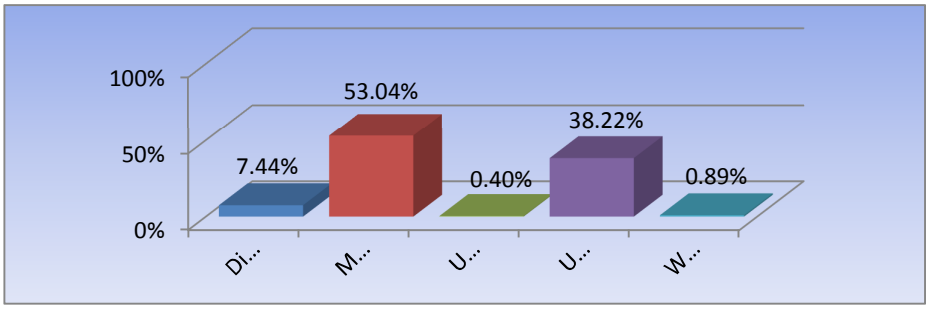
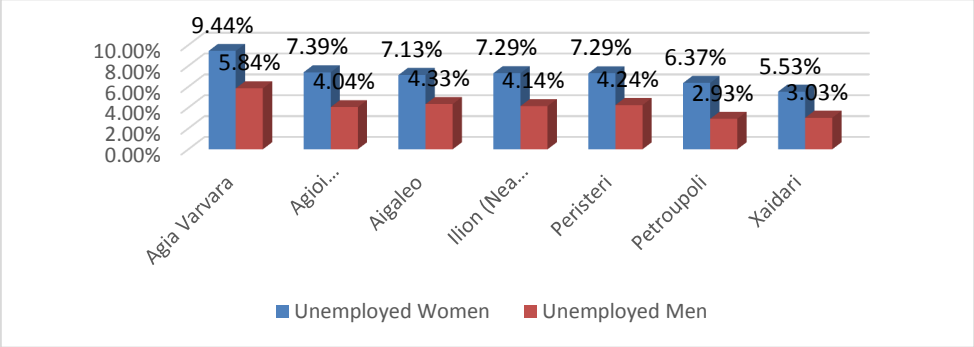


5.2 Comparative analyses

5.2.1 Two variable analyses

In order to further assess the profile of the unemployed in Western Athens, different analyses and comparisons of the different categories in the data were performed. Taking under consideration that the average total unemployment rate is 11.4%, the following graphs show the percentages per municipality, gender, age, educational level, duration of unemployment and family status.

Chart 5-8 Unemployment rates per Municipality and Gender over the Total Population of the Municipality



The percentage composition among women and men is approximately the same in all municipalities, since the average percentage of unemployed women is 63.87%. In Petroupoli, the percentage of unemployed women is comparatively and proportionally slightly higher than that of unemployed women in other municipalities as it can be seen in the following crosstabulation.

Table5-3 Municipality * Gender Crosstabulation

		Gender		Total
		Male	Female	
Agia Varvara	Count	1551	2505	4056
	% Within Municipality	38,2%	61,8%	100,0%
Agioi Anargyroi -	Count	2527	4618	7145

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Kamatero	% Within Municipality	35,4%	64,6%	100,0%
	Count	3032	4985	8017
Aigaleo	% Within Municipality	37,8%	62,2%	100,0%
	Count	1419	2593	4012
Haidari	% Within Municipality	35,4%	64,6%	100,0%
	Count	3512	6185	9697
Ilion (Nea Liosia)	% Within Municipality	36,2%	63,8%	100,0%
	Count	5940	10204	16144
Peristeri	% Within Municipality	36,8%	63,2%	100,0%
	Count	1727	3755	5482
Petroupoli	% Within Municipality	31,5%	68,5%	100,0%
	Count	19708	34845	54553
Total	% Within Municipality	36,1%	63,9%	100,0%

Table 5-4 Symmetric Measures

		Value	Asymp. Std. Error[a]	Approx. T[b]	Approx. Sig.
Interval by Interval	Pearson's R	,017	,004	3,959	,000[c]
Ordinal by Ordinal	Spearman Correlation	,018	,004	4,206	,000[c]
N of Valid Cases		54553			

a. Not assuming the null hypothesis.

b. Using the asymptotic standard error assuming the null hypothesis.

c. Based on normal approximation.

The correlation coefficient for Municipality versus Gender is 0,017 for Pearson's and 0,018 for Spearman's coefficients. The significance for both coefficients is smaller than 5% which means that the correlation is significant, even though the coefficient value is extremely small. Combining this with the results of the crosstabulation matrix above, the conclusion is that the observed percentages between unemployed men and women across municipalities is approximately the same regarding the gender distribution but the change in values among municipalities cannot be explained by using the gender variable alone. For example, if a municipality has higher male unemployed percentage than another municipality, then it is expected that the female percentage of the first municipality will be higher than the respective of the second but the actual values cannot be estimated with great precision, since the correlation coefficient is very small.

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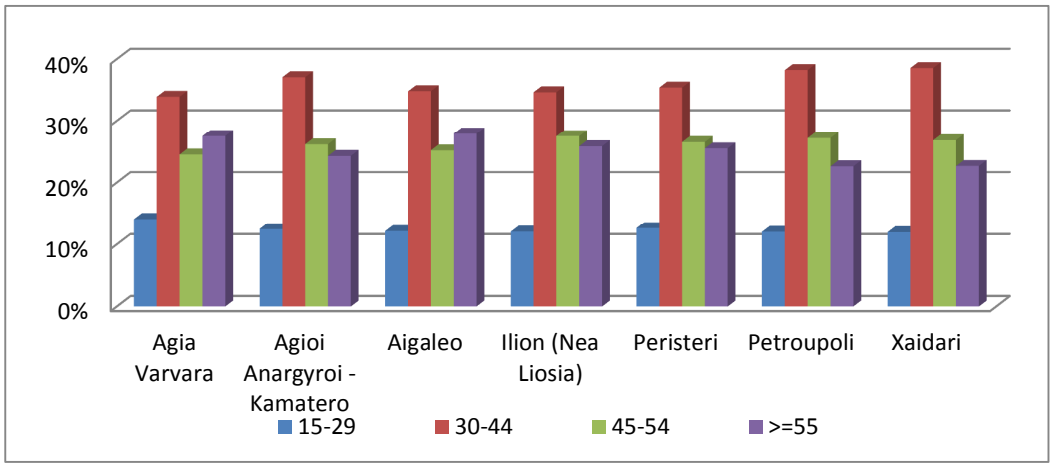
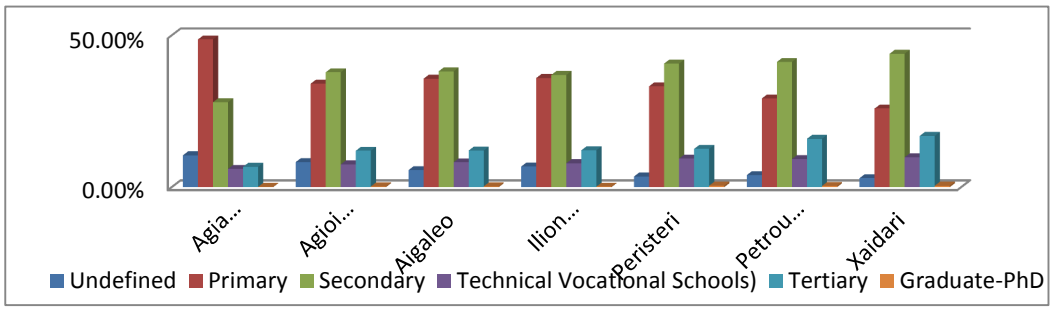
Chart 5-9 Unemployment rates per Municipality and Age Category over the Total Unemployed of the Municipality



Regarding the age category, there are a few interesting remarks. In all municipalities, the higher percentage is the 30-44 group and the lowest is the 15-29 years of age. However, there is a differentiation of Agia Varvara and Aigaleo when it comes to the middle categories. These two municipalities have the age group ">=55" as the second group in percentages.

Chart 5-10 Unemployment rates per Municipality and Educational Level over the Total Unemployed of the Municipality



With respect to educational level, there is an important difference in Agia Varvara. There, it seems that a significantly higher percentage of unemployed people who have a primary education only (48,7%). In every other municipality the secondary level is the first. In addition, In Agia Varvara there is the lowest percentage of unemployed in the tertiary level.

Chart 5-11 Unemployment rates per Municipality and Duration of Unemployment over the Total Unemployed of the Municipality

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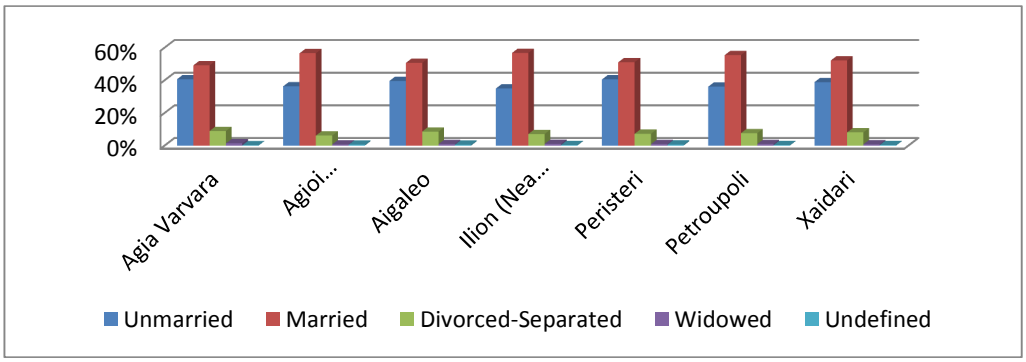
There are relatively more short-term unemployed in Ag. Varvara than in the other municipalities, since the composition there is almost 50-50. The highest percentage of long term unemployment can be found in Ilion (57,9%).However, the main pattern identified is that in all municipalities long term unemployment is the majority either with small, or large differences from the short term unemployment.

Chart 5-12 Unemployment rates per Municipality and Family Status of Unemployment over the Total Unemployed of the Municipality



There are no significant differences in the percentage composition regarding family status. Therefore, no pattern can be identified for the family status of the unemployed. There is of course a pattern in the order of the categories since married is the first in every municipality, unmarried is the second followed by divorced-separated and so on, but this is rather expected. This is the distribution that exists in Greek society. Most people are married, then there are the unmarried, fewer are divorced or separated etc. In order to substantially compare the outcomes, these percentages should be over the total number of people in each category in the total population of the municipality. Then it would be interesting to see if the percentage of married unemployed over the total married in the working force (or population) is larger than the unmarried and so on. However, the information of the total population family status distribution is not available therefore the comparison is not an option.

Chart 5-13 Unemployment rates per Age Category and Gender over the Total Unemployed of Western Athens

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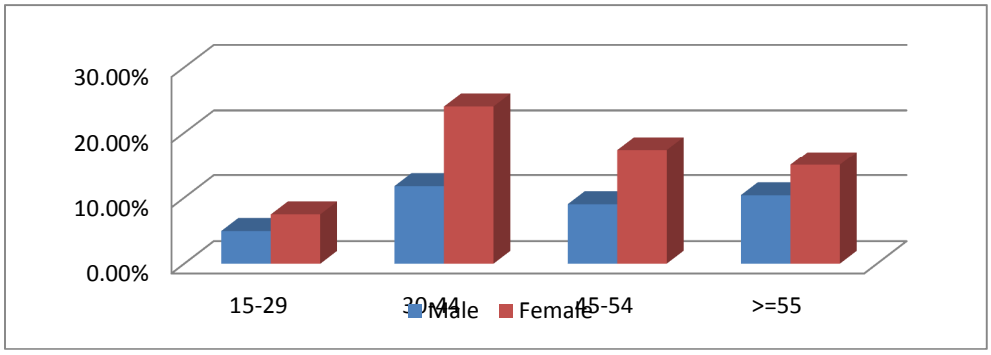
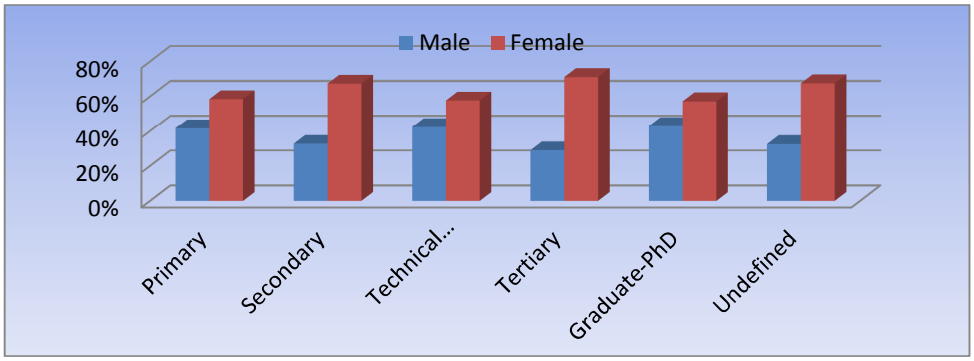


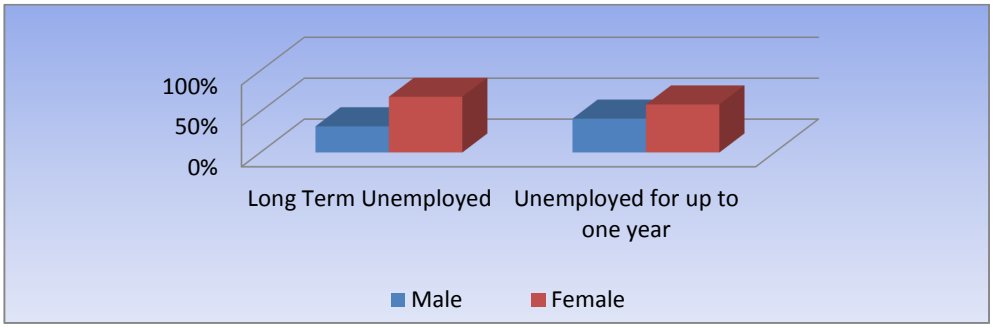
There are less female unemployed in the 15-29 and over 55 groups but the differences are not very large. The majority in each category is still female unemployed.

Chart 5-14 Unemployment rates per Gender and Educational Level over the Total Unemployed per Educational level in Western Athens



Women have higher unemployment rates in all categories. The smaller difference appears in the Technical-Vocational school category and the largest is in the tertiary level which is a very interesting fact since 71.1% of the unemployed with a tertiary level of education are female. It might be a sign that in jobs that are more demanding in educational skills and therefore offer higher compensations, men are preferred to women. This is a topic of widespread discussion and is thoroughly encountered in relevant literature.

Chart 5-15 Unemployment rates per Gender and Duration of Unemployment over the Total Unemployed per Gender in Western Athens



Women seem to have much larger percentage of long term unemployment than men, which coincides

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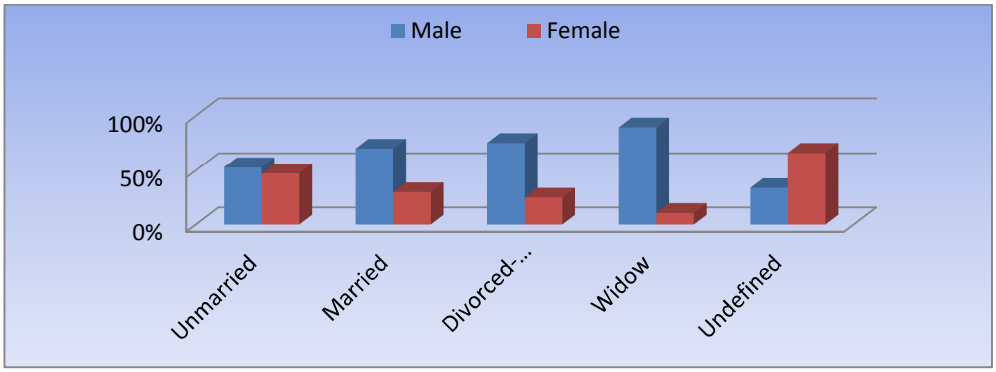
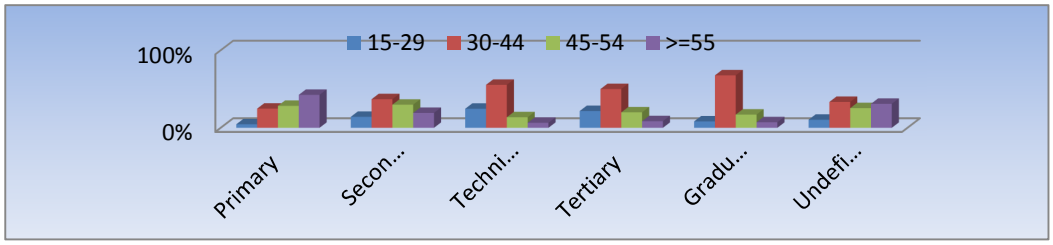
with the results of the previous(Chart 5-14).

Chart 5-16 Unemployment rates per Gender and Family Status over the Total Unemployed of Western Athens



Male unemployed are the majority in all family status categories. The distribution is more leveled in the unmarried category (52.9% - 47.1%) but it increases gradually in all other categories. An explanation for that could be that many women stop working (or stop looking for work officially) after they get married, especially after they have children. A large percentage is occupied in part time jobs or occasionally and there are officially not recorded as unemployed.

Chart 5-17 Unemployed per Age Category and Educational Level of Unemployment over the Total Unemployment per Educational level.



Regarding educational level and age category, age group 30-44 is the higher percentage in all categories except for Primary education. The particular age group also experiences the highest by far percentages in the more qualified categories, since the percentage seems to become higher as the educational level rises.

Chart 5-18 Unemployment rates per Age Category and Duration over the Total Unemployed of West Athens

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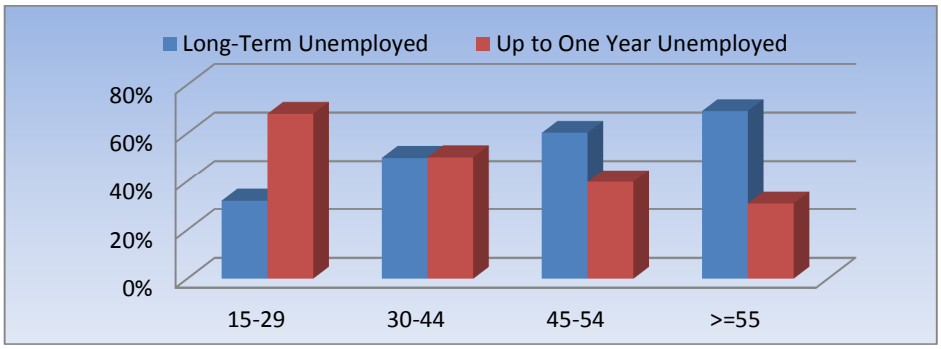
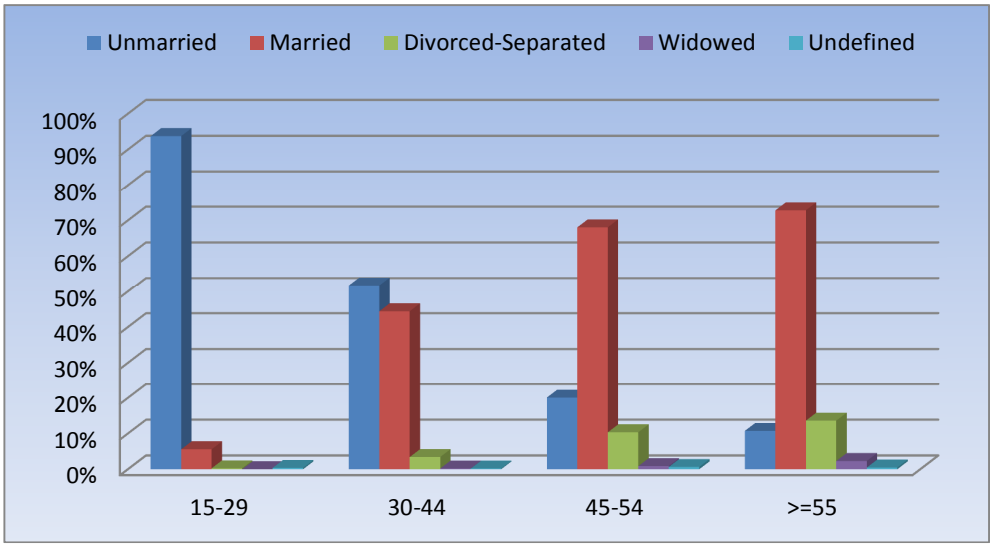


There is a clear pattern regarding age and duration of unemployment. The higher the age group, the larger the long term unemployment becomes. Age groups 15-29 and over 55 are almost complete opposites

Chart 5-19 Unemployment rates per Age Category and Family Status over the Total Unemployed of Western Athens



As expected, the distribution of family status is inversed in the age groups. This is rather normal since the number of people who are not married is decreasing with age while as the married (and subsequently divorced/widowed) people increase.

Chart 5-20 Unemployment rates per Educational Level and Duration over the Total Unemployed of Western Athens

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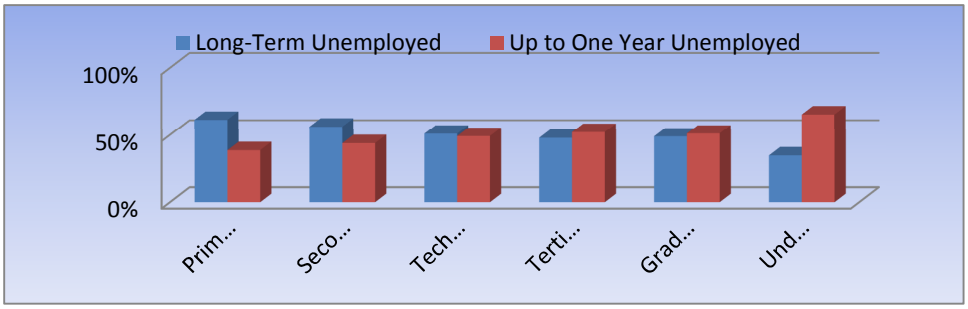
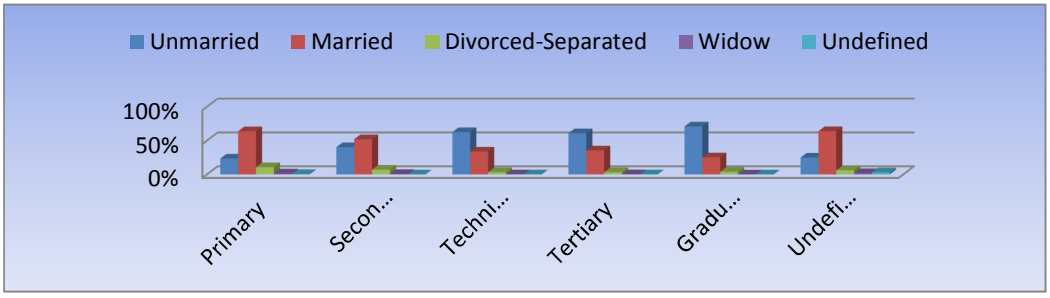


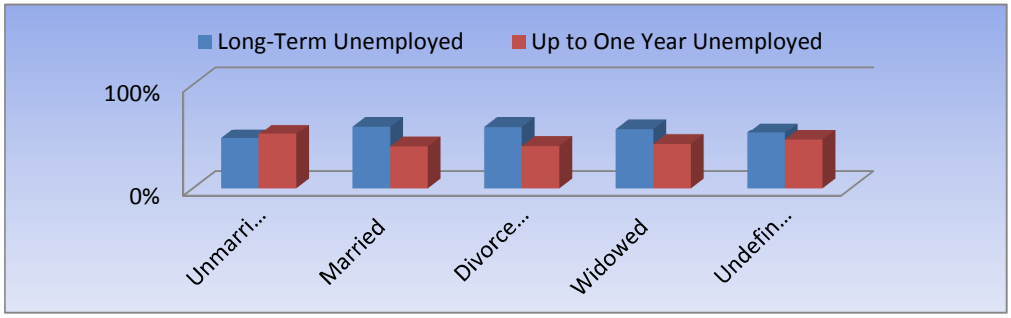
From the above graph it is obvious that there is a clear pattern. More educated people tend to stay unemployed for a shorter period. In addition, the difference is larger for long term unemployment in the primary level. This means that the less educated people have significantly more difficulties to find employment.

Chart 5-21 Unemployment rates per Educational Level and Family Status over the Total Unemployed of West Athens



There are relatively more people married in the Primary and Secondary educational level than in the higher education levels. This is rather normal of course, since the people who continue their studies are less likely to get married young.

Chart 5-22 Unemployed per Family Status and Duration of Unemployment over the Total Unemployed of Western Athens



Unmarried unemployed is the only category where short term unemployment is higher than long term. This is probably due to the fact that the unmarried are usually younger people and they are more likely to find another job in a short period of time.

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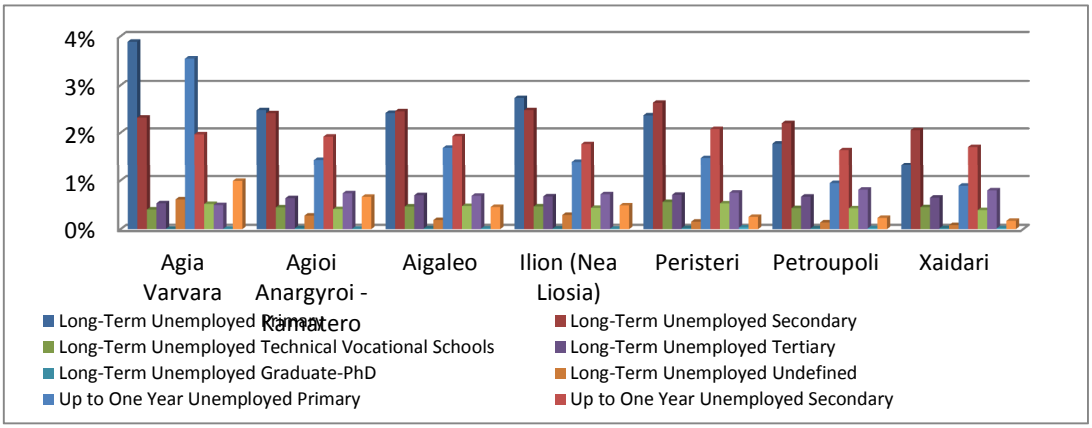
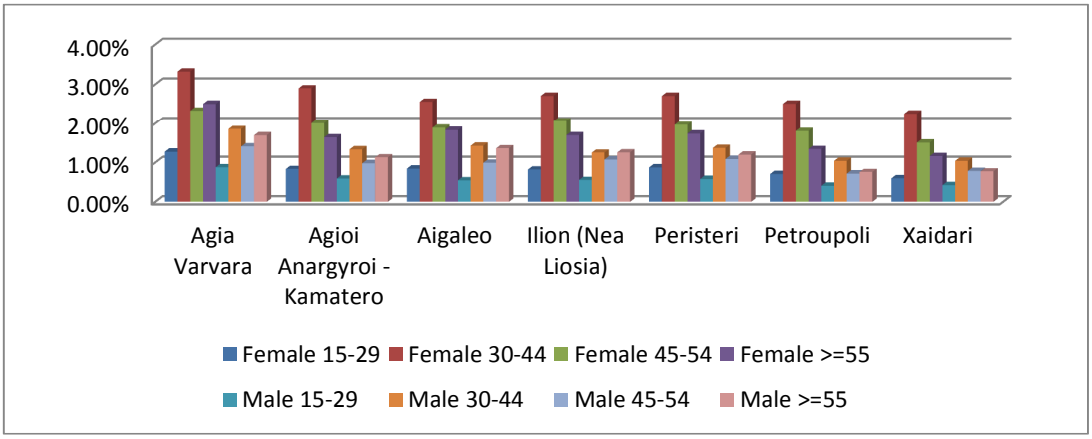
5.2.2 Three variable analyses

Chart 5-23 Unemployed per Municipality per Educational level and per Duration of unemployment



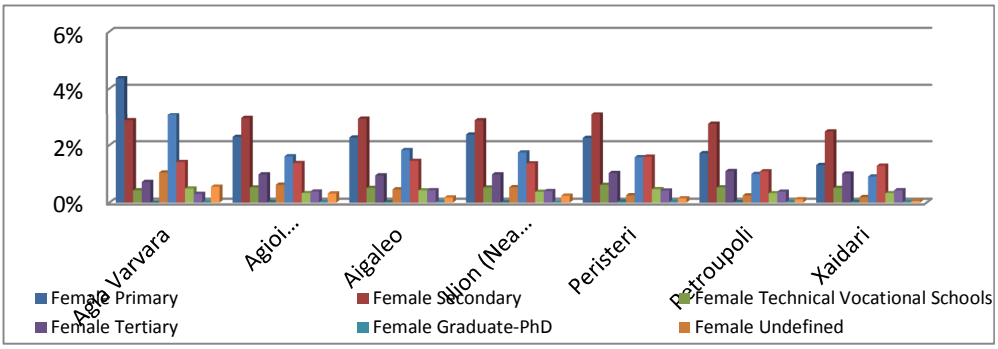
In Agia Varvara the primary education has the largest values in both long-term and short-term unemployment. The same applies for Agioi Anargyroi-Kamatero and Ilion but only for the long-term. In every other subcategory, short-term unemployment is of higher percentage than long term.

Chart 5-24 Unemployed per Municipality per Age group and per Gender



In Agia Varvara and Aigaleo the 55 and over category is third in both men and women. In every other municipality the particular group is in the fourth place.

Chart 5-25 Unemployed per Municipality per Education level and per Gender



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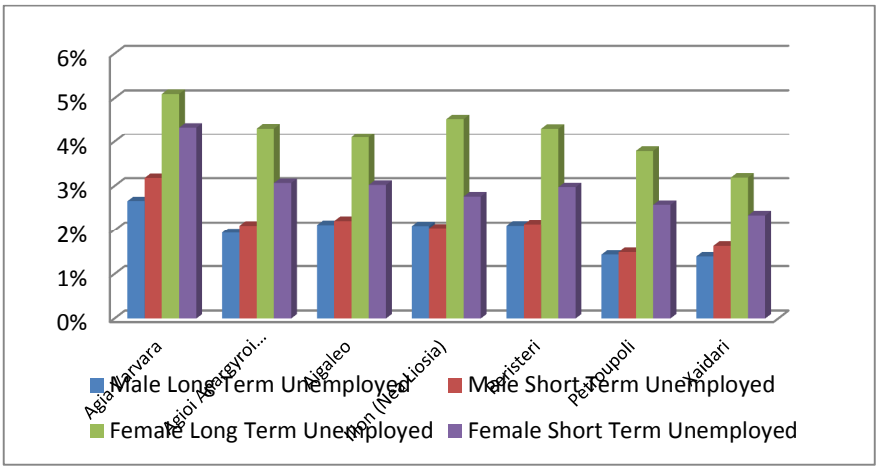
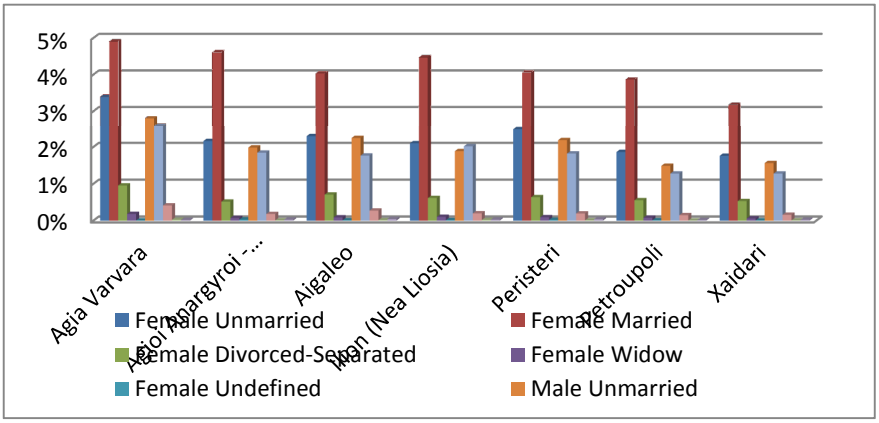
In Agia Varvara women and men of primary education have the largest percentage

Chart 5-26 Unemployed per Municipality per Gender and per Duration of Unemployment



The distribution of percentages is approximately the same in every municipality.

Chart 5-27 Unemployed per Municipality per Gender and per Family status



The distribution of percentages is approximately the same in every municipality.

Chart 5-28 Unemployed per Municipality per Age group and per Family status

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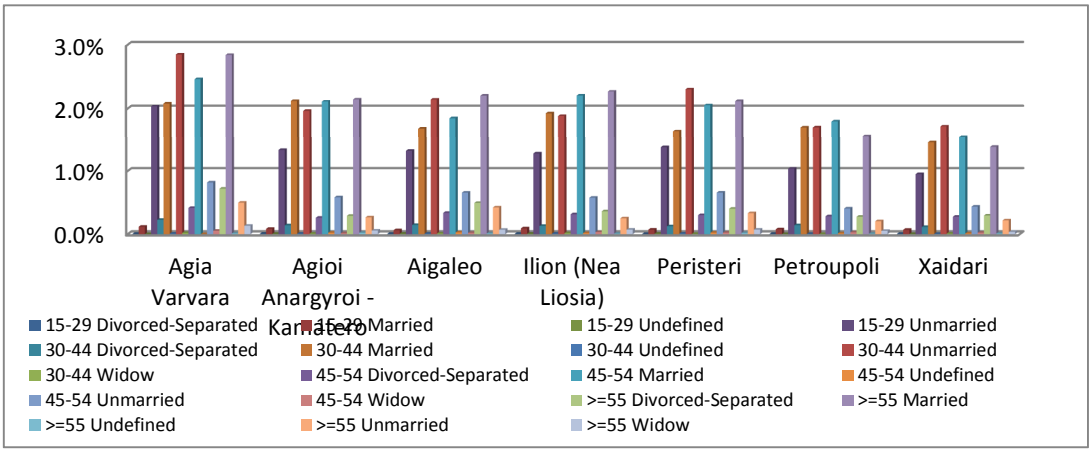
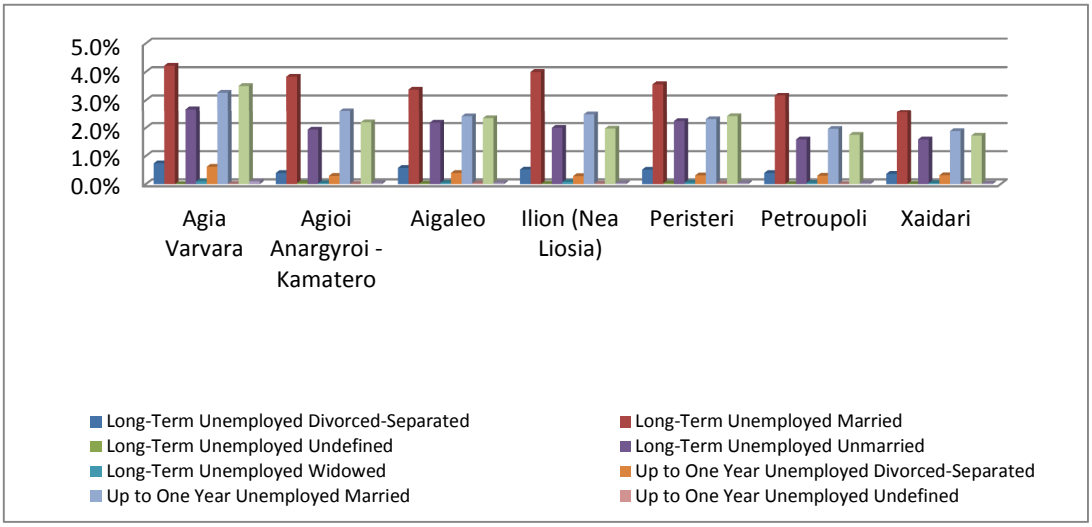


There does not seem to be a pattern regarding age groups and family status. However, the distribution of the percentages is quite similar in most cases.

Chart 5-29 Unemployed per Municipality per Family status and per Duration of unemployment



There are two exceptions in the pattern observed. In Agia Varvara and Peristeri the unmarried people in short-term unemployment are the second higher percentage. In all other municipalities, the particular category is in the third place after the married in short term unemployment.

Chart 5-30 Unemployed per Gender per Age group and per Educational level

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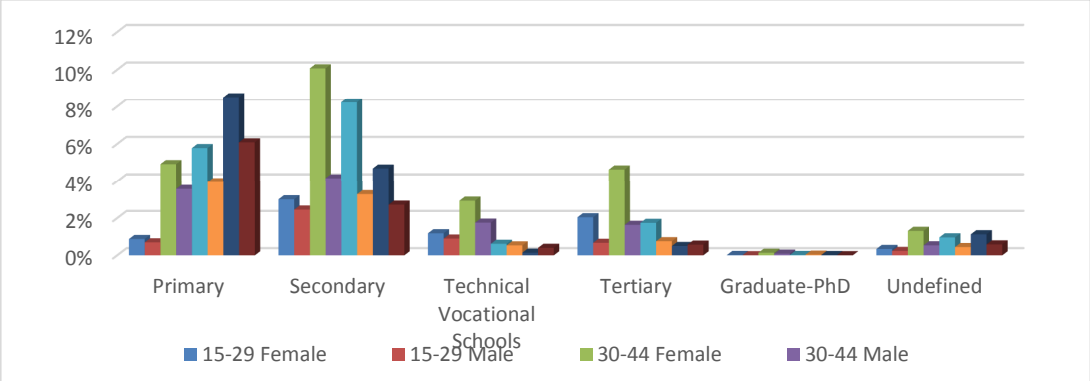
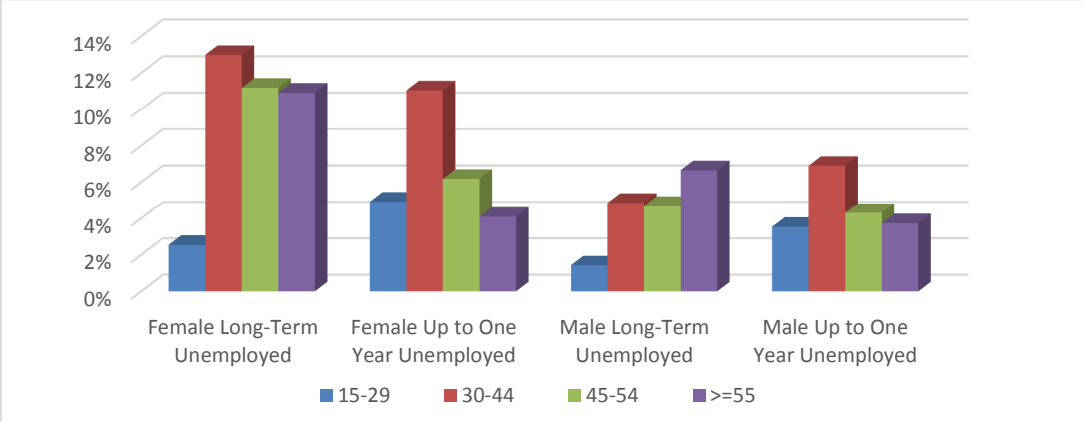


Women show higher rates of unemployment than men in primary in all categories, except for Technical Vocational schools and tertiary education in the 55 and over age group.

Chart 5-31 Unemployed per Gender per Age group and per Duration of unemployment



There is one exception in the obvious pattern of these three variables. For the long-term unemployed men, the highest percentage is for those 55 and over in age. For every other category, the leading group is 30 to 44 and second is the 45 to 54 group.

Chart 5-32 Unemployed per Gender per Educational level and per Family status

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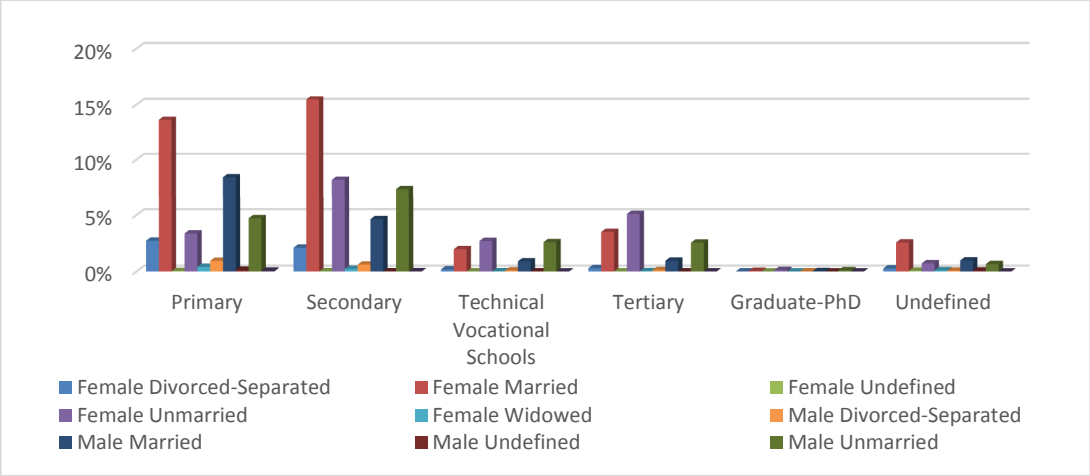
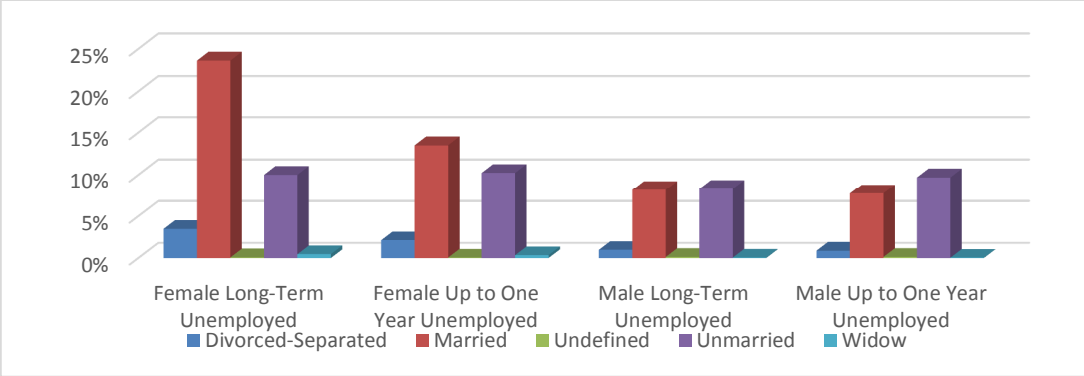


There does not seem to be a pattern regarding gender, educational level and family status.

Chart 5-33 Unemployed per Gender per Duration of unemployment and per Family status



It appears that there are more married women unemployed regardless the duration of unemployment but there are more unmarried men in both short and long-term unemployment.

Chart 5-34 Unemployed per Age group per Educational level and per Duration of unemployment

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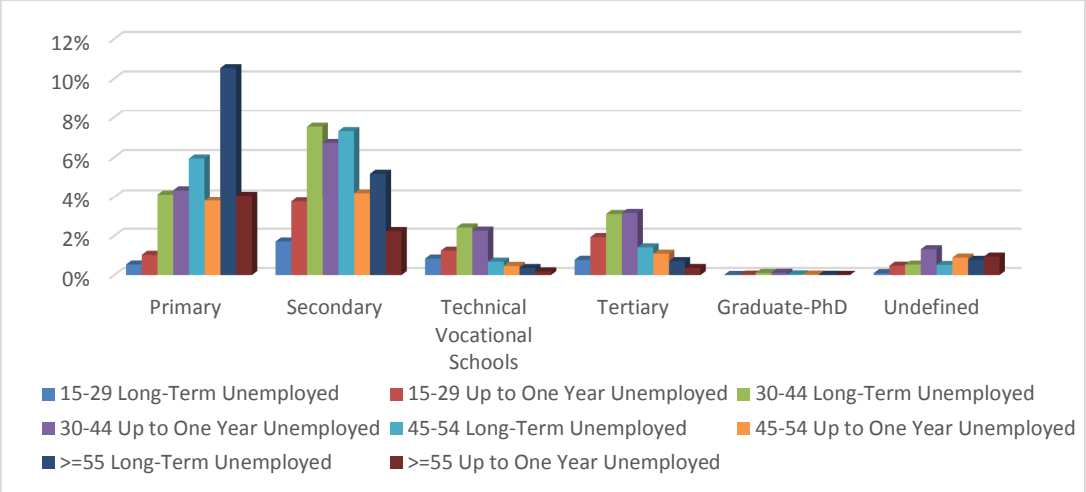
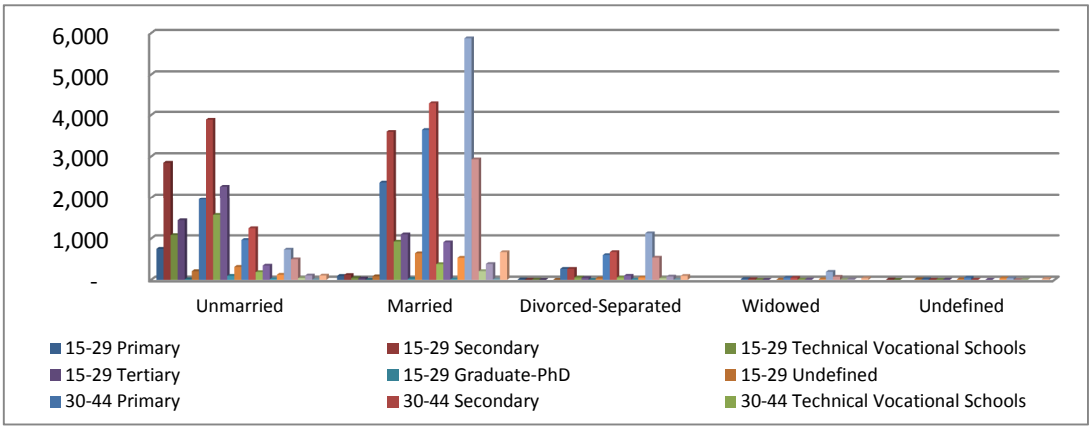


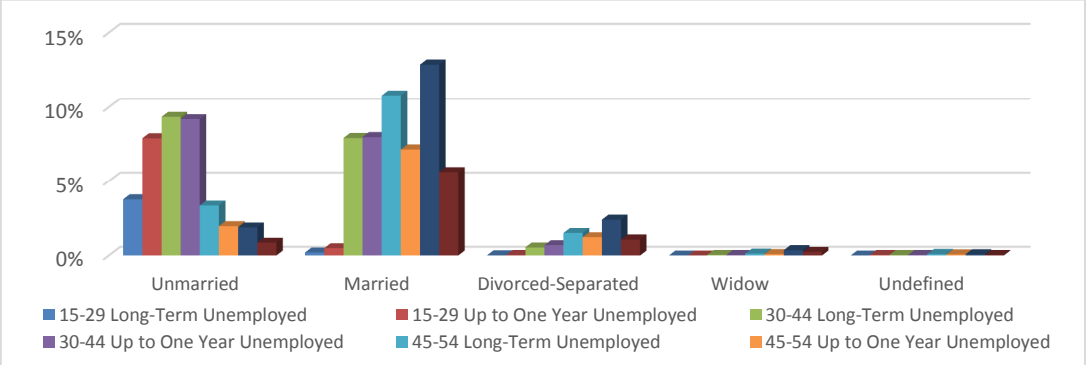
There does not seem to be a pattern regarding age group, educational level and duration of unemployment.

Chart 5-35 Unemployed per Age group per Educational level and per Family status



There does not seem to be a pattern regarding age group, educational level and family status.

Chart 5-36 Unemployed per Age group per Duration of unemployment and per Family status



There does not seem to be a pattern regarding age group, duration of unemployment and family status.

Chart 5-37 Unemployed per Educational level per Duration of unemployment and per Family status

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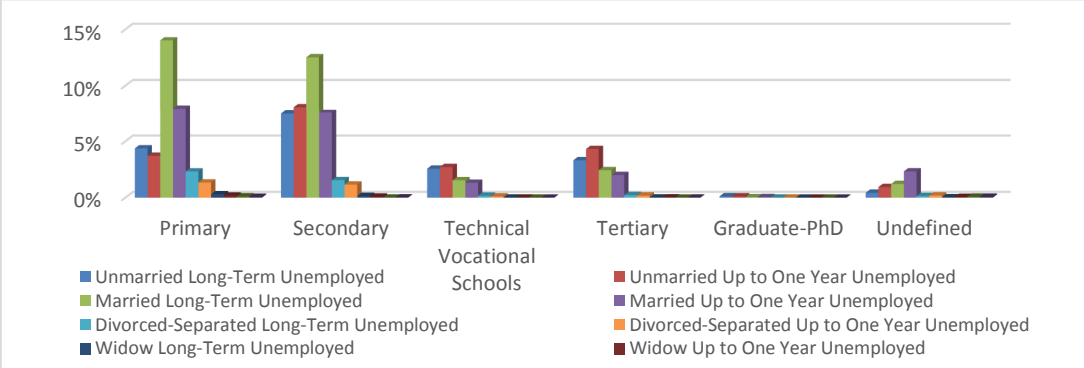

There does not seem to be a pattern regarding educational level, duration of unemployment and family status.

6 Discussion of findings

6.1 Discussion

Unemployment in Greece has always been a matter of concern for politicians and senior officials to confront, address and alleviate. The Greek economy has achieved almost steady growth over the past decades, but the problem of high unemployment rates could not be sufficiently resolved. As demonstrated in (Table 3-4) and (Chart3-3), unemployment increased steadily between 1991 and 1999. After Greece joined the Euro zone, the economy grew steadily and rather impressively, significantly reducing unemployment until the outbreak of the 2007 economic crisis. Although unemployment has had its fluctuations, it has never been the main problem of the Greek economy, mainly due to the fact that the country had experience positive growth rates. However, the impact of the crisis was serious because the lack of liquidity created a financing problem for the Greek government. Due to the subsequent recession, the unemployment rate had more than tripled and the total number of unemployed increased from 281,156 in 1990 to 1,330,336 in 2013.

6.2 Main findings

The impact was catastrophic in every part of the country and there was no difference as well for the Western Athens unfortunately. However, there is an interesting outcome which stems from the corresponding time series of Western Athens, Attica and Greece (Chart 3-5). Unemployment, as a percentage of the total population of each region, was higher in Western Athens than in the other two regions until 2010 and after 2016. In between, Attica and Greece experienced an explosive increase in unemployment which caused their rates to climb higher than those of Western Athens. The rate of unemployment in Western Athens rose steadily until 2012 and then remained almost the same until today (Chart 3-6), while in Attica and Greece in total, unemployment increased rapidly until 2015 and then started decreasing.

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The above coincide with the findings of the relevant literature on regional dispersion. According to the survey of Arpaia et al. (2014) in all EU countries where unemployment reached extremely high levels, regional dispersion has reached at historically low levels. This means that the areas that already faced high unemployment before the crisis only faced a small increase during the crisis and the differences between these areas eliminated, as the metropolitan and more developed areas were hit much harder. In Greece the differences were even more acute since about half the population of the country is based in the Attica region and most of the EU funds that flow in Greece end up in that particular area. The economic downturn affects in a much larger degree metropolitan areas (Monastiriotis and Martelli, 2013) and at the same time rural areas seem more resistant to recessions (Giannakis and Bruggeman, 2015). Since Western Athens one of the most degraded areas of Athens and already faced very high unemployment rates, the results of the recession were less obvious than in the other areas, where previously there were little to no problems. Western Athens under no circumstances can be considered to belong in the metropolitan core of Attica. Therefore, it was less affected by the recession and the differences with Attica and Greece in general were diminished and even reversed.

This finding is a characteristic of the problem that any local or the general government is trying to resolve. Western Athens is a region with great diversity with many structural and social deficits. The largest sub-category of unemployed people has only finished the secondary education level. More educated people lose their jobs more difficultly and when they do so, they remain unemployed for a shorter period than the less educated. Of course, this is a rather expected conclusion since the relevant international literature is rich in surveys that conclude that there is a much higher possibility for someone to become unemployed if is not a tertiary degree holder Livanos 2010, Merwe 2016). In the case of Western Athens, poorly educated people tend to be the majority and therefore they were the first to be affected. In addition, the effects of the crisis on demand, production and output, have a positive effect on the duration of the unemployment (Zonzilos 2000, Christopoulos 2004, Hanclova et al. 2012). The coexistence of these factors contributed in the rise of the unemployment rates in Western Athens and its persistence even up to the present time. In the same context, the small decrease in unemployment that is observed in Greece today did not affect Western Athens in the same degree as the rest of the country, making again the particular area the leader in unemployment rate, as shown in (Chart 3-5).

All of the above contributed into the creation of the explosive mixture that is observed today in Western Athens regarding unemployment. However, the seven municipalities that belong to the region are not coherent and do not share the same problems. First of all, the unemployment rate varies between 8.55% and 15.25% in Haidari and Agia Varvara respectively. This is an almost double rate and obviously these two municipalities cannot be put in the same account. The seven municipalities can be divided in three different groups with respect to their unemployment rates. In the first group there are Haidari and Petroupoli, both of which have lower percentages than the average (11.14%). Then there is the middle group that includes Peristeri, Ilion, Aigaleo and Agioi Anargyroi-Kamatero. These four are very close to average unemployment. Finally, there is Agia Varvara, which stands alone with 15.28%

A more detailed analysis of the special characteristics of these areas revealed the differences between

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them. The higher percentage of Agia Varvara for example includes a higher percentage of primary certificate holders and a lot more unemployed in the 55 and over group. The percentage of short-term unemployment is relatively higher than in the other municipalities which could mean that there is a faster change in job occupation in the particular area and the workers are more often changing jobs than in the other municipalities. This could also be justified by the existence of lower wages (related to the higher unemployment), which makes the workers to always be on the search for a better position. Of course, such assertions would require specific and targeted researches which are not the purpose of the present research.

Generally, long-term unemployment for the primary educational level is higher in Agia Varvara (as mentioned), Ilion and Peristeri. In Agia Varvara in particular, there is also an important issue with the short-term unemployment of the primary level. The second largest category is the long-term unemployed of the secondary educational level. The relationship between education level and unemployment has already been established previously and is inversely proportional. The more educated someone is, the less probable is to become or to remain unemployed.

Apart from the results concerning the municipalities of Western Athens, there are other variables that give significant outcomes, the most consistent of which is female unemployment. In almost all categories and comparisons, women have larger numbers in unemployment than men. This is a timeless problem for the Greek society, since it exists throughout the entire period that was examined in the present research either in Western Athens, or in Greece in general. In addition, women have significantly more long-term unemployment than men, which means that throughout the years women are deprived of employment, which would have helped them to bring more balance in the Greek families. The particular fact can also be combined with another significant finding. According to the data, the majority of unemployed women are married but the majority of unemployed men are not married. An explanation could be the central role of the mother in the Greek family. It is more difficult for married women to pursuit a career since they are expected to sustain their home practically on their own. On the other hand, married men seem to be more cautious with their work, or unmarried men find it easier to change jobs and/or not lower their standards in order to find a new job. This is probably why unmarried men have higher unemployment rates than married men.

As for the age groups of the unemployed, there are some clear patterns that can be identified.

In Chart 5-17), it is obvious that the age group (30-44) increases its rates as the educational level increases. It is by far the largest group in the postgraduate PhD. On the other hand, the age group 55 and above is in exactly the opposite direction. The highest rate of unemployment is at the level of primary education, and this rate is decreasing as educational levels are rising.

Another interesting result is the negative correlation of the age group and the duration of unemployment. As illustrated in Chart 5-18) with increasing age, long-term unemployment also increases.

The above results can also be combined with the information gathered Chart 3-9) showing that the number of the unemployed in the 55+ group was the lowest at the beginning of the crisis, but in 2016 they

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exceeded the group below the age of 30 followed by a reverse and its numbers are constantly decreasing.

6.3 Importance of findings

In paragraph 2.5, relevant literature on the particular subject was presented. The variables examined in the present research are included in almost all studies on unemployment or similar fields. However, the purpose of the author is to perform a research on unemployment that could be used by policy makers in order to tackle unemployment. In addition, the fact that the data collected and used in the analyses is the population of the unemployed in Western Athens makes the present research by default comparable only to studies performed by official institutions such as OAED, OECD, EIEAD, ELSTAT and GSEE.

The main findings of the empirical part of the research coincide with the relevant findings of official studies. The specific region of Western Athens is not particularly assessed in any official study but the subject of regional dispersion of unemployment among the Greek prefectures is thoroughly examined in the papers issued by OAED (2017), EIAD (2017) and INE-GSEE (2017).Most of the findings of the present research support the respective outcomes of these three studies and therefore the particular research verifies that the main unemployment determinants are the same in every region.However, there are also some differences. In the INE-GSEE the authors conclude that the educational level is not a decisive factor for unemployment. The unemployment rate for tertiary level education individuals is still smaller than the other levels but the authors consider it not significantly smaller. The common denominator of these surveys is that these institutions gave the ability (and resources) to connect these findings with the needs of the market and the overall macroeconomic determinants of the Greek economy. This is beyond the purpose and mainly the capabilities of the present research, but it is exactly the reason it was created; to identify the patterns of unemployment in Western Athens, assess the needs of the employers and the market in the same area and assist the policy makers in conducting the appropriate measures and programs to tackle unemployment.

7 Theoretical and Managerial Implications

The study contributes theoretically to the existing knowledge regarding unemployment in a number of ways.

Firstly, it informs already existing literature in the area of unemployment by drawing some conclusions and comparing them with previous studies, such as . It therefore demonstrates the relevance of the aforementioned factors (age, gender, educational level, family status etc. with the wider phenomenon of unemployment and it also points to the particular importance of educational level and gender with regard to higher unemployment rates. These findings are in accordance with findings from the study of Biagi and Lucifora (2005) and OAED (2017).

In addition this study seeks to assess the characteristics of the unemployed at the local level, to analyze them and to use them in order to adapt the developing policies as much as possible, thereby achieving a

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reduction in unemployment.

Secondly, it demonstrates the importance of analyzing numerical and qualitative data of the unemployed as a key factor in examining ways towards reducing unemployment.

The methodology followed in this study could serve toward building a theoretical framework in future that could benefit towards the study of unemployment through the data and findings obtained through this approach.

Thirdly, it demonstrates the need to keep records of the unemployed on a permanent basis. This data base can be used by the potential researchers and the policy makers to depict the magnitude of the problem at any given time.

The present study can be used by ASDA as a starting point for its newly founded Unemployment Observatory in the effort to co-ordinate further actions to cope optimally with unemployment at an inter-municipal level in Western Athens. At the same time, each municipality separately can act locally by developing smaller-scale auxiliary policies, also based on the results and the conclusions of the present study and similar studies that can (and should) follow.

To date, the problem has never been tackled locally. All efforts are being carried out at national or regional level. All mechanisms for registering unemployed, statistical analysis of data and interpretation of results are reported through organizations and institutions either at country level or in the subdivision of the Region. Such organizations have already been mentioned in the research and are OAED, ELSTAT, EIEAD and others such as ERGANI and GSEE.

Thus, from the municipality level point of view, this study also introduces the concept of a smaller geographical definition as an important factor for activating societies and dealing with such problems. So far, unemployment problems are considered to be the sole responsibility of higher government levels, but they are often unable to cope with them, since they do not have the required knowledge of the peculiarities of the local communities.

Thus, there was no substantive intervention and resolution, only very few passive benefit policies. From the data that have already been presented regarding Western Athens, we see that these policies have not so far contributed to addressing and reducing unemployment.

From an administrative point of view, it firstly informs managers about the current state of unemployment rates, but also about the characteristics of the unemployed, which will assist the official to properly adapt the implemented policies to fit the needs of the unemployed in the specific region.

The study also highlights the level of education as one of the most important factors of unemployment in Western Athens and therefore it makes clear that any action should be directed towards preventing rather than addressing an unpleasant situation such as unemployment.

Taking the above under consideration, some indicative guidelines are the following:

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- The government should ensure that educational programs are continuously renewed so that they are adapted to labor market requirements, aiming at the more targeted education of the potential working force.
- The employers should always communicate their needs, present and potential, in terms of skills, educational level and general characteristics that will match their requirements for human resources so as to contribute to the planning of educational programs. This will enable trainees to get the knowledge they need in time to fit and integrate into the labor market.
- The importance of other factors, such as age, duration of unemployment and family status, should also be properly assessed, so that the corresponding programs are also adapted to the appropriate category of unemployed.

In other words, a system of interaction between all the parties concerned should be developed, in order to mitigate the effects of frictional and structural unemployment. All the above, may create the ground for a "dialogue" to begin, between what the needs of the market are, and how unemployed can build these skills and assets, also based on their own aspirations, personality and needs, in order to come up to employers' expectations.

Last but not least, the study's findings might create a more positive stance and mindset on part of managers and employers to participate in actions or initiatives that aim at fostering employment in direct or indirect ways.

With regard to policy makers, efforts can become more focused, targeted and custom tailored again based both on the needs of employers and the labor market, but also based on unemployed individuals' current needs, characteristics, current inefficiencies but also future career aspirations. Only in such ways, can the relevant programs and initiatives succeed. Such programs could be educational programs, seminars, trainings, coaching and mentoring etc. In addition, sponsored employment could be provided by policy makers to unemployed individuals in firms for a particular period with the potential for them to stay in the organization should they fit into it.

Beyond that, however, it is extremely important for the policy makers to understand that an educational system should not at first repel those who want to be educated. It must provide opportunities irrespective of age and should be considered as the right of every citizen to access higher education without hindrance as long as he/she so desires at any stage of his life.

A young person who is prevented from studying in any way is also the future unemployed. The state must free up access to all levels of education for anyone who wants it. A man who has been discouraged by his desire to study from an early age cannot be blamed later for his aversion to accept substitute programs that will supposedly lead him to solve the problem.

Consciences and personalities for people have been built over the years. Thus, if the state does not assure that every person feels psychologically and educationally adequate and equal any measure for unemployment will fail. If every person does not feel that at any time and on equal terms he can stand up and stand on his feet then governments will keep developing policies to tackle unemployment forever.

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8 Limitations and Future Research Directions

8.1 Limitations

To describe the limitations we encountered during this diploma thesis, we will begin with what we have already mentioned, concerning the data acquisition process, its structure and its quality.

At the beginning of the research there were thoughts about obtaining data through a questionnaire. However, the possibility given mainly by the ASDA in co-operation with the EIEAD, and the OAED for the acquisition of real population data, has dispelled any doubts. Besides, it was clear that the aim of the research could be pursued, at this stage, by the data obtained from the above organizations. Nevertheless, the use of actual population data was a restriction on their use and publication.

The first constraint that we encountered and which we mentioned in a previous chapter came from the legislation. The data of the unemployed are sensitive personal data and as such must be managed by someone who tries to analyze them and draw conclusions from them. Legislation provides for the prohibition of the publication of statistics on the unemployed when, after their processing, they result in situations with figures below 10 in aggregate.

Thus, the legislator considers that the personal life of the unemployed is violated when exposed to public references. This has resulted in a change in the method of analyzing and categorizing the data, because the more categories one wants to create in order to produce more accurate results, the greater the chances it has to hit the legislative ban. In our case, we have come to these categorizations after many tests and multiple statistical analyses until we are able to reach the ideal classification to avoid this phenomenon as much as possible in the case of the analysis of unemployment in Western Athens.

Beyond this limitation, another one, concerned the type of data and the possibility they provided us to extent our study. That is, we have noticed that there is a complete lack of data that has to do with the progress of the unemployed from unemployment to work. No data is available about who found a job, what were the characteristics of the unemployed who found a job, which category belonged to what we used in the present study, what job they found if the job they found was the same as the job they were looking for and how long they have been able to maintain it.

We were also unable to obtain data on whether some unemployed people were helped by programs and policies to reintegrate them into the labor market, such as training programs or skills acquisition programs, as well as elements that would help us to understand which of the policies used were the most successful in reintegration of the unemployed into the labor market.

Finally, we could not in any way obtain, even for a single unemployed person who was reintegrated into the labor market, his full details, name, surname, home address, in case we would like to try through an interview to solve some of the above questions.

This research attempted an illustration of the profile of the unemployed in Western Athens, based on their characteristics as they were mentioned. Through this depiction an effort was also made to approach the unemployment problem. This effort, on the other hand, faced constraints and, on the other hand,

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discovered opportunities for improving the proposals and tackling unemployment.

One constraint is that the study and analysis of the economic environment that generates unemployment is completely absent. In a microeconomic or macroeconomic environment, conditions that are often created are such that any characteristics of the unemployed are not capable of reversing the social problem of unemployment that arises, mainly due to the macroeconomic impact on the business world.

A characteristic example of this is the increase in unemployment in our country and globally, especially over the last 10 years, due to the dramatic reduction and / or cessation of the activities of many businesses, resulting in a large loss of jobs.

As far as opportunities are concerned, they refer to future research directions of labor market needs, with the aim of improving proposals for tackling unemployment and we will refer more extensively to the continuation of the chapter.

Last but not least, the study regarded a particular region, deprived of individuals with a particular profile and a particular context –the Greek- at a particular point in time.

Future studies could be more longitudinal in nature, consider additional factors and characteristics and examine other regions to draw more generalizable conclusions.

8.2 Future Research Directions

It is clear, therefore, that in order to address the problem of unemployment in the best possible way, the studies should fill the gaps we have identified and complement the conclusions of the present work.

Several governmental bodies are already being sensitized and produce studies that approach the problem from the point of view of prevention rather than treatment.

The concept of addressing seems to have failed to date, and interests are now turning to the analysis of the microeconomic and macroeconomic environment with the target of diagnosing the needs of the labor market.

In this way, governments, in cooperation with local administrations, will be able to build better policies and better programs for the unemployed by adapting them to market needs.

The unemployed in turn, which will be included in the above programs, will be prepared in this way to meet the needs of the market when they occur.

For the above reasons, future research should, as far as possible, turn to the development of models for diagnosing labor market needs with immediate objectives:

- Stating the current situation and short-term trends;
- The production of medium and long-term forecasts for the needs of the labor market in sectors, professions and skills.

These actions need to be lasting, the identification of labor market needs dynamic rather than static and

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the studies being continuously fueled by new data, which also concern the macroeconomic environment.

The ultimate goal should be to provide the state with regular and reliable data and assessments for the rational design of employment policies, lifelong learning programs and other policies.

Particular examples of such efforts in recent years are also the appearance and development of observatories.

The Observatory is a research and action structure addressed to citizens, the scientific and academic community, policymakers and their objective is to make scientifically-based analyzes of a range of social issues at the heart of the current economic climate.

The Observatory is an area of study and interactive intervention of researchers, aiming at highlighting the dimensions of modern economic and social phenomena, which have added value for the citizen.

In the light of all of the above, it seems to be important for a future researcher to develop specifications for the creation of such study sites as Observatories or the development of specifications for the establishment and operation of Labor Market Diagnostic Mechanisms (participants, possible partnerships, data tracking methodology, interoperability with other relevant mechanisms, etc.).

9. Conclusions

The region of Western Athens is historically one of the most degraded since it has been more or less neglected by the policy makers. Of course, it is not a coherent region and each municipality faces different problems. As it was concluded, from the relevant literature review, the factors that seem to affect unemployment rates on a European and international level, also affect the unemployment in Greece in general and Western Athens in particular.

In the present research six different factors were analyzed; Region, Age, Gender, Educational level, Duration of unemployment and Family status. Certain patterns were identified regarding the importance of each factor and its attribute to the overall unemployment rate. Through these patterns it was concluded that the most important factor that affects the unemployment is the macroeconomic situation of Greece and Western Athens more specifically. The historical review of the Western Athens situation revealed that the effects of the economic downturn were becoming obvious in the business sector of the region. The particular outcome can only be interpreted in the light of the Keynesian theory which introduced the notion of cyclical unemployment. In the author's opinion this is one of the most important findings–if not the most important.

As it was stated in the research objectives, the present research aims at assisting the policy makers, both in municipal and country level, to undertake the appropriate measures to tackle unemployment. The portraying of the empirical part revealed that a large part of the excess unemployment cannot be attributed to any other type of unemployment. It is a clear and distinct result of the overwhelming recession that has affected Greece. However, the unemployment in Western Athens seems to be more persistent than Attica or the country in total, which indicates that the structural part of the unemployment is also important in the particular area.

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The differences among the seven municipalities that belong to the regional so clearly depict the structural differences among them. Therefore, the patterns that were identified in the empirical part of the study, will be of great importance in the battle against unemployment. The present study is exactly the kind of research that the unemployment observatory of ASDA (which is about to be created) will need in order to guide any measures taken in the proper direction. This endeavor of course will require more information on the unemployed who managed to reenter the market but the first part of the observatory's work is covered by the analysis of the present research. This is exactly the reason why ASDA has been extremely helpful with the collection of the data for the study.

9.1 Suggestions

A profile of unemployed individuals only has a meaning when it is used by the respective authorities to help reduce inequalities and unemployment. The present research has as a scope to identify the problems in Western Athens in order to assist in solving them, not just point them out.

There are many programs for unemployed individuals that are being held by the local authorities and are financed by the general government and/or the European Union. Most of these programs usually aim at educating the unemployed in order to give them extra tools and skills which hopefully will help them to reenter the market. However, there is a question of exactly how specialized and personalized these programs can be. It is obvious that a program that is designed to attract hundreds or thousands of people cannot be extremely personalized. There is however a way to create the appropriate program for each particular area by identifying the needs of the market and the source of unemployment. The first part, the needs of the market, is not within the purposes of the present research. In the process of the research though, such papers and studies were discovered by the author. Most of them are from official institutions such as the unemployment and statistical services. The conclusions that were reached during the present study are interconnected to the problems identified in each area.

The empirical part of the present research presented thoroughly the profile of the unemployed in Western Athens. Certain patterns were identified concerning the variables available (municipality, gender etc.). The extremely high level of analysis (by two and by three variables) allows the reader to compare the unemployed in any possible way and deduct conclusion about the specific characteristics of the individuals.

The results can be used by official authorities (such as the Observatory) in order to connect the pool of the unemployed to the specific area of the market in which the needs are both parts coincide. It can be used to reduce the frictional unemployment wherever it may exist and determine whether there is structural unemployment present, or if there is merely a result of the cycle of the economy. If there is structural unemployment, the pattern have already been identified by the present research and can be used to create appropriate programs but if there is no structural gap in Western Athens, the unemployment will be attributed solely to the economic downturn. In such an event, the measures that will be decided must aim towards investments and structural reforms that will assist the overall economy (and Western Athens in

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particular) to return to positive growth rates which will once again increase employment.

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CHALLENGES IN IMPLEMENTING REVERSE LOGISTICS PRACTICES IN SRI LANKA

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Abstract

Increasing landfilling and improper disposals create many environmental and social issues in Sri Lanka. Reverse logistics is one of good solutions for these issues. This concept was popular in developed countries form a long time and now it is an immerging focus in developing countries like China, Thailand, India, etc. Reverse logistics practices enable regaining value from disposals which is beneficial to Sri Lankan manufacturing industries.

Including the insights from the literature review, an online questionnaire was developed and 107 data were gathered from manufacturing companies in Sri Lanka. The data were statistically analyzed and interpreted descriptively and inferentially. The research has identified managers' negative attitudes on reverse logistics concept and lack of reverse logistics committed resources as challenges in applying reverse logistics practices in Sri Lankan manufacturing industries. According to the previous literature, negative attitudes on reverse logistics concept has not been identified as a challenge in any other country. It implies, Sri Lankan managers are way back in attitudes for implementing reverse logistics than in other countries. Therefore, they require more awareness programs on this concept and the importance of having it in their businesses. Sri Lankan business owners, managers, the government and the general public need to focus on reverse logistics to eliminate the environmental contamination and related social issues.

Keywords

Challenges, Manufacturing Industries, Reverse Logistics, Sri Lanka, Supply Chain Management

1. Introduction

Supply chain actions produce much waste and increase environmental pollution. Focusing on reverse supply chain management became a trend in manufacturing industries to minimize waste dumping and environmental pollution. Reverse logistics is a main process in reverse supply chain. Activities comprised in reverse logistics facilitate processing wastage effectively and efficiently in order to gain more profits to manufacturing companies and/or dispose waste in an environment friendly manner.

Reverse logistics was visible in automotive industry since early 1990s. It had applied to dealers and garages through returning unused stocks. Products recall is one of another area that could be address in reverse logistics. In electrical, automotive, food and beverage industries recall of defective or potentially damaged products had been identified (Ritchie *et al.*, 2000).

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Few advantages of reverse logistics could be stated as cost saving, improving the company image with a 'green' tag and increasing the company profitability (Shakantu *et al.*, 2012; Chileshe *et al.*, 2015). Practicing reverse logistics are highly visible and has become a legislative requirement in developed countries such as Sweden, Finland, United Kingdom, Japan, etc. Manufacturing companies in these countries benefited from reverse logistics practices. When reverse logistics and reverse supply chain activities are taken place in a company, such companies regarded as companies with green business processes.

One of the early research outcomes was, the majority customers' purchase power was inclined by the company's green image and that was 80% (Beamon, 1999). Although companies could practice a portion of reverse logistics activities, it could direct companies to their success (Ho *et al.*, 2009). There are various types of waste such as polluted water, solid waste and E-waste. Waste from Electric and Electronic Equipment (WEEE) is a rapidly increasing type of waste in this era and therefore European Union (EU) has made an effort to make the developing countries' companies aware of the value of following WEEE regulatory norms. Environmentalists' special attention has been towards e-waste generators since it can be hazardous when dump open areas. As an example, according to EU, China has better consciousness on WEEE problems. They have found that China's WEEE legal regulations that have developed in 2008 has three main features as collecting, controlling of hazardous materials and better ecological management (Abdulrahman *et al.*, 2014). Further, Chinese industries practice reverse logistics as they have relatively high amount of solid and water waste in the country due to high industrial activities. As per the literature, apart from e-waste, paper and plastic are two other major industries that have rapidly growing wastage in China (Oliveira *et al.*, 2012) and those industries have well-planned for recycling. (Abdulrahman *et al.*, 2014).

In countries such as Japan, Korea and China, it is the manufacturer's duty to collect end-of-life products and recycle them appropriately (Toffel *et al.*, 2008). Therefore, companies in these countries have applied reverse logistics practices in their companies either by their intention or by force. Unfortunately, this mechanism is not highlighted in Sri Lanka. Moreover, South Australian region had a considerable waste from construction industry and they have implemented reverse logistics practices (Chileshe, Rameezdeen, Hosseini, & Lehmann, 2015).

Waste generation of Sri Lanka has a rapid growth. According to Vidanaarachchi et at., 2006, solid waste generation will increase to 1 kg/cap/day by 2025 from 0.89kg/cap/day in 1999 [9]. Few reasons for the increasing solid waste in Sri Lanka are accelerated urban population growth, unplanned urbanization and increased resource consumption (Manikpura *et al.*, 2012). Moreover, the municipal solid waste management systems are not accurate in Sri Lanka. Many municipal councils manage to dump solid waste in open areas without treating them properly and it caused increment in landfilling and health issues. As examples, the generated waste within the Hambantota urban council area was transported and dumped near a forest reserve and a housing scheme (Vitharana, A.D., 2016) without any environment-friendly treatments; and although 60% of Sri Lankan national waste is generated by Western Province, 86% of them are dump in open lands. Very less amount of waste is treated, 6% composting and only 4% is recycled. (Lanka Business Online website, 2016).

Most of the people managed to dump household wastage in their own home gardens around twenty years before. But recently it has changed and people do not have enough space to dump waste on their own. Waste such as polythene, e-waste can be hazardous when burning in home gardens and it is not further entertained. The overall population in Sri Lanka has a rapid growth and the waste becoming an issue to the society. Several household wastages are being dump illegally on the road sides and it reduces the natural beauty in the country. The Ministry of Environment and Natural Resources in collaboration with Central Environmental Authority has identified mobile phone usage has around 12% increment while the annual growth rate for the other major electronic products has improved by 6%. Usage-time of electronic

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products has shortened since the technologies of those products are developed rapidly and new upgraded versions are available in the market swiftly. Thus, e-waste too has become a threat in Sri Lanka (Mallawarachchi & Karunasena, 2012).

Reverse logistics is one of good mechanism to limit landfilling with waste. Its expansion may result in reducing primary material consumption and signify minimum effluence in developing regions. According to Sarkis *et al.*, 2010, many recycling activities are manual and those are labour intensive and require low-skills. Therefore, it is a good opportunity for developing countries to benefit by job creation with these types of recycling activities. Recycling effects in less pollution. Environmental improvements done through recycling cause for improvements in social well-being and security (Sarkis, Helms, & Hervani, 2010).

Although there are attractive benefits embedded in reverse logistics, Sri Lankan manufacturing companies are rarely implementing reverse logistics practices. According to revealed by Abdulrahman *et al.* in 2014, it is hardly can be seen in developing countries because it is not mandatory in their supply chain as developed countries, recently in countries like China, Thailand and India have implemented reverse logistics in their manufacturing industries and benefited from the implementations (Abdulrahman *et al.* in 2014). But according to my knowledge, it is not revealed from any other researches why Sri Lankan manufacturing industries do not have such performance in reverse logistics and what are the challenges come across in implementing reverse logistics practices. Therefore, this research was aimed to identify challenges faced by Sri Lankan manufacturing firms when implementing reverse logistics practices and to discuss managerial implications of the findings.

2. Literature Review

2.1. Reverse Logistics

Reverse logistics (RL) has defined as "the process of planning, implementing, and controlling the efficient, cost effective flow of raw materials, in-process inventory, finished goods, and related information from the point of consumption to the point of origin for the purpose of recapturing or creating value or proper disposal" (Rogers & Tibben-lembke, 2001).

As Rogers & Tibben-Lembke have defined that there are several activities comes under reverse logistics. All of the following activities are falling under reverse logistics, remanufacturing, refurbishing, landfill, repackaging, processing returns and recovers (Rogers & Tibben-lembke, 2001). There are special terms comes under reverse logistics and those have been defined in the literature as follows; Reutilization: It means reusing the returned product. There are some products which can be reuse only with few repairs or cleaning. Some of few examples are carriage resources such as pallets, bottles, boxes and some packages (Diáz; Álvarez; Gonzalez, 2004, cited in Akdoğan & Coşkun, 2012); Repair: Customers return some products when there are damages or they are broken. Then the producer fixes those and it requires few efforts. Once a product is repaired then the quality of the product becomes less than its new product. (Thierry *et al.*, 1995 cited in Akdoğan & Coşkun, 2012). Repairing involve replacing damaged machineries and parts. So that those can be reused for the same purpose with original functionalities (Filip & Duta, 2015); Renovation: Refurbishing is another word for renovation. When products are returned, some of them make to meet specified quality levels by disassembling into parts. Then after a thoroughly examined the parts, they get fixed or exchanged with another better part. Not only upgrading parts but upgrading technology of the product is a renovation. When a renovation took place the quality of the product is enhanced conspicuously (Thierry *et al.*, 1995, cited in Akdoğan & Coşkun, 2012); Remanufacturing: The purpose of remanufacturing is improving quality standards. When customers returned products, manufacturer is inspected it carefully and disordered or damaged parts are replacing with new ones. Repairable damaged parts too can use after being improved (Akdoğan & Coşkun, 2012).

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Remanufacturing is a complex activity which included many processes. Returned products are completely disassembled and replaced its malfunctioning parts and finally, it is restored to the original quality of the product (Filip & Duta, 2015); Cannibalization: Under cannibalization, damaged or broken parts are recovered to reuse in another reverse logistic activity (i.e. repair, refurbish, remanufacture). Quality standards are not a measure in cannibalization. It is subject to the product/machine it will reuse in (Akdoğan & Coşkun, 2012); Recycling: The functionality of the product was reserved in the above processes. But when recycling the returned products, the usage of the material gets changed and the prior product cannot be identified by the recycled product. In recycling, the materials put into several operations such as shredding, sorting, reprocessing and burning (Filip & Duta, 2015); Disposal: Disposal option is the last option that could treat to a returned product. If there are no way of getting use of any part of the product or its materials then those send to landfilling or burning (Filip & Duta, 2015). Even this option does not gain any profit to the company, it can be stated as the final option of treating the end-of-life products (Akdoğan & Coşkun, 2012).

2.2. Challenges in Implementing Reverse Logistics Practices

Various challenges of implementing reverse logistics practices in companies were found in literature. This paper has selected few of them considering the suitability for the research scope and the frequency of each mentioned in different researches.

Insufficient RL knowledge and expertise: One noteworthy barrier to have successful reverse logistics implementation is absence of expertise knowledge. Education and training the correct reverse logistics practices should be given to the employees. They should be given guidance through experts in the field. When the management and employees are not fully aware of the importance of these activities and how to perform them in order to gain profits, companies fail to have sustainable reverse logistics practices (Rogers and Tibben-Lembke, 1998 cited in Ravi & Shankar, 2005; Abdulrahman & Subramanian, 2012; Pumpinyo & Nitivattananon, 2014; Mangla *et al.*, 2016; and Abdulrahman *et al.*, 2014); Complexity in RL activities: There are companies that have less resources and less experience in industries. Such companies face difficulty in implementing RL activities because those activities look complex them to handle. For manufacturing firms with few distribution networks and less industrial relationships, RL activities become complex. This complexity becomes a big challenge in implementing RL practices in such companies. Few literatures that identified this factor as a challenge are as follows; (Autry, Daugherty, & Richey, 2001; Kulatunga *et al.*, 2013; and Chileshe *et al.*, 2015); Low commitment of the top management: Internal commitment of the organizations for RL is highly needed by the organizations to implement RL practices. Commitment by the top management is highlighted in Ravi & Shankar in 2005. It indicates about an efficient leadership requirement for reverse logistics. A vibrant vision and values should be delivered by such a leader in order to have effective reverse logistics lineups in the company. There is a responsibility for the top management to reveal the need of reverse logistics activities, the value of them and the relationship with the company goals. Further, the all parties of the supply chain should be integrated for reverse logistics programs. Moreover, top management should extend their favors to execute reverse logistics in the company strategic plans. Action plan for successful reverse logistics implementation also should originate from the top management. Literature such as (Abdulrahman *et al.*, 2014; Ravi & Shankar, 2005; Kulatunga *et al.*, 2013; and Abdulrahman & Subramanian, 2012) are other recourses that support this argument; Financial constraints: According to Rogers and Tibben-Lembke in 1998, financial constraints are key barriers to have good reverse logistics programs. Cost considerations are a prime challenge in commercial recycling. Financing is required for reverse logistics infrastructure and labor. Therefore, companies should allocate monetary resources for such activities. Funding on efficient information and technological systems are crucial (Rogers and Tibben-Lembke, 1998 cited in Ravi & Shankar, 2005). Other related literature supporting this are as follows; (Kulatunga *et al.*, 2013;

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Abdulrahman & Subramanian, 2012; Lau & Wang, 2009; Pumpinyo & Nitivattananon, 2014; and Abdulrahman *et al.*, 2014); Lack of favorable policies: When there is lack in favorable government rules and tax policies, manufacturing firms hesitate to change their previous business practices and implement RL. Following literature have identified lack of favorable policies as a challenge for companies to implement RL (Abdulrahman *et al.*, 2014; Chileshe *et al.*, 2015; Abdulrahman & Subramanian, 2012; Lau & Wang, 2009; Kulatunga *et al.*, 2013; and Pumpinyo & Nitivattananon, 2014); Lack of information and technology systems: Having an efficient information and technology system is vital to implement reverse logistics activities. These require at each stage of treating returned products at their different stages of product life cycle. Material content, product structure and the technology of the product matter for identifying recycling possibilities of a returned product. Further, exceptional information and technological systems is unconditionally useful to implement standard reverse logistics activities. Moreover, efficient information help to track and trace returned products and the previous sales records of them. This enables forecasting products returns which could help in inventory management (Brito *et al.*, 2002, cited in Ravi & Shankar, 2005). Other literature that have found lack of information and technology systems as challenges for RL implementations are (Abdulrahman *et al.*, 2014; Abdulrahman & Subramanian, 2012; Lau & Wang, 2009; Pumpinyo & Nitivattananon, 2014; Mangla *et al.*, 2016; and Rogers & Tibben-lembke, 2001); Negative attitudes on sustainability concepts: According to the research Kulatunga *et al.* in 2013, one output for barriers to implement sustainability concepts in Sri Lankan manufacturing sector is negative attitudes towards sustainable concepts. Since Sri Lanka is a green country, sometimes people do not realize the importance of having green concepts in manufacturing industries and the public is not pressurized manufacturing firms to have sustainable concepts. Manufacturing firms might have been taken it as an advantage, now they hesitate to implement RL activities to ongoing business processes to minimize environmental impact from their manufacturing plants. Due to this reason managers hold negative attitude on implementing sustainability concepts in their organizations.

3. Approach and Methodology

3.1. Research Gap

The term 'reverse logistics' had been used initially by Lambert and Stock in 1981 (Rogers & Tibben-Lembke 2001, cited in Akdoğan & Coşkun, 2012). Researches on drivers for reverse logistics, barriers of reverse logistics, reverse logistics practices, frameworks for reverse logistics practices were some related topics that have been researched on. These researches have covered some countries such as United States, Europe, Australia and Asia. The barriers in implementing reverse logistics practices were different region wise and country wise. As an example, challenges in reverse logistics practices in Chines manufacturing sector are absence of reverse logistics experts and commitment, initial capital and funds, enforceable laws and government supportive economic policies (Abdulrahman *et al.*, 2014). But in Colombia it is lack of secondary markets for recovered materials (Montoya *et al.*, 2015). These different results of the researches about barriers of reverse logistics enabled for further research opportunities on the same topic in different countries.

Country specific results for reverse logistics practices matter for companies when implementing reverse logistics since the strategic decisions that should be taken need to be vary according to the business environment. There are researches on challenges for reverse logistics practices conducted for countries like China, Indonesia, Hong Kong, Malaysia, India. But such researches have not carried out for Sri Lanka so far. Therefore, Sri Lankan companies face difficulty in identifying which challenges would come across when they implement reverse logistics. Thus, this research gap enables for further research on challenges in implementing RL practices in Sri Lankan manufacturing industries.

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3.2. Hypotheses Development and Research Design

Through the literature review, challenges for implementing RL practices could be expressed under seven categories such as, insufficient knowledge of RL and expertise, complexity in RL activities, low commitment for RL, financial constraints, lack of favorable policies, lack of information and technology systems and, negative attitudes on RL concepts.

The research instrument was a questionnaire constructed using the knowledge gathered though literature review stating the description of the statements provided on the above selected challenges. The questionnaire was set with the questions prepared according to the five-point Likert-scale ranging from "Strongly disagree" to "Strongly agree". In order to confirm the validity and the content strength of the questionnaire, it was tested and evaluated by three industry experts, a general manager, an operational manager and a reverse logistics consultant. Th critics were thoroughly studies and developed the instrument.

There were 2 variables for insufficient knowledge and expertise, 2 for complexity in RL activities, 7 for low commitment, 5 for financial constraints, 3 for lack of favorable policies, 3 for lack of information and technological systems and another 3 for attitudes on RL concepts and the dependent variable was whether they have implemented RL practices.

Factor analysis was conducted to avoid factors and variables overlapping. The analysis provided the best solution with only four factors. Kaiser-Meyer-Olkin measure of sampling adequacy for variables of challenges was 0.916 which was above the typically accepted level of 0.6. Bartlett's test of sphericity was significant (x^2 (300) = 2320.88, $p < .05$). The diagonals of the anti-image correlation matrix for all variables were over 0.5. The communalities of the variables were all above 0.5. The suitability of the data was verified with these factor analysis's all indicators.

Principal components analysis was used for the variables in order to reduce data. Factors were examined using varimax of the factor loading matrix. Five items were eliminated from all variables because those were failed to meet the minimum criteria of having factor loading of 0.6 or above. According to the factor loading, four factors were explained 72% of variance. Main factors of the research study were modified according to the components given by the factor analysis. Finally, four factors were identified for factors as negative attitude on RL concept, lack of committed resources, lack of favorable systems and financial constraints.

Due to the factor analysis, the hypotheses were modified as follow;

H1: Insufficient RL knowledge and expertise is a challenge for RL implementation.

H2: Complexity in RL activities is a challenge for RL implementation.

H3: Low internal commitment is a challenge for RL implementation.

H4: Financial constraints are challenges for RL implementation.

Further, with the factor analysis results, the conceptual framework of the research has been modified and the final conceptual framework is shown in **Figure 1**.

3.3. Population and Sample

This research has done for the Sri Lankan manufacturing industries. Since the population is not recorded in any source, convenience sample was selected covering all nine provinces of the country. The results of this study can be generalized since the data have covered the all geographical areas of the country.

The study has collected data about RL implication challenges that the firms are facing. In order to get reliable primary data, knowledgeable people from different firms were targeted as the sample. Therefore, management representative from each company was contacted. Majority (52.3%) of the respondents were managers and top-managers. The rest of the 48.7% were executives in Sri Lankan manufacturing firms.

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3.4. Survey Administration

The survey was conducted through electronic mailing and web-based technologies. First, the questionnaire was sent 10 people in different manufacturing firms as a pilot test. When received their responds, searched for any modifications in the questionnaire and then sent it together with a covering letter to other 500 management representatives get confirming only one person received the questionnaire from each company. Only 95 responses were received within three weeks. The response rate was 19% and after three weeks, a reminder letter with the questionnaire mentioning the importance of their response was sent to the potential responses who were not replied then. Then another 12 responses were received within two weeks. The response rate of the questionnaire was 21%.

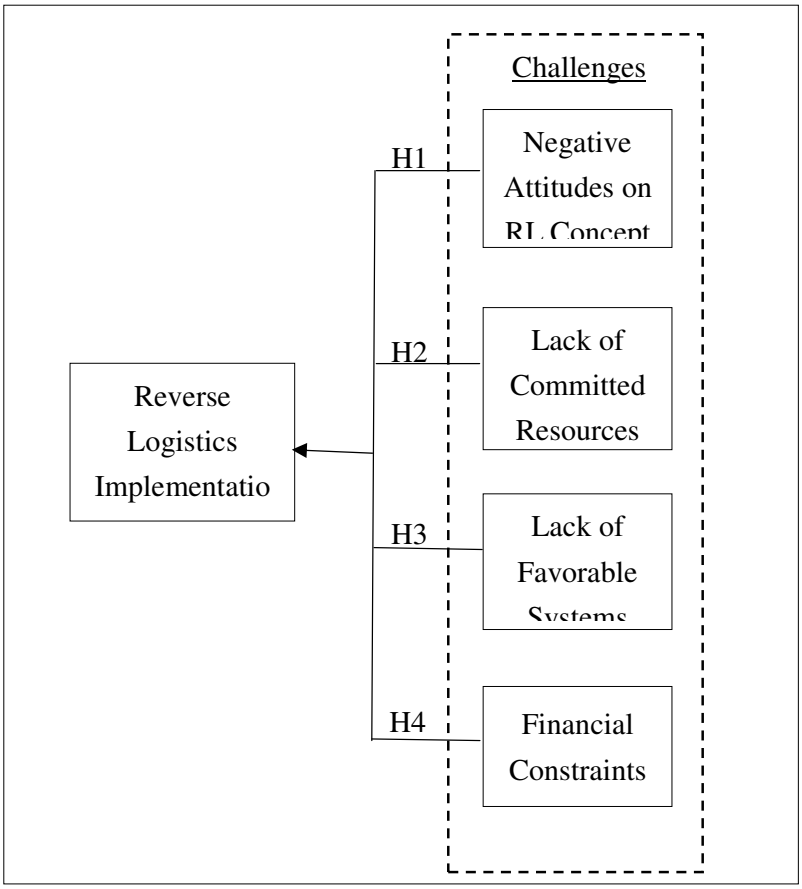

Figure 1. Conceptual Framewrok

4. Analysis and Results

IBM SPSS version 22.0 was used for statistical analyses for 107 respondents. Descriptive statistical analyses were carried out to identify the respondents' profile, size of their companies by number of employees, the manufacturing industries they have represented and to know their attitude of the importance of having RL in their industry. Further, hypotheses were tested using correlation analysis and the relationships among variables were identified. Statistically significant test was done though logistics regression and obtained a reliable result.

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4.1. Correlation:

Table 1 is shown the correlation matrix for factors of challenges. Implement of reverse logistics was the dependent variable. Negative attitudes on RL concept, lack of committed resources, lack of favorable systems and financial constraints were the independent variables tested for correlations with the dependent variable. There was a negative correlation between negative attitudes on RL concept and the dependent variable, which was statistically significant (r = -0.409, n = 107, p = 0.000). There was also a negative correlation between lack of committed resources and the dependent variable, which was statistically significant (r = -0.283, n = 107, p = 0.003) and there was no any correlation between any pair of independent variables.

According to the correlation output, the null hypotheses for the factors, negative attitude on RL concept and lack of

Table 1. Correlation analysis

	1	2	3	4	5
1. Negative attitudes on RL concept	1				
2. Lack of commited resources	.000	1			
3. Lack of favorable systems	.000	.000	1		
4. Financial constraints	.000	.000	.000	1	
5. Implementing RL practices in company	-.409**	-.283**	-.051	.022	1

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

committed resources were rejected since their $p < 0.01$ and they were statistically significant and the alternative hypotheses of them were accepted. Other factors of challenges were not statistically significant ($p > 0.01$ and $p > 0.05$) and therefore the null hypotheses of those factors were accepted. Therefore, the accepted hypotheses were as follow;

H1: Negative attitudes on RL concept is a challenge for RL implementation in Sri Lankan manufacturing industries.

H2: Lack of committed resources is a challenge for RL implementation in Sri Lankan manufacturing industries.

4.2. Regression:

Logistic regression analysis was carried out to identify the effects of negative attitudes on RL concept, lack committed resources to have RL, lack RL favorable systems in the company and the financial constraints on the likelihood in implementation of reverse logistics practices in Sri Lankan manufacturing companies. The logistic model was statistically significant, $x^2(4) = 26.866$, $p = 0.000$. The model explained 33.1% (Nagelkerke R^2) of the variance in implement RL practices and correctly classify 80.4% of cases. According to the **Table 2**, negative attitudes on RL concept and lack of RL committed resources were statistically significant. Increase negative attitude on RL concept was associated with a decreased likelihood of implementing RL practices in manufacturing companies. Increase the lacking RL committed resources was associated with a decreased likelihood of implementing RL practices in manufacturing

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companies. But lack of RL favorable systems like policies and IT systems and financial constrains were statistically insignificant in the model since their p-values were greater than 0.05 ($p > 0.05$).

$$\ln \frac{P}{1-P} = 1.461 - 1.014 * Negative\ attitudes\ on\ RL\ concept - 0.184 * Lacking\ RL\ favorable\ systems$$

where, P = predicted probability of implementing RL practices in Sri Lankan manufacturing company and $1- P$ = predicted probability of not implementing RL practices in Sri Lankan manufacturing company.

According to the research done by Pumpinyo & Nitivattananon, in 2014, some Thailand firms had faced difficulty in adopting sustainable concepts like reverse logistics and it was due to absence of permanent employees. When the staff of a company gets change regularly, it is hard for the company to continue with new business initiatives. Similar challenge is visible in current Sri Lankan manufacturing industries. Reverse logistics initiatives are new to most of the Sri Lankan manufacturing firms and those firms also face high employee turnover. Therefore, there is a difficulty in having continuous RL practices in some manufacturing industries.

Table 2. Regression analysis

	Beta	Significance
1. Negative attitudes on RL concept	-1.014	.000
2. Lack of commited resources	-0.755	.003
3. Lack of favorable systems	-0.184	.489
4. Financial constraints	0.027	.912
Constant	1.461	.000

Variable(s) entered: Negative Attitude on RL Concept, Lack RL Committed Resources, Lack RL Favorable Systems, Financial Constraints.

The research done by Abdulrahman *et al.*, in 2014, stated lack of coordination between certain Chinese manufacturing industries and third-party logistics providers have become a challenge to have successful RLP in their industries. China is the country which has the strongest supply chain network in the world. But still there are inadequacies with their supply chain partners when it requires to have RL practices. Sri Lankan supply chain network is not strong as in China and it is acceptable that Sri Lankan manufacturing firms do not have required ties with their supply chain participants to practice RL as required. Researches of Abdulrahman *et al.*, 2014 and Lau & Wang, 2009 have identified lack of knowledge and RL expertise become a major challenge for firms to have successful RL in their firms. Some of Sri Lankan manufacturing firms too are lacking RL expertise in them and they struggle with having profitable RL system in their firms. Due to this discussion, it is clear that lack of committed resources is a challenge for implementing RL practices in Sri Lankan manufacturing industries.

Although there are talented software developers and knowhow in Sri Lanka, Sri Lankan manufacturing firms do not use much sophisticated technologies. The systems they have are in its basic/moderate level

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when comparing with some of Chinese and Indian companies. Sri Lankan manufacturing firms are not always using the updated technologies at their work. Therefore, Sri Lankan managers in manufacturing industries are unaware of the profitability of using modern and sophisticated technological systems and its increasing RL performances.

The statistical analyses revealed financial constraints were not significant as challenges for RL implementations in Sri Lankan context. It is a surprising output since Sri Lanka is having a developing economy. But when considering this research output, 34.6% of the data represented manufacturing companies with 1000 or more employees which are recognized as large-scale companies in Sri Lanka. Most of those companies are foreign investments. Majority investors are from developed countries like Europe, United States etc. Once strategic plans were set, financial requirements for those plans are usually provided by the company owners of those companies. That meant those firms get financial support from their owners if not from their profits. Therefore, they have not identified financial constraints as a significant challenge for implement RL practices in their companies. Another 30.8% of the data represented companies which have only 100 to 499 employees, medium-sized companies. Since Sri Lanka is still a developing country and it is consisted with lot of natural resources and skilled labor, there is a trend in receiving loans to Sri Lanka form the international communities. Organizations like Asian Development Bank are always willing to grant loans for Sri Lanka at its correct necessity. Therefore, financing for sustainable projects like RL implementation have not severely become a challenge for Sri Lankan manufacturing firms. But if this research study is expanded and analyses more data from proprietary ownership firms and small-scale manufacturing firms, the current result could be changed.

6. Conclusion

Reverse logistics is one of good solutions to restrain increasing wastage and an environmental pollution. As RL practices enable regaining value from disposals which would be beneficial to the business world and the field has not studied in Sri Lankan context, this research aimed to identify challenges for implementing RLP in Sri Lankan manufacturing industries.

The research has identified managers' negative attitudes on RL concept as a challenge for implementing RLP in Sri Lankan manufacturing sector. According to the previous literature, this factor has not been identified as a challenge in any other country. It implies, Sri Lankan managers are way back in attitudes for implementing RL concept than other countries' and this requires more awareness programs on green concepts and the importance of having them in businesses. Lack of committed resources for RL also was identified as another challenge and according to literature, it is common for most of the developing countries.

There are drastic increases in wastage and environmental pollution around the world. Therefore, Sri Lankan business owners, managers, the government and the general public need to focus on green initiatives like reverse logistics to cope up the environmental contamination and related social issues. This research's outcomes and the recommendations could be used to overcome challenges in implementing RL in manufacturing firms in Sri Lanka.

7. Managerial Implications

This research has identified negative attitudes on RL concepts and lack of committed resources for RL are significant as challenges for implementing RL in Sri Lankan manufacturing industries. This implied that most of managers in Sri Lankan manufacturing firms do not aware of real value of having RL in their firms. If the initiative of implementing RL practices does not come from inside the manufacturing firms,

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then there is a responsibility of the owners to introduce RL to their employees in order to create an importance in the field among their employees.

Further, there is a role for academics and researchers to transfer the knowledge of importance of having RL practices and the value that Sri Lankan firms can gain from end-of-life products to top management in manufacturing firms. Further, they can introduce how waste can be methodically recycled or disposed to the parties such as high-ranking officials of the government, policy makers, postgraduate students and the general public. This can be done through modifying MBA programs and Sri Lankan business students' curriculum and through conducting awareness programs for these parties. These knowledge transferring methods could create the necessity of having RL in the manufacturing industries.

It is good for a country to have RL practices in its industries as much as possible because RL aid in reducing uncontrollable landfilling and improper waste disposals. Therefore, the government has a role of being the mediator and promote recycled-products usage to the society. It has to further support manufacturing firms to import new recycling technologies rather than export collected end-of-life products to other countries which have those technologies. When an adequate demand arose for recycled-products and the necessary technology is available in the country, negative attitudes towards RL implementations in manufacturing firms can change to positive.

As lack of committed resources has found as a challenge in having successful RL practices in firms, the top-management of each firm has to pay attention on improving the resources required for RL practices in their firms. They should understand the value of having RL practices. They need to let their employees know that firm is also focusing on regaining value from the end0of-life-products and how these activities would be beneficial for each employee. On the other hand, there is a responsibility for logistics and supply chain managers to be well-aware of their internal capabilities which required for RL purposes. They should facilitate their employees with advanced-training programs that teach them how to handle backward logistics properly and how they can build good relationship with their supply chain participants. Moreover, the top-managers of manufacturing firms can introduce special incentive packages for their supply chain participants for promoting RL practices in their SC network and facilitating the company for have better performance in RL. The above discussed initiatives will help manufacturing firms to cope up the challenges they face in implementing reverse logistics practices in their companies in Sri Lanka.

8. Limitations and Future Research Opportunities

Reverse logistics was a famous subject among developed countries and now it is becoming popular among developing countries like China, Hong Kong, Thailand and India. Sri Lanka is far behind in RL when comparing to other developing countries and this research has conducted only to identify challenges in implementing RL practices in Sri Lankan manufacturing industries. Therefore, there is a research opportunity to identify motivators of implementing RL in Sri Lanka.

This research has focused on all Sri Lankan manufacturing industries which means research outcomes illustrated a bird-eye view of the manufacturing industries. But business behaviors can be deviate from industry to industry and critical factors for one industry might not same with another industry. Therefore, the implications of this research might need certain modifications when applying to each industry. To get the real attraction from the top-position holders in manufacturing industries, it is recommended to conduct this type of researches for separate industries. Moreover, since this research did not focus on third party logistics providers impact on implementing RL practices in manufacturing firms, this factor can thoroughly study in future researches.

It is very hard for a single firm to be successful in RL only practicing it by itself. It is a process which has to continue throughout the whole supply chain network in Sri Lanka. Therefore, the researches should be conducted to gather opinions on RL practices from other supply chain trading partners of manufacturing industries.

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SCALING THE SUPPORT FUNCTIONS OF A MULTIDIMENSIONAL ORGANIZATION

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Abstract
Customers of multinational enterprises (MNEs) exist almost everywhere. Cross border B2C e-commerce is expected to double by 2022 according to Forrester Research. How do MNE's efficiently leverage their support functions across geographic markets and products or services? Synergies exist in terms of functions needed in these dimensions. Economies of scale can be exploited to reduce costs of these functions. In this case study an MNE utilized a multidimensional organization design to reach customers in many parts of the world. The author presents findings from this case and ultimately extracts four propositions to guide support function synergies. Absent these measures, risk of revenue loss is enhanced significantly.
Keywords: global markets; global leadership; enterprise resource planning; capacity management; standardization; synergy

Dimensional Designs

The most common form of multidimensional design is a matrix. Other designs with more dimensions are viewed as novel, with very little coverage in the literature. The idea of the matrix organization surfaced in the 1970's and 1980's. Some who have experienced this design have had difficulties due to the ambiguity in roles. Multinational enterprises (MNEs) have taken this a step further with multi-dimensional organizational designs. While the organizational chart may not indicate this, functionally it is how many of them actually work. Support staff may report to one boss, but they are expected to network to be successful in the company. Consequently, when employees are uncomfortable with the challenges associated with a matrix design, the situation is amplified and made more complex in a multidimensional context.

Consideration needs to be given to the inadequacies of a matrix design so that similar risks of failure are not experienced in a multi-dimensional approach (Galbraith, 1977, 2009). The matrix design should be thought of as a two-dimensional construct that typically is separated functionally and geographically, for the operation, and non-geographically, for support functions. Other construct variations exist. Some inadequacies with a two dimensional design include unclear responsibilities, a lack of accountability, political battles over resources, a risk-averse behavioral pattern, and loss of market

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share due to a lack of focus (Galbraith, 1971; "Life in a matrix," 1980; Strikwerda & Stoelhorst, 2009). On the other hand, business units are not completely self-contained as they depend, to some extent, on external resources for achieving their objectives (Barney, 1991; Bower, 1986; Gupta & Govindarajan, 1986). While the M-form (hierarchical design) still dominates thought processes, the actual tendency is for firms to move away from the underlying logic of the M-form to realize growth synergies (Strikwerda & Stoelhorst, 2009). While mental anchoring on the M-form can render an MNE obsolete, or make a transition difficult, an effective multidimensional structure can enhance a MNEs growth synergy exploitation capability and preserve support function managers' status, power, autonomy, and self-interest. With this in mind, and considering that most MNEs are actually multidimensional, how then can an MNE scale horizontally?

People can say that they are *matrixed*. The transition in reality has occurred from *matrixed* to *networked*. Many large companies have abandoned the former for the latter. These scenarios are different. To succeed in a multidimensional business, company stakeholders (those who contribute to and benefit from an employer) need to know how to help their organization succeed. An employee's boss may be influenced by another leader in the organization with regard to performance reviews and promotions of employees that report to them. Similarly, taking into consideration that employees are the most important asset in a company, companies need to scale quickly to harvest revenue from dynamic markets. This dynamic makes resource sharing critical and is a challenge in a multidimensional design.

These organizational design changes have also been market driven. Customers have multiple channels in which to purchase the same product from the same company. Companies are giving consumers multiple ways to buy from them in the same physical location. Companies are also offering vertically integrated solutions (a full kitchen) or bundles of product from warehouse stores (pallets of tile for kitchen and bathrooms). Either way, complexity has increased as products are more *technical* and multiple items must integrate or be *regressively compatible* with other parts. Additionally, the customer experience has taken on a new meaning, further adding to the complexity of a purchase. Additional revenue streams and market penetration opportunities come from warrantees and the ability to service the product sold.

Generational expectations have also changed. Younger workers expect that the boundaries in the organizational design and functional silos are easily penetrated. Consistent with the networking idea, new workers performance is linked to their ability to get feedback on their work and gain knowledge from colleagues in neighboring departments. If their work is dependent on multiple functions in a company, access is expected. While employees span functional silos, *shared services* do the same thing. Larger companies leverage *economies of scale* by centralizing certain functions and cost sharing. These functional areas must become centers of excellence for the benefit to be realized and allocation formulas need to be fair to understand performance. Examples may include inventory management, research and development, billing, facilities maintenance, human resources, finance, etc. Automation and connectivity are enablers of a multidimensional design.

A definition of a multidimensional organization is required for us to proceed. According to

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Strikwerda and Stoelhorst (2009) a multidimensional organization has several characteristics.

- Responsibility for the success of the firm is distributed across the functions of the organization.
- Performance information is shared across the organization.
- There is one source of financial information.
- Resources are shared across the functions.

The multidimensional design (MDD) has a number of opportunities for competitive advantage. With the sharing of results, new business can be introduced and funded by the success of others. This allows the MNE to adapt to changing market conditions. Brand value can be exploited across an expanding portfolio of products. Bricolage can be exploited to combine technologies into new products. And, customer information can be shared to increase revenue per customer and to enable vertical market penetration.

In the context of this article, an MDD is discussed that was deployed as an organizational design to meet scaling needs in an MNE. They difference between the matrix structure and a MDD can be illustrated as per the figure below. In a matrix organization, the node where the two dimensions meet represents the employee who reports to two bosses, potentially with individual objectives or agendas. Reporting structures may be in a conflicted dysfunctional relationship with each other. In the multidimensional model for the case organization, the node is put forward as a profitability enhancing opportunity, or growth synergy opportunity, where representatives who are associated with the lines from each dimension can meet and align the entrepreneurial energy around discovered opportunities. The difference then is that a matrix design has a person at the node, while the MDD has an opportunity at the node.

In this design, managers are stakeholders in the exploitation of discovered opportunities. They own the lines in the structure. The leader in each dimension reports in to the same person, allowing for alignment through a singular agenda. Furthermore, this is reinforced through the organizational design and a reward system based on collaboration. Another difference between the two structures is in the planning and control processes. While the profitability of the client oriented P&L is dominant, the P&Ls for products, the support functions, and for locations are also important as they contribute significantly to profitability. Profitability or cost is, therefore, measured and monitored in each of the four dimensions through dimension-specific P&Ls.

A final difference between the structures relates to the influence of management information systems (MIS) in a MNE. The MIS reports performance in each of the dimensions at all levels of the organization. This eliminates information asymmetries and transfer pricing, as examples, thereby turning the MNE into a truly integrated dyadic relationship between a customer-centric focus and operational synergy realization. In many matrix organizations the emphasis is on authority and power (Galbraith 1971, 1973; Goold & Campbell, 2003; Ruigok, Achtenhagen, Wagner, & Ruegg-Sturm, 2000). The management in multidimensional firms focus on the firm's joint customer-centric goals by leveraging MIS or enterprise resource planning (ERP) supplied business intelligence which point to opportunity rather than the disparate and conflicted agendas of two bosses who may be misaligned and unequally capable (Strikwerda & Stoelhorst, 2009).

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The critical result that will emerge from the empirical data in this study is theory about the realization of sustainable growth synergies in a multi-unit firm with a multidimensional organizational structure. Specifically, this study explores diagonal scaling, specifically support functions, within the MDD. This entails scaling using support managers who span product, client and geographic aspects of a MNE. Only a few studies have been accomplished that explore the implementation of these designs to exploit synergies across business units and products and services within a multiple dimension construct (Strikwerda & Stoelhorst, 2009). Some firms studied were organized along the lines of key accounts, professional services, support functions, or facility management (Strikwerda & Stoelhorst, 2009).

Managers are responsible for profits, market position, and customer retention, but they control very few resources. Often, resources are controlled by facility managers who are responsible for the bottom line. This creates tension between sales, as they develop new market opportunities, and facility managers, who are accountable for the efficient utilization of resources (Galbraith, 2009; Goold & Campbell, 2003; Ruigok et al*.,* 2000). Risk-averse behavior of resource managers must be confronted by market opportunities identified by account managers. Concurrently, market managers cannot be overly optimistic in their judgments about market opportunities (Galbraith, 2009; Goold & Campbell, 2003; Ruigok et al., 2000). It is therefore essential that an MDD simultaneously reports performance on two or more dimensions. Managers need to be held accountable for their dimension as it contributes to overall firm performance and the execution of growth synergies. Unique challenges for implementation are present in a globally integrated enterprise with globally integrated products and services such as in this case study.

The author believes that the organizational design of a firm is a critical factor with regard to the success or failure with regard to the realization of growth opportunity. The most successful form of a MNE is the M-form, named by Williamson (1975), in which activities are organized into separate business units (Roberts, 2004; Williamson, 1985). Resources are delegated to managers charged with creating economic value for the firm. These resources are controlled within business structures that are measured for financial performance. The boundaries of the units are reinforced by financial systems. To illustrate, organizational design has been influenced by corporate agendas driven by synergistic savings evident in the form of corporate account management, shared service centers, and matrix organizations. Consequently, most businesses now depend on some resources that are controlled by other units (Strikwerda & Stoelhorst, 2009).

The MDD is illustrated below. To explain how it works in the context of scaling consider the following. A client (C6) could want more of the company's products or services. A location (L7) could expand its product or service portfolio due to a local market unmet need. An enterprise resource planning (ERP) system (S1) could be used by other divisions to leverage profitability, whereupon they would share the cost of the system, improving profitability at the company. Lastly, a product (Prod 4) could be sold to other clients, possibly external to the company. Selling products at additional locations is horizontal scaling. The scalability of the MDD, exogenous to its existing domain, points to profitability as all of these instances exploit existing skills, infrastructure, and resources. This figure illustrates the scalability of the MDD products and services across business units that have an unmet need regardless of where they

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are.

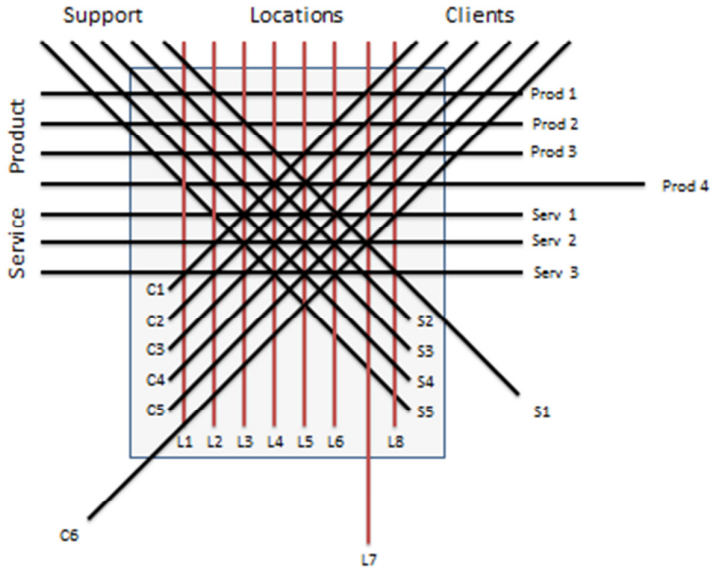

Figure 1. MDD scalability. This figure shows how the MDD lines can scale depending on the need and the dimension.

A business unit in an MNE is given both autonomy and self-interest when it is given the opportunity to identify growth synergy opportunities, when it can define their value-based attributes, when it can determine deployment timelines and the scope of coverage, and when it can determine the task rollout sequence as represented in an operational deployment plan. The author has found that business unit autonomy is augmented in at least three ways. The first is through a suitable culture, as defined in part by its organizational design and its reward system. The second is through administration and control, which includes financial review, secondary structures, and a centralized workflow management system that provides organization-wide data and analysis. The third augmentation area is related to strategy. The strategy must have structure in order for it to be focused and executed. The framework for the strategy provides this. It is also selective in that it is prioritized based on contribution to the desired outcome as measured by business modelling, such as through a pro forma P&L and a business plan where applicable. Strategy also includes the sequence of the execution of tasks, ordered due to environmental conditions and dependency. Outcomes of exploiting self-interest include profitability in the form of social impact, organizational efficacy, team efficacy, and personal leadership efficacy (Lovas & Ghoshal, 2000).

To be specific, a critical success driver in an MDD is an integrated management information system (MIS) (Pankratz, 1991), assuming that it keeps current with firm adaptations to market dynamics and corporate advantage life-cycles (D'Aveni, Dagnino, & Smith, 2010). An MIS is a lateral integration mechanism because it makes critical information and intelligence available to leaders in all of the dimensions of an MDD, thereby enabling action and mitigation. The MNE must evolve from unique local business systems geared to local needs to a networked social construct that drives transparency throughout the MNE across all dimensions (Hirschheim & Klein, 1994). A single set of common data

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definitions is necessary so that every transaction can be captured with suitable data density. This data can then be exploited along multiple dimensions, including reporting and analytics, across business units in a worldwide value chain. The information it contains is simultaneously available, providing for real-time sharing, change management, workflow adaptation, capacity manipulation, and production tracking. Additionally, for business intelligence it is also necessary that the MIS include customer relationship management (CRM) capability so that account managers can mine the database for order information and leads. This enhances the MNE's ability to maximize market share by exploiting customer spend budgets within applicable product categories across customers. It also fosters cooperation between managers, as performance accountability is shared across dimensions.

The multidimensional structure deployed in the case company, that is being evaluated in this article, includes the client as the primary profit center (diagonal) (Galbraith, 2005), the products and services as the secondary dimension (horizontal), the locations as the third dimension (vertical), and the performance of support services as a fourth and final dimension (diagonal). The MIS, a support function, makes it possible for all stakeholders to obtain the same information in real-time, eliminating information asymmetries between and across physical and product dimensions. Cases are also used across and within all dimensions for monetizing opportunities made visible through business intelligence provided by the MIS or an enterprise resource planning (ERP) and CRM systems. The goal of all efforts is profits through the exploitation of growth synergies.

The dimensions in a multidimensional organizational design are important to the market. Business should be conducted with customers in the way that they prefer so that there is sustainable value in the relationship (Galbraith, 2005). The MDD deployed in this case study included a primary dimension that related to client management (C#). A P&L was provided to each account manager with regard to the client's overall global financial performance. This P&L was support function, location, and product agnostic. It allowed the managers to understand the profitability of working with all clients as well as each individual client. It also allowed for an understanding of profitability from the client, as it related to product type and the location where the work is done. The customer-centric nature of multidimensional firms is enhanced by treating clients as profit centers (Galbraith, 2005) and by listening to them for the purpose of discovering service opportunities (Wiessmeier, Axel, & Christoph, 2012). Economic gain is created by pursuing unique location-specific market strategies, by integrating product and service offerings for maximizing customer profitability (Amit & Livnat, 1988; Armour & Teece, 1978), and by making the relationship *sticky* through optimized complexity and interdependency.

The case MNE operates in an industry that is networked. Consequently the center of innovation has shifted from the company to the network in which it operates. The network flourishes when it exists in a state of deep collaboration, cross-pollination, and concurrent engineering. This network develops value-based solutions in parallel exceeding time to market requirements (Grossman, 2005). Additionally, growth synergies can be achieved through alumni relationships within the industry-wide network. The exploitation of available market knowledge then becomes more critical than creating personal knowledge. Knowledge can be easily obtained from the network if it is not locally available. Organizational constructs must align with this environmental constraint and facilitates the exploitation of network-based

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knowledge resources (Drucker, 1992; Goold & Campbell, 2003). Collaborative knowledge workers are increasingly valuable due to their collective influence on profitability opportunities in a multidimensional firm (Bartlett & Ghoshal, 1993; Prahalad & Hamel, 1990), and especially in a firm with a structure that requires collaborative arrangements (Contractor & Ra, 2002; Inkpen, 1997). The case company desires that knowledge workers are attracted to their firm, as they see that it is an opportunity to increase their personal market potential within the industry network (Drucker, 1992; Florida, 2004; Rosen, 2004). Managing the chaos found in these networks is the current opportunity for competitive advantage in an MNE.

Quality of the Research

Creswell (2014) describes validity in qualitative research as being the determination of whether the findings are accurate from the standpoint of the author, the participant, and the readers of an account. In this case, language and meaning are the data. Creswell (2014), in parallel with Lincoln and Guba's (1985) approach, offers qualitative researchers eight possible strategies for checking the accuracy of findings; triangulation, member-checking, rich descriptions, clarification of bias, the use of negative or discrepant information, prolonged time in the field, peer debriefing, and the use of an external auditor. The author selectively used these strategies to ensure data validity with a focus on triangulation, peer debriefing, and member checking.

Endogenous validity refers to the validity of established causal relationships (Yin, 1994; Lamnek, 1995) or internal logic of the research (Punch, 1998). This was achieved by establishing a clear thematic focus that guided the case selection, abstracting and comparing, conducting peer reviews of causal relationships, and by having an open and comprehensive explanation building. A thematic focus was evident in a clear definition of an overarching research theme (cross-unit synergies), a narrowing research focus (operative synergies), and a specific research question (the sustainable realization of growth synergies) along with a compatible case selection in which the constructs of interest could be discovered. Continuous abstracting and comparing (Strauss & Corbin, 1990, 1996) occurred as the author continuously compared data sets to build higher order constructs, preliminary results to emerging data to confirm or refine results, and observed causal patterns within the existing literature. This improved the validity of causal relations (Yin, 1994). Peer reviews of causal relationships were discussed with research colleagues for the purpose of capturing and testing additional perspectives based on experience in the field. Additionally, it enabled the validation of internal consistency and theoretical relevance of the author's arguments. The final technique for internal validity was through open and comprehensible building of explanations and causal relationships. The results were documented in such a way that the reader could reconstruct the causal relationship (Mayring, 1996). Openly, the author indicated initial ideas, deducted assumptions, and challenged potential inconsistencies.

Exogenous validity refers to the generalizability of research results critical for robust theory development (Sutton & Straw, 1995; Weick, 1995) and depends on the research approach (Yin, 1994). Single case study empirical findings are difficult to generalize. Yin (1994) emphasizes that case studies do not allow for statistical generalization. More specifically, it is difficult to make inferences about a population based on empirical data collected in a sample. While issues of generalizability from case

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studies is severe (Denzin, 1989; Yin, 1994), single-case studies are recognized to be substantial from an evolutionary perspective (Stake, 1995). Single case studies can also provide new ideas and new thinking paradigms. They can help modify existing theories by exposing gaps and helping to fill them. There are several facts about this study that support the author's conclusions that the findings and propositions will be at least somewhat generalizable. Several of the constructs can be confirmed as being present in existing literature, indicating general theoretical relevance of the research (Eisenhardt, 1989). The findings were confirmed through consultation with participants, who are operationally capable with varied experience in the industry, suggesting the potential transferability of the claims. Finally, the findings were somewhat generalizable due to the continuous comparison of similarities and differences within case items across different levels of analysis.

Reliability refers to the possibility that researchers can replicate the research activity and produce the same findings (Eisenhardt, 1989; Yin, 1994). A challenge for this replication is the attribute of qualitative research, in that it is bound to the context in which it is conducted (Lamnek, 1995), including time. Reliability in qualitative studies is best served by presenting sufficient information so that the reader can draw his/her own conclusions (Yin, 1994). The author attempted to ensure reliability through the explicit disclosure of the research design, including a detailed description of the research process, case selection criteria, interview guide, and methods for collecting and analyzing empirical data.

Data and Analysis

The purpose of this qualitative phenomenological research study, using Moustakas, (1994) modified van Kaam method, was to explore the real-time experiences of stakeholders, or co-researchers, as they lived and influenced events occurring around them. Awareness is a transient experience (Freeman, 2000) that may involve exerting influence, letting go, and redirecting energy and attention (Depraz, Varela, & Vermersch, 2003). It also involves being present physically and mentally in daily life. Stakeholders have to anticipate events, make sense of existing environments, and exert influence over future trends. Weick (1995) suggests that sense-making is a retrospective cognitive process that explains unanticipated events. He also suggests that events in a socially-created world both support and constrain action. Weick, Sutcliffe, and Obstfeld (2005) later suggest that individuals form both assumptions and conscious anticipations of future events. By examining sense-making and the development of mental models through actual lived, shared experiences, this study captures the subjective processes that have been largely ignored in the context of the connection between organizational design and growth in a multi-unit firm. Using the experience of stakeholders, the author presents a conceptualization of how individual participants in this study made sense of their lived experience. This was an ongoing process for participants as they refined their understanding of lived experiences and established new equilibriums.

Each section includes individual textual descriptions as well as composite descriptions concisely oriented and illustrated in a theme map structure. Moustakas (1994) suggested that the integration of textual and structural descriptions into a composite description, such as a relational table, is a path for understanding the essence of an experience. The composite description is an intuitive and reflective integrative description of the meanings and essences of a phenomenon, of which the entire group of individuals is making sense. The participants create meaning through their awareness of the environment,

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reflection on their experiences, consultation with others, focused response to an enquiry, and iterative refinement to these enquiries.

Coding

Data collection was facilitated by an interview protocol with specific questions oriented in a sequenced schema. Participants were solicited as volunteers from a pool of leaders based on a willingness to share information about the transformation of the case company division. Each volunteer co-researcher participated in the changes personally. Following each question, the participants' response was determined to be linked to the question asked and was determined to be meaningful prior to continuing. An answer could trigger a clarifying question, or a question formed to solicit a more fulsome answer, if needed. The additional information modified the answer and once again was determined to be fulsome or not. The data was added then to the data sheet and coded. Sub-code themes were also determined and grouped by code and sub-code. The data was surveyed by the author, who, due to personal experience, was able to apply an *analysis for good* (ANOG). Slight modifications were made as needed to reduce the noise in the data and ensure completeness and clarity. This was accomplished by consolidating like data points and simplifying others by stripping out noise and redundancy in the answers. The data was then re-sorted and generalized through categorizing. A pivot-table was used to extract themes in the wording. The curated raw data was then posted in a table. In some cases most of the themes were unique, in which case a table was not used. From this data, dependencies, relationship, and the sequence of events were determined and organized into a theme relationship map. In some cases the data collected appeared as though the participant was confused about the question. In these cases the Author followed up with the participant and then added the newly acquired information to the raw data previously collected.

The raw data was collected from each participant for each data domain and sub-domain in the sequence in which it is presented in this chapter to promote a progression of thought. The data is separated into exogenous and endogenous domains as well with selected focus in both areas. In some cases, like roles, the participants offered information on themselves while commenting on data provided by their peers. Patterns that emerged in the data are presented as textural responses (what happened), structural responses (how did it happen), or composite descriptions (what the group experienced). Data responses that occurred most frequently within the theme category were given more significance and were typically mentioned first. Data was interpreted into theme patterns. These were broken into themes and then concisely into propositions, or findings of the study. Data items that referred to individuals, functions, line of business, locations, systems, or company names were obfuscated, eliminated, or given a pseudonym. The propositions, or findings, were formed and listed numerically. Within each proposition, a two-word summary was formed along with a statement that sums up the finding. For example, a central theme, norm strategy, or trigger may have emerged from the data as a result of coding. This data could then be categorized or filtered through the constructs being discussed that may include the strategic frame, horizontal strategies, or a narrowed scope as examples. This was the beginning of the theme map, or the outermost layer. The layers could then be elaborated on by breaking the outermost layer into sub-layers until it was reasonable to stop. This theme map was created to better describe the themes in the data and to show relationships and sequences between unique data items.

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Support Diagonal

Diagonal Functions**.** Another type of dimension in the MDD is the diagonal functions. There are two diagonal functions in the structure. One of these dimensions includes support management employees. The other includes client management employees. The diagonal support leader enables profitable growth, based on synergy realization, by making sure that the infrastructure and system support the revenue-based roles. Additionally, diagonal support leaders allow for the evolution of the process through innovation that is ahead of market demands. Each diagonal leader owns a P&L; however, they are generally a cost center that supports profit centers. Cost centers do not recognize revenue; rather, they support operative units that add value to assets through the management of configuration changes, and bill for them. When MDD leaders were asked about the role of support functions, three theme patterns emerged from the 82 themes coded from the data including: infrastructure, development, and system support. Each of these will be discussed individually. Location and line of business (LOB) leaders are dependent on infrastructure for workflow capacity. The *system* controls the workflows, including automation and tools applied in the workflow. Consequently, support leaders are as critical to profitable growth through synergy realization as other MOS leaders.

Support Diagonal. The first theme pattern that emerged from the data was infrastructure. Support MOS leaders are needed to support capital expenditures. These expenditures allow for infrastructure enhancements that keep the case company relevant in its dynamic market. As company expanded into various sectors, modifications needed to be made to workflows, new workflows needed to be built, the capability of workflows needed to be enhanced, and capacity within workflows needed to be expanded. These needs typically require capital investment. Diagonal support MDD leaders are critical to growth and synergy realization because of their involvement in the design, enhancement, and consolidation of workflows. In some cases workflows can be marginally enhanced or reconfigured to enable consolidation. Support leaders help with the requirements and the preparation for these changes. They purchase the hardware and software needed to realize growth synergy.

> *"[Support leaders are needed for] … advising operations on software or hardware solutions on new or changing workflows." (RDS19)*

Support MDD leaders plan and deploy the workflow changes so as to not disrupt revenue streams. By preserving business continuity, any transition is viewed by clients as seamless. While support leaders execute change management on workflows, they also monitor workflows for performance. They are involved in the revenue stream, as they make sure that digital deliveries happen by monitoring bandwidth utilization on the various delivery mechanisms. They help the workflows evolve by enhancing the infrastructure. In a predictive fashion, they make incremental changes, as they keep informed of industry trends.

> *"[Support leaders] anticipate [function] needs for operations." (RDS82)*
>
> *"[Support leaders] maintain and evolve [the] production network." (RDS88)*

These trends include the variability in volumes experienced by the infrastructure. Some of the variability is externally applied, as client volumes are based on sales success in their various markets. Variability may also relate to regional product launches, for example. In these cases, support leaders may have to

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adapt or redeploy infrastructure to meet client volume needs. For example, storage or hardware may be redeployed to a location to meet local demands. Support leaders in a MDD collaborate with other MDD leaders to ensure excellent performance. This is an expectation of their teams as well. Their team structure may need to be recalibrated from time to time to match the needs of the infrastructure as illustrated in the figure below. This can include having the right skill sets available at the right time and with the necessary capacity. The team may execute large projects to introduce new technologies or to rejuvenate existing workflows. A sufficient capacity within the team is needed to execute these critical projects. Scheduled maintenance is strategically executed so as to not interfere with workflow activity. A predictive aspect of this is deployed, such that maintenance occurs prior to an unscheduled down-time event. When these events do occur, an escalation policy is timely executed.

> *"[Business unit (BU) leaders need the] availability [of support leaders] for urgent IT escalations and immediate resolution to ensure no impact on operational deadlines." (RDS15)*

The infrastructure is connected to the enterprise resource planning (ERP) system. Consequently, any infrastructure change needs to be complementary to the ERP system architecture, capability, and functionality. Support leaders need to be knowledgeable about this interface to effectively perform tasks that benefit the realization of profitability.

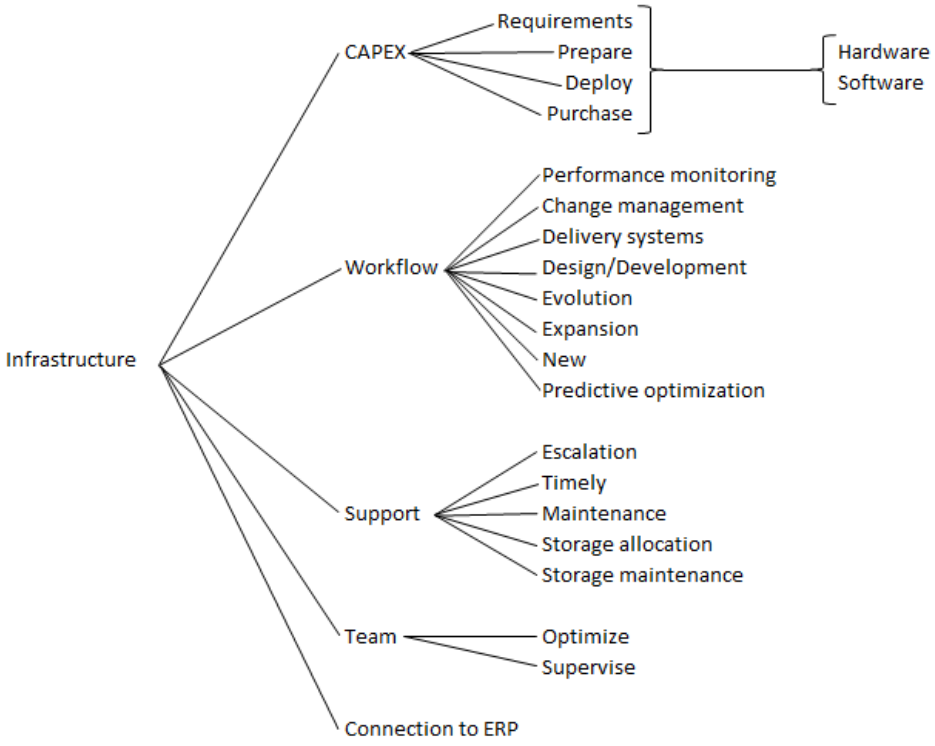

Figure 2. Diagonal support: infrastructure. This figure maps infrastructure as a theme category into descriptive sub-groupings.

The second theme pattern that emerged from the data regarding the role of diagonal support leaders was related to the *system*. This is the ERP system that manages workflows. The themes that emerged from the data regarding the system are illustrated in the figure below. In some cases, there were ancillary *bolt-on* systems that had to be maintained, integrated, or enhanced. Profit-driven MDD leaders were

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interested in brainstorming with support leaders about enhancements and evolutionary steps to be taken with regard to the core functionality and architecture of the system.

> *"[BU leaders need the] availability [of support leaders] for brainstorming on bigger enhancements and core changes to the ERP." (RDS4)*

This discussion may include topics like expansions, tool creation and development, automation, technology deployment, and meeting evolving client requirements. It was also the expectation of MDD leaders that support leaders achieve a predictive capability, ensuring that the system is ahead of the market need. Support leaders also need to be able to monitor the performance of the system. Proactively, they can be involved in workflow design through engagement and by providing advice to MDD product and location leaders. Reactively, it is necessary that an escalation strategy be effective, so that troubleshooting could be expedited when there are system issues.

> *"[BU leaders need] availability [from support leaders] for urgent IT escalations and immediate resolution to ensure no impact on operational deadlines." (RDS7)*

System design requirements and enhancement requirements are typically offered up by operations personnel. The queue of development work needs to be managed by support leaders, such that work is accomplished timely. This directly relates to the nimbleness that operations need to capture revenue opportunities. These actions must be efficiently scheduled, including prioritization to ensure optimal throughput. Furthermore, the development team needs to be optimized for enhancement throughput capacity. An aspect of the effectiveness of team members relates to their awareness of product specifications and volumes. This includes an understanding of reliability through performance metrics. Development excellence relates to an ability to execute strategic planning, create efficient documentation outlining requirements, and create training documents for users. Communication to clients, executives, corporate, and LOB leaders can be accomplished through demonstrations of the systems capabilities.

> *[Support leaders can] join operations' heads in comprehensive meetings with executives on [the] client side when meetings will require ERP insight as well. Often when we would like to win a customer to start work with us or to expand the services they're doing with us, [names] and all of us participate in meetings to give insight on operational workflow and business systems strength at the same time… (RDS10)*

Communication to users about task performance was done through the company's university (MU).

> *"[We need] more insight into [the] ERP's functions we may not be aware of – 'it already does that….'" (RDS48)*

The system also needs to communicate with other systems. Exogenously, this includes client systems. Endogenously, this would include other disparate systems used by the corporation.

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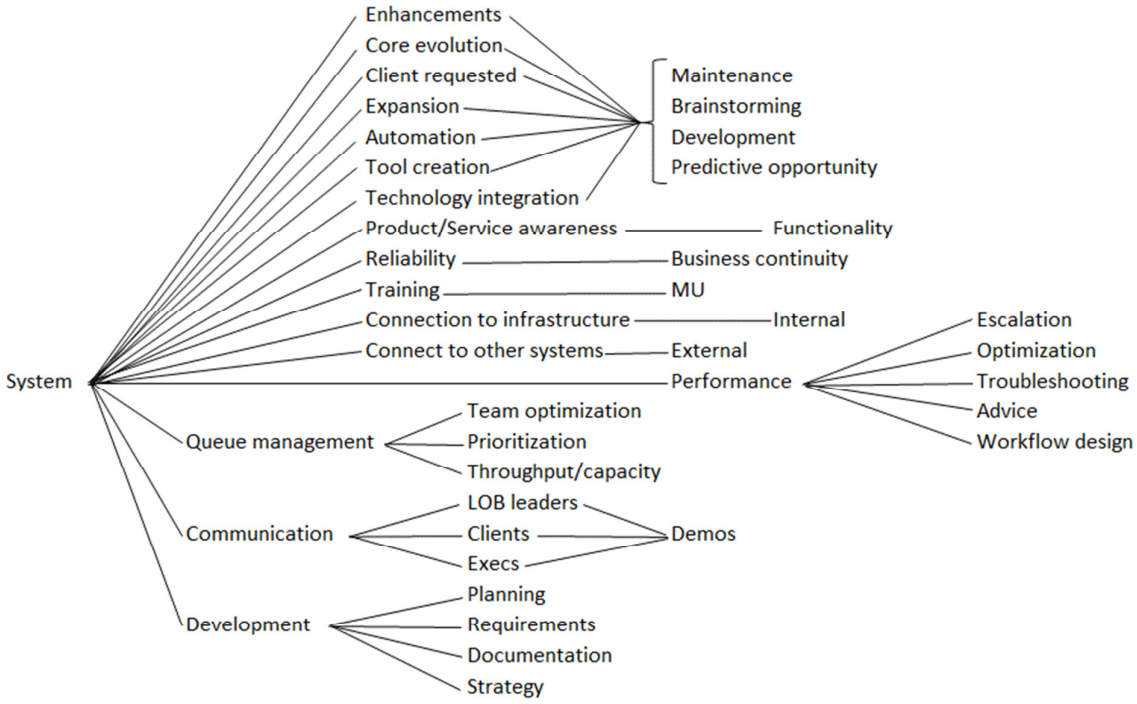

Figure 3. Diagonal support: system. This figure maps system as a theme category into descriptive sub-groupings.

The third pattern that emerged from the data was that diagonal support leaders are needed for the development of system-based capabilities. Again, MDD leaders indicated that development has the need for brainstorming with development teams on automation, tools, client requests, and technology. The themes that emerged from the data are illustrated in the figure below. MDD leaders indicated that tool and capability development were critical to their success.

> *"… availability for super accelerated tool creation (within 24 hours to one week) for special, high sensitivity projects in operation" (RDS36)*
>
> *"… availability for super urgent troubleshooting on new products and workflows to manage customer deliveries." (RDS37)*

The ideation in these areas needs to be predictive so that these items keep the case company in a pole position in the marketplace. Once the system attributes are developed, they need to be optimally deployed over a maximized geographic scope. They need to be maintained and enhanced. The performance of the development teams is critical to the success of the business unit. They provide advice on workflow enhancement and system usage. They troubleshoot issues. They manage the development queue by optimizing throughput and prioritizing the schedule of development tasks. Sometimes the structure of the team needs to adapt to the development task schedule. For example, it may be necessary for developers to slide into quality assurance (QA) roles temporarily to alleviate a backlog in QA. The capability of the development team is enhanced if they have a clear awareness of the product that is being controlled by the workflow system. This includes an awareness of emerging products.

> *"[We must] anticipate industry and operational technology needs." (RDS95)*

Clients echo this perspective as requirement for the corporation in the marketplace.

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"[Corporate must]…have the anticipation and awareness of where their customer is heading." (CS26)

We need [corporate] to be out in front of industry trends and relay those [new products] back to us for evaluation. Too often it feels that we are asking for perspective rather than have [corporate] share insights into what's happening in the industry. (CS35)

I can [say] that [corporate] does a great job in … promoting new services to us. But since [client] has not embraced the [product] to fully experience the company's abilities, we can only say that their services are top-notch for what we do execute. (CS40)

They may also provide an awareness of tools and other developments directly to clients, corporate executives, and LOB leaders.

"[We need to] continue communication with LOB leads on prioritization and re-prioritization of tools and R&D efforts in queue." (RDS31)

Anything they develop will include a connection to the ERP system and to the architecture that is manipulated by it.

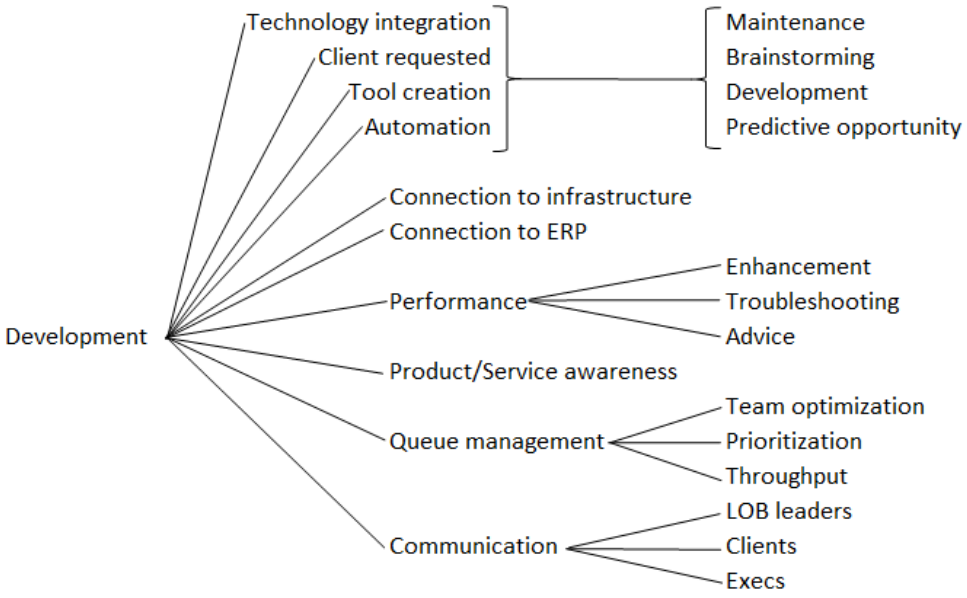

Figure 4. Diagonal support: development. This figure maps development as a theme category into descriptive sub-groupings.

In summary, the data suggests that diagonal support leaders in a MDD are needed to enable the realization of growth synergies. These synergies are dependent on infrastructure and the system that controls it. This control is direct through infrastructure application program interfaces (APIs) and by controlling the behavior of workers. Workers may be constrained by the system to execute work correctly through the use of workflow interruptions. The system also provides a super-additive through the use of tools and data awareness. Diagonal support leaders have teams whose effectiveness directly relates to profitability. The success of LOB and location leaders is dependent on the performance of the ERP system and the infrastructure that it controls. The following propositions summarize the key findings of this section:

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Proposition 1 (predictive design): Diagonal support leaders build workflows, create technologies, and embed existing technologies that ensure predictive capability against market trends.

Proposition 2 (workflow integration): Slight enhancements to infrastructure may enable the consolidation of workflows, improving their utilization and the resulting cost per deliverable.

Proposition 3 (seamless changes): Workflow transitions, integrations, modifications, and enhancements will not be noticeable to client production schedules.

Proposition 4 (production system): As infrastructure and workflow management systems are co-dependent they must also be optimized as a collaborative system for best results.

Contributions to Theory

The primary contribution of this article is new empirical insights about the effects of support functions on growth realization in an MNE organized as an MDD. These results are, therefore, relevant to the achievement of sustained profitability and competitive advantage by focusing a multi-unit firm on business unit relatedness and strategic complementarity. Four propositions were extracted from the participants instigated by a precipitated event that contribute to theory on the horizontalization of an MDD. These outcomes that influence change efficacy are described and useful for sustained corporate advantage.

The author anticipates that these propositions will stimulate further research as organizational behavior is significantly complex and situational. These observations are also meant to stimulate further thinking. By studying the distinctive features of support functions in an MDD, the author hopes that interest has been sparked on researching the design and application of further more effective and efficient support function efficacy enhancing techniques.

This research attempts to contribute to organizational theory by exploring an innovative multidimensional organizational design with the advantage of collaborative opportunity exploitation in a dynamic market. In the company case, the design includes dimensions that relate to products and services, geographic locations, support functions, and clients. Each dimension is not *flat*, as a layer might imply, but rather is intrinsically variable. For example, support services within this dimension are different in complexity, technology, capacity requirements, reliability rigor, seasonal use, and sensitivity to penalty or liability. Within the support functions, studied here, there is variability in team expertise and the nature of the support, as examples. Support could be present in the form of ERP enhancements or module creation, or storage, and the availability of workflow assets. There is variability in the client dimension with regard to size, rate structure, administrative load, *hunter vs. harvest* activity, and the quality of relationships. Geographic locations vary in culture, size, and mix of products used in local markets, further strengthening the idea of a dimension rather than a layer (Armstrong & Cole, 2002). This multidimensional organizational design is applied to a multi-unit business that includes a global value chain. The MNE must be competitively agile in its dynamic market while managing through an otherwise complex organizational construct. The author proposes a minimalist role of the corporate center with the addition of secondary work structures, or collaboration platforms, that exploit capabilities across business units (Wiessmeier et al., 2012). These lateral integrative mechanisms reduce costs that would otherwise be overhead in a traditional M-form structure.

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The M-form has come into question with regard to its relevancy in modern MNEs (Bartlett & Ghoshal, 1993; Berggren, 1996; Ruigok et al., 2000). Even Alfred Chandler (1962), the economic historian from Harvard who documented the emergence of multidimensional organizations in the first half of the 20th century, suggests that structure must follow strategy to avoid inefficient results. In the 1970s there was interest in organizing MNEs along several dimensions in a number of publications that were concerned with the dynamic markets in which multi-national corporations operated (Ackoff, 1977; Bartlett, 1982; Coggin, 1974; Prahalad, 1980; Prahalad & Doz, 1979). The M-form design drives high employee costs, internal battles over resources, the lack of standardization, the lack of collaboration, and the loss of market opportunities contributing to tension about synergy exploitation (Strikwerda & Stoelhorst, 2009). This tension needs to be resolved, at least partially, through an organization design that involves multiple dimensions without exacerbating issues around resources and market opportunities. Furthermore, the structure needs to drive clarity and accountability which is an inherent weakness in matrix structures due to the disparate interests of multiple bosses (Galbraith, 2009). Further organizational design evolution is needed for moving MNEs from a resource-centric industrial economy, focused on exploiting tangible physical resources, to a customer-centric, service-oriented economy that is focused on exploiting intangible knowledge-based resources (Davis & Thomas, 1993; Grant, 1996; Markides & Williamson, 1994).

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DIGITALIZATION IN THE HOSPITALITY INDUSTRY: TRENDS THAT MIGHT SHAPE THE NEXT STAY OF GUESTS

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Abstract
The digital technology for guests means an easy life, and accordingly to that, our appetite for this lifestyle is insatiable. With each new application or connected device, the digital technology shows us that everything is possible, and one sector in which this transformation is increasingly apparent is the hospitality one, where everything from the check-in process to in-room technology options is rapidly changing, therefore this means constant changes in the behavior of their guests. Nowadays, as automation and digitization continue to proliferate, and guests become increasingly tech-savvy, in response to this movement, touchpoints across the hospitality industry are embracing new digital trends and smart technology to make the customer journey as seamless and enjoyable.

Key words: hotel, hospitality, guests, digital, digitalization, technology

1. Introduction

Digitalization has been identified as one of the major trends changing society and business in the near and long term future (Tihinen & Kääriäinen, 2016). The impact of digitalization will be major; it has been compared to the industrial revolution by several authors (Degryse, 2016; Tihinen, *et al.,* 2016). According to the literature, digitalization, or digital transformation, refers to "the changes associated with the application of digital technology in all aspects of human society" (Stolterman & Fors, 2004). This began with the introduction of the first commonly used commercial websites in the 1990s, where digital technology brought a new level of convenience to guests in hotels. Today, developments in digital technology offer new opportunities to design new products and services. However, creating such digitalized products and services often creates new problems and challenges to hotels that are trying to innovate. In this paper, we analyze the trends that determine the shape of next stay for the guests and discuss the need of digitalization of products and services on innovations in the hospitality industry.

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2. Digital technology in the hospitality industry

An article from 1995 (Hansen & Owen) predicts that technological advancements will be necessary for work in the future for hotels. They wrote about "smart cards" that the guest can use as a hotel key, as well as future "kiosks" that would facilitate the registration of guests in the hotels and would save time. Database marketing (consumer segmenting and further improvement of the guest's profile) was a trend 20 years ago, and now it is a standard tool in the day-to-day operation of hotels (Petrovits, 2014). All this is not just facts, but also evidence that perhaps the future of technology is predictable.

However, the adoption of technology in the hospitality industry began in the early 1970s, but has since continually progressed (Collins & Cobanoglu, 2008; Kasavana & Cahill, 2007; Sammons, 2000). Since its inception, industry researchers have expressed concerns about the value of technology and the possible consequences for guest satisfaction (Collins & Cobanoglu, 2008; Piccoli & Torchio, 2006), resulting in changes in their behavior initially toward the selection of the hotel product.

As a general principle, the bigger and more complex hotel object, the greater its reliance on the application of digital technology. Although, however, this is not a rule. Hotel technology is often applied at two levels (Cobanoglu *et al.,* 2011):

1) At the managerial and operational level and
2) For the services for the guests in the room.

Guest-oriented technological conveniences are usually introduced in improving the satisfaction of guests, as well as the performance and functionality of hotel staff. In the hotel room the conveniences are introduced in order to provide a more comfortable and safe environment, which can include choosing what the guest wants from the drink and food in the mini bar in his room, lighting regulation, climate and the TV, until the choice of smell for the room, and even choosing the start time when preparing his first morning cup of coffee (Ristova & Maglovski, 2018).

3. Digital technology trends in the hospitality industry

Digital technology in the hospitality industry is progressing at a faster pace than ever before, and so many of the new devices created over the past decade are expected to become standard soon. In this paper, in the next few pages the authors will focus on some of the recent technological products in the hotel industry:

- Keyless entry. The days of losing the card where the guests were standing locked out of their room are gone. In modern hotels, the smartphones of the guests exchanged cards are used to unlock the hotel rooms. On June 28, 2014 Starwood Hotels was the first hotel that provided access to their guests with their key-free rooms, through their SPG application. Since 2016, this technology has been appropriated by Hilton, Marriott as well as Hyatt and InterContinental Hotels Group.

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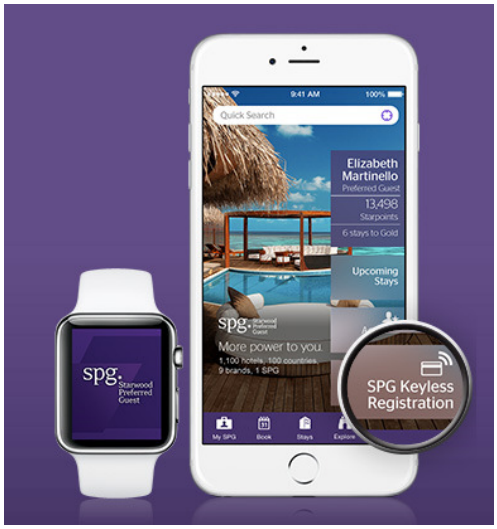

Figure 1. SPG application of Starwood Hotels

- Mirror - TVs. Imagine watching TV in the mirror of the bathroom in the hotel room. At the BDNY (Boutique Design New York) conference in November 2018, Mirror Image Hospitality announced a partnership with Keypr, a cloud-based management form, to create the "Remi" - the "smart TV" that will serve as a TV, virtual concierge and when switched off as a normal mirror. "Remi" mirrors currently cost $ 1,800 per piece, and the complete programming equipment costs $ 2 per night from the room. The complete package includes: a mirror, a mobile application, a room tablet and a keyless entry program.

  Last year, Electric Mirror introduced the "Savvy SmartMirror" featuring voice activation and activation on the touch. "Savvy SmartMirror" offers guests the opportunity to talk to him and ask him for room service, or for the hotel's swimming pool hours. Also, the TV can measure the room temperature. The first hotel to use "Savvy SmartMirror" will be Sinclair Hotel, a member of the Marriott's Autograph Collection in Fort Worth, Texas, and will open this summer.

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Figure 2. "Savvy SmartMirror" mirror televisions

- Smart rooms. Almost 5,000 rooms at Wynn Las Vegas already have the ability to voice activated through "Amazon Echo". Meanwhile, Hilton has beta tested their first mobile-centric hotel room "Connected room", where guests can control temperature, light, blinds, thermostats and televisions with just touching their phones. "Connected room" is a Hilton solution for continuous innovation that will make it easier for hotels to keep up with the rapid changes in technology. The innovation is in the DNA of Hilton, starting with entrepreneur Conrad Hilton and buying Hilton's first property as well as becoming a pioneer in the hospitality industry nearly 100 years ago. With many innovations later, Hilton again set a new standard in the hospitality industry, giving its guests a travel experience where the room knows them and they know their room.

  Developing an intuitive system is also critical for Marriott al well, who wants to innovate constantly the global experience for guests in its 30 brands. Similarly, Marriott is in the process of launching its own "Internet of Things" room, offering services like a virtual assistant, yoga training exercises in front of a large mirror and digital frames with the ability to attach pictures of friends and family photos during the stay. The trend is pretty clear: this concept of smart rooms will bring hotel-making to a level that was unthinkable until just five years ago. Guests can now continue their favorite Netflix series where they stopped or to play their favorite Spotify playlist as soon as they register at the hotel and enter the room. Sensors on the bed will know when guests are awake or sleeping to optimally optimize room temperature and light.

- Virtual concierge. In many hotels, guests can now communicate their needs with smartphones through communication rather than staff in the hotel. Imagine asking for more towels or late checkout without having to get out of bed. There are several reasons why you would like to practice this type of concierge: automatic messages, save valuable time for guests and staff, SMS messages quickly resolve guest complaints and SMS message store data from every interaction with each guest. Thus, the guest's days will need to call the reception or to the concierge for certain requests, have long been spent. Today's hotel guests can get in touch with a message with hotel staff through the respective smartphone applications.

  For example, with the "Marriott International" and "Hilton Honors" applications, a guest can complete the registration process before arriving at the hotel, unlocking the room with a mobile key, and send a message to the hotel staff for specific requests. In November, 2015, Hyatt began using Facebook Messenger as a channel for guest services, in addition to already starting to use Twitter, also published a new version of the "Hyatt Gold Passport" application that includes the ability to text message, send messages to Facebook messenger and twitter on Twitter.

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Figure 3. Hyatt – Facebook Messenger application

- Chatbots. The real revolution in digital technology in the hospitality industry is yet to come and show its first signs. When first introduced in 2016 by Facebook and Slack, it was clear that chatbots will become an integral part of the future of hotel operations, and at the same time a trend that many will follow (Goncalves, 2016). Because who does not want to talk with artificial intelligence? One of the flexibility that chatbots can offer is that they are open 24/7 and questions can be asked that can be answered at any time of the day or night.

  In February 2017, the Mercure brand part of the AccorHotels Group launched the "BOT", a minute assistant as a messaging solution for instant messaging. This useful tool has allows guests and residents of the neighborhood to equally discover the "local stories" that surround them, simply by geo-location and permission to be guided. But artificial intelligence is becoming more important within certain industries, and in particular the hospitality industry. From smart rooms to chatbots, artificial intelligence helps improve the client's optimization and experience.

  Recently, Cosmopolitan of Las Vegas has launched its first AI chatbot concierge named "Rose". "Rose", a concierge with a sense of humor. When guests enter the hotel, the receptionist gives them a card saying: "Find out my secrets. Write me. I am the answer to the question you never asked". The card also has a Rose phone number, on which you can write for almost everything

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you need during your stay. (In the background, Cosmopolitan employees are on hand to help you with something that "Rose" can not.) Do you need more towels in your room? Also write to "Rose". Want to order a pizza at 3 o'clock? Also write to "Rose".

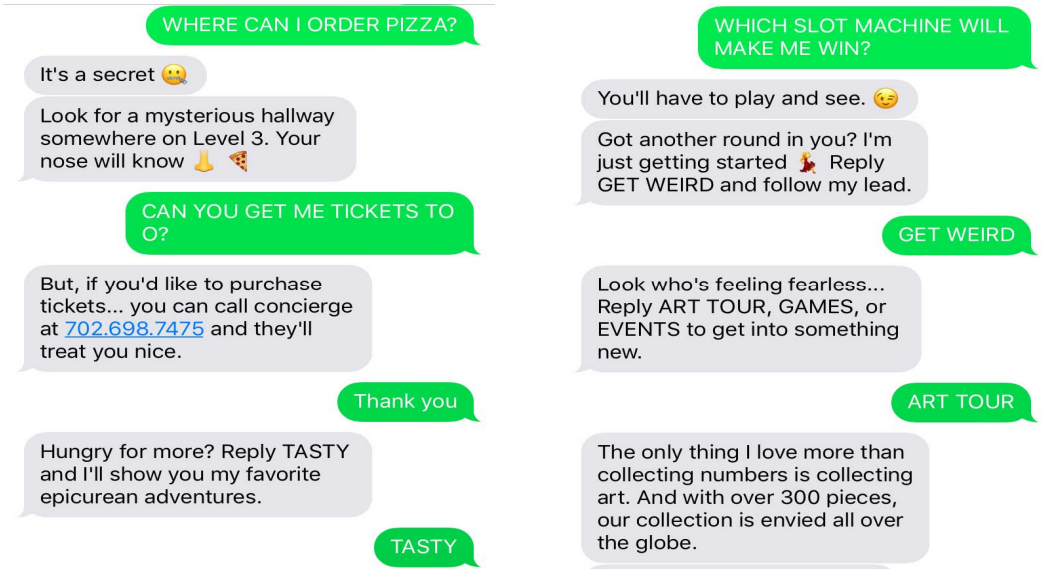

Figure 4. Cosmopolitan of Las Vegas - Rose AI chatbot

- Mobile technology. As we have already established, digital technology infiltrates virtually in every aspect of our lives, and hotels must understand that almost every guest that registers in the hotel, resort or spa has a smartphone in their pockets. Many hotels already use social media as a tool that will ease the process of registering guests in the hotel, mainly through a site-based sign-in application, sharing their Twitter experience and sharing their photos with friends and followers on Instagram and Facebook. This trend in technology will continue and hotels can expect even more social media activity from guests who, as we have said, use these platforms to give feedback on their experience, to complain, but also to provide compliments for their stay.

  Photographer and tourist blogger Jen Pollack Bianco, while checking in the Sheraton, Bratislava found a book "Instagram moments" in her room that came with a note stating: "As we know Jennifer wants to publish pictures on Instagram, so we thought you enjoyed this selected choice of 25 of our most beloved photos from Bratislava". The Ritz-Carlton Naples resort in Naples asked their fans on Facebook to answer what kind of cafe they drink. If you answered, and while staying with them, your coffee will arrive sweet enough without the need to ask for more sugar.

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Instagram Moments Book

Figure 5. Jen Pollack Bianco Instagram moment's book

- Mobile applications. Mobile apps in the hotels have really redefined the guest experience. Because the service has the highest value in the hospitality industry, the necessity of engaging, interacting and attracting is vital. The importance of mobile applications in hotels has risen rapidly in recent years, and more hotels are turning to their implementation.

  Virgin Hotels created "The Know" - a preferential program designed to create exceptional experiences. By filling in the online questionnaire, guests can choose what they want to have in their mini bar, emphasize specific allergens, and even choose which cocktail will wait for them when they arrive. By treating guests as individuals rather than as a homogeneous group, means that in the future, the chances are more likely to return guests.

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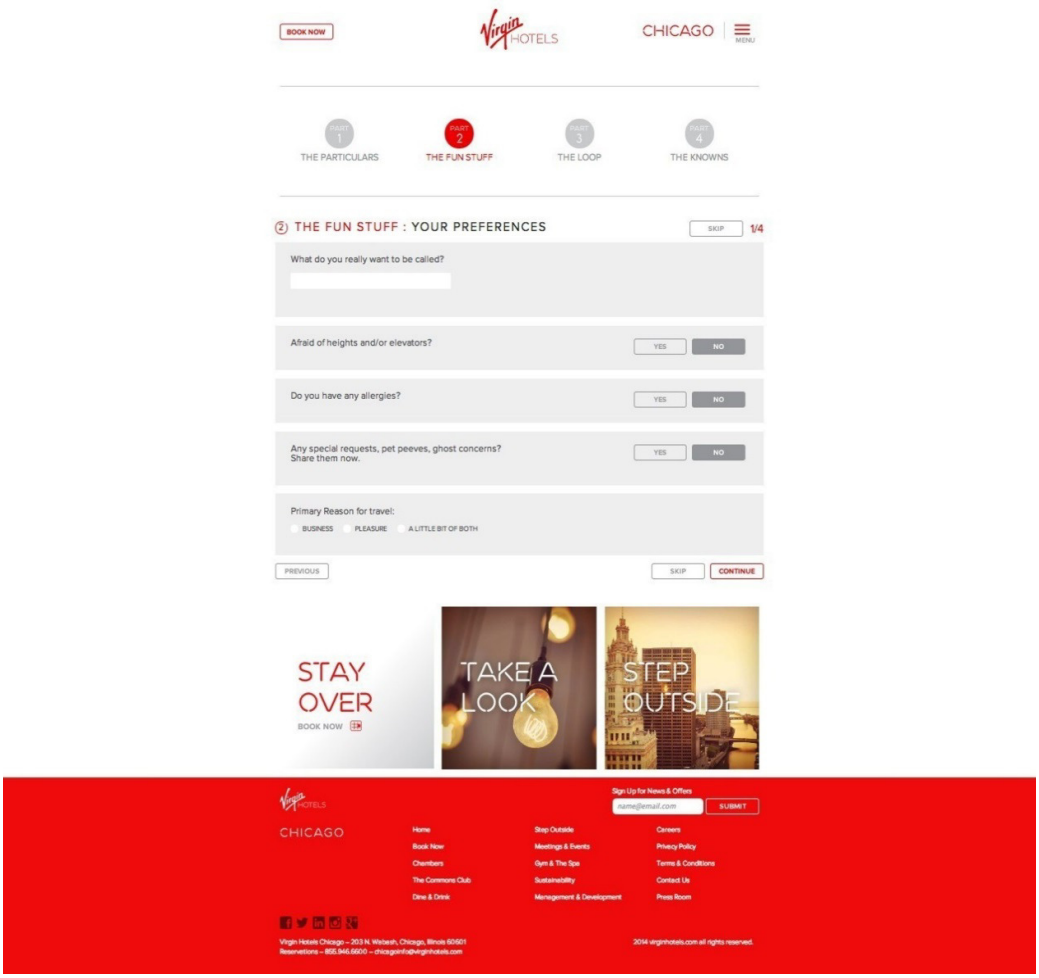

Figure 6. Virgin Hotel – The Know application

4. Why digitalize?

Many believe that when it comes to the hospitality industry that there isn't a lot of ways to be innovative. But, since our lives become more focused on digital technologies, the transformation is affecting all industries, including the hospitality (Ristova & Maglovski, 2018). It needs to be understood that digitalization is a step change even greater than the Internet. Exponential technology advances, greater consumer power and increased competition mean the hospitality industry will face the threat of commoditization. The winners will act now, and build a strategic advantage that leaves their competitors wondering what happened. With this, digital innovation is key for the competitiveness of the hospitality industry in the tourist destination, as well in the tourist market for the guest's attention. (Ristova & Maglovski, 2018).

Once upon a time guests would book in a hotel over the phone, by walking into a hotel, or through a travel agent. Now online travel agents (OTAs), hotel websites and social media dominate in the hospitality industry. Digital technology has allowed hotel guests to instantly access any information

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they're looking for on the Internet via a PC, laptop, tablet, or smartphone – with mobile bookings in particular experiencing constant growth. It's also given them the expectation that their behavior, history, and preferences will not only be remembered, but used for an even greater level of assistance and personalization. Mobile apps also could be utilized in a more effective way to reduce the hotel's marketing cost and reach out to the potential guests. (Kwon *et al.,* 2013) Guests can book their own hotels online, choose to stay in a stranger's house, and search online hotel reviews on their mobile – all while connected to the hotel Wi-Fi. All of this can be performed autonomously and in their own time. Therefore, with hospitality being a high-tech and high-touch industry, the guest experience is expected to be high-tech and high-touch.

In general, hospitality needs to digitalize to be able to control the loss of control over the customer relationship, increased competition and the threat of commoditization, and the need to engage digitally with suppliers, partners and employees in addition to guests.

5. Conclusion

The rapid deployment and use of digital technology that was once a trend is now becoming widely accepted in all parts of society. With a society that has become increasingly technologically guided, consumers now have the opportunity to experience efficient services provided by the companies. This is especially true for the hospitality industry, whose trend has resulted in guests expecting targeted, more active and equally efficient products and services. The guest's experience is the most important characteristic to reach the goals of a hotel. If the hotel doesn't offer a great experience, then it has high chances of losing its guests to others.

This is why, digitalization represents an opportunity for the hospitality industry, leading to great changes and growth. Hotels are aiming to provide their guests with innovative solutions and emerging technologies such as IoT, VR & big data and the results are quite clear; higher guest satisfaction, better experience, better previsions, better management.

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THE VALUE OF SOCIAL MEDIA AS DIGITAL TOOL IN HOSPITALITY

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Abstract
A few years ago, there was no way of foreseeing the impact that social media would have on the hospitality industry. In 2018, 2.3 billion people were active on social media, and that number increases daily. Hotels should no longer debate having a social media presence and using them as digital tool, but rather how to utilize the various platforms to increase the experience for their guests and value for their hotels. Because most hotels are dependent on word of mouth and good reviews from loyal guests, social media is a natural digital tool for marketing and branding.

Key words: hotel, hospitality, digital, digitalization, social media

1. Introduction

Social media on the Internet today is used more often than the physical participation of individuals in a particular communication. Some of the popular social media are Facebook, Twitter, LinkedIn, Instagram and YouTube (Andrew, 2014). It is important to note that communications in the digital world are very fast and news is spreading faster than any other form of communication over the Internet. It is no longer necessary for individuals to wait, to communicate physically to understand the actual situation of the hotel they wish to stay for the purposes of tourism.

There can be no doubt about the impact of social media in the world of hospitality. Thus, hospitality uses social media because through them it has a quick way to reach thousands or millions of people. By positioning on the tourism market through social media, hospitality allows people to speak on Facebook of great and not so good experiences, to become instant critics on Twitter and through YouTube to become instant stars. Tourists and guests have created the social media networks in which they share reviews of hotels, restaurants and / or attractions. These people often publish stories about their experiences, good and bad, and since these media are becoming more and more popular, they also affect

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not only the reputation of the hospitality business, but also the way it should position itself on the tourism market and promote it.

2. Who are social media?

Social media is a term that is quite commonly used these days. It's the new "in" thing and something one can imagine is that everyone knows or understands what a social medium is. The fact is that 90% of all online users use social media in one way or another. It's also a fact that most of these people will not be able to name more than a few social media platforms, other than those they use. This may be due to the constant pace of social media development or simply representing an insufficient interest in the happenings, which makes social media appear to have appeared on the market from nowhere and surprised people.

The emergence of social media began in the early days of the Internet when people began to exchange information and communicate with each other. Only the previous platforms were more “technologically intensive” and demanded some knowledge of their use, and so the number of people using these platforms was limited. For a certain period of time as digital technology matured, the platforms were developed and regular users without any technological background could use the services. This was a turning point in the history of the Internet, making digital technology more comprehensive, where people no longer kept silent about the content they were presented / displayed. Now they can create their own content, share it with others, answer people, collaborate with them and much more. This user interaction is what inspired the development of social media, as we know them today.

Contrary to the general perception of social media that is limited to, networking with websites, for example: Facebook and Twitter, social media cover all services that facilitate the creation, sharing and exchange of content created by users. These include, but are not limited to, online forums, groups, blogs, microblogs, network sites, social bookmarks, podcasts, content groups for articles, video / photo sharing sites, and more. Social media has its own benefits and there is something for everyone. Unfortunately, people tend to be part of the more popular websites and expect them to meet all their needs, rather than registering for a service that best serves their needs. If one has focused goals and knows exactly what he wants, he will surely find a social media platform that will meet his / her special needs.

Social media also caused social change. Social media empowers people to express their thoughts and opinions and share them with others. Social media have their own character; there is nothing that can be assumed or taken for granted. There is no “one hat corresponding to all” kind of solution. Yes, there are certain aspects of dealing with social media that apply to everyone, but they can in the best case be called guidelines or best practices. Otherwise, managing social media are a learning process. After all, it all comes down to the understanding of social media, gathering relevant information and then analyzing it to improve the activity, whether it's online or offline.

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3. What are social media?

Social media has a major impact on all the spheres of our lives. We often rely on social networks to find out new hotel destinations and plan our stay. We share our travel experiences and special moments, our opinions about hotels or restaurants. By expressing our opinion, we affect the decisions of our peers in planning their future trips *(Ristova & Angelkova, 2018).*

Even if you are not familiar with the term "social media", it is unlikely that you have not heard and even used many of the social tools themselves. They can be divided into several categories and the authors describe several examples of them. The authors divide the tools that are used most often, as shown in Table 1.

Table 1. Social media - tools

Communication	
Blogging:	Blogger, LiveJournal, TypePad, WordPress
Micro blogging:	Twitter, Yammer, Google Buzz
Location:	Foursquare, Gowalla, Facebook Places
Social networking:	Facebook, LinkedIn, MySpace
Aggregators:	Google Reader, Netvibes, Pageflakes, iGoogle
Collaboration	
Conferences:	Adobe Connect, GoToMeeting, Skype
Wiki:	PBworks, Wetpaint, Wikia
Social bookmarking:	Delicious, Diigo, BibSonomy
Social bibliography:	CiteULike, Mendeley
Social news:	Digg, Reddit, Newsvine
Social documents:	Google Docs, Dropbox, Zoho
Project management:	Bamboo, Basecamp, Huddle
Multimedia	
Photography:	Flickr, Picasa, SmugMug
Video:	Viddler, Vimeo, YouTube
Live:	Justin.tv, Livestream, Ustream
Presentation:	Scribd, SlideShare, Sliderocket
Virtual world:	OpenSim, Second Life, World of Warcraft

Source: Cann, A., Dimitriou, K. and Hooley, T.,
Social media: a guide for researchers, 2011 pp. 7

The most commonly used social media platforms in hospitality are: Facebook, YouTube, Twitter, Google,

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Google Street View, Instagram, Flickr, Tencent, Weibo, Sina Weibo, Foursquare, Yelp, Android applications and Smartphone applications (Mukherjee & Nagabhushanam, 2016).

4. Why use social media?

The authors named five advantages of why should hotels use social media as digital tool:

- *Reduced costs*. Based on the fact that most of the social media sites are free, there are no costs for creating a profile and sharing information. The most famous example will be, certainly Facebook, where it is said to be "free and will always be". However, these sites offer the ability to target guests by using specific criteria, which cost less compared to other ads such as television.
- *Social interaction*. The Internet has become an influential arena, having in mind the number of hours spent online, checking email, social networking sites, blogs, reading newspapers, watching videos. Consumer behavior studies reveal that individuals are increasingly looking at tips and information that are shared online, spending more time with websites that provide third-party assessments.
- *Direct market*. Thanks to the ability to focus on target groups and different groups based on their preferences, online marketing has become very popular and is often used. This means that, based on preferences, it checks, social media (such as interest in some kind of movie or travel), one will get accessories in relation to their interests, where by using the algorithm you will be offered products on the demand of your recent search.
- *Customer service*. Social media offer different types of abbreviations with the idea of facilitating the process of buying easier and faster. One of the most famous is "Frequently Asked Questions" where quick links are reached with an explanation about the content of the product.
- *Interactivity*. It can be described as "the extent to which users can participate in changing the shape and content of the environment in real time".

5. Value of social media as digital tool

5.1 **Influence on the decision process**

According to (Gretzel *et al.,* 2007) internet reviews and ratings of websites, they increase guest's confidence in the decision process. Guests read reviews through various stages of travel planning - before, during and after the trip. During the decision-making process for visiting a particular hotel, guests pass through five phases in the decision-making process:

- *Need for recognition;*
- *Search of information;*
- *Evaluation;*
- *Purchase decision and*
- *Behavior after purchase.*

However, from the foregoing, the authors noticed that social media caused a fundamental change in the decision-making process of guests and this resulted in the emergence of a more sophisticated view of engaging guests with various brands.

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1. *The need for recognition*. Social media is relevant to recognizing the need of guests. Many people understand their need for journeys from social media itself. When other guests announce their personal experiences, the need is activated with other hotel destinations for visiting that particular hotel destination. Without social media, some individuals may ignore this need for travel, or may be aware of the need but have no motivation. Exactly, social media has the power to wake up the need for traveling with individuals.
2. *Searching for information*. Shared information on social media is an important source of information about the points and can affect the decision itself to travel to potential guests in the hotel. The information from the guests themselves is considered to be more reliable than the information of the corporate organizations. Guests require different information from social media at different stages of their stay.
3. *Evaluation.* The interaction of guests towards a tourist through social media plays a key role, for example on social media like TripAdvisor or the blog www.traveblog.org. Online reviews of hotels in one destination play an important role in the evaluation phase.
4. *Purchase decision*. More than half of individuals in social media, especially under the age of 35, tend to follow their friends' recommendations on travel destinations, products and services. Hotels on their social media profiles, except for information, also offer a booking option which means a significant increase in sales.
5. *Behavior after purchase*. Social media provides a good platform for guests to rate their experience and express their feelings. After returning to their homes, guests often want to share and share their experience. Given that guests enjoy sharing their "diaries" on social media, the content of social media influences the viewer's perception of the image for a particular hotel, thus increasing popularity, and guests get more power because the authority of travel agencies is shrinking.

5.2 Millennials, impact on hospitality digitalization

Generation Y, also called the Millennials, are individuals who were born between 1980 and 2000 (Viswanathan & Jain, 2013). They are also called "Net Generation" because they are the first generation to spend their entire lives in the digital world (Viswanathan & Jain, 2013). Millennials rely on entertainment technology and communication with others (Bolton *et al., 2013*).

According to Bolton et al. (2013), Millennials actively contribute, share, search and consume content on social media platforms. Although some studies suggest that Millennials are actively contributing to the content of social media, there have also been some findings for students who indicate that they spend a lot of time consuming information instead of contributing (Pempek, *et al.,* 2009; Bolton *et al.,* 2013).

Millennials are perhaps the most popular demographics in today's tourism and hospitality industry, but they may also be the most difficult to attract and target. They want individualized experiences while traveling where they can express their personality and taste, but also require accessibility and flexibility in packaging, booking and more. Part of the fact that it has been difficult to attract the Millennials is that it often avoids conventional communication channels - print ads, radio and television – because Millennials

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find social media to be crucial to their professional and personal lives. Millennials are checking their smartphones or mobile devices at least 45 times a day, and more than 80% of them cite Facebook as an inspiration for future travel plans.

It is important to remember that Millennials should not be seen only as tourists and guests who use social media as a way to share photos of their everyday life. In a highly connected digital world, many Millennials actually work and contribute to this industry, which makes them a highly demanded market.

6. Social media and hospitality: Statements and facts

One of the defining phenomena of today's time transforms the world as we know it, and that is access to the Internet. The invention of the "World Wide Web" is the social media that comes in many forms, including blogs, forums, business networks, photo sharing platforms, social games, microblogs, chat applications, and more. According to Statista (2018), a statistical portal, the power of social networking is such that the number of worldwide users is expected to reach about 3.02 billion monthly active social media users by 2021, about a third of the entire population on Earth. About 750 million of these users in 2022 are expected to be only from China and approximately one third of a billion from India. The region with the highest penetration rate on social networks is North America, where about 70% of the population has at least one social account. Since 2017, 81% of the population in the United States have a social networking profile.

Facebook is the first social medium that exceeded the number of 1 billion monthly active users in the first quarter of 2017 and now has more than 2.2 billion users around the world. Immediately after its launch, the relatively newcomer social media Pinterest was the fastest independent website in history that reached more than 10 million monthly visitors, but fell behind other players that appeared in recent years, such as Instagram's social network or platform for microblogging Tumblr.

According to the World Travel Market and their publication "WTM Industry Report 2017":

- 40% of online travelers visit social networking sites to influence destination choice,
- 87% responded that the criticism influenced the choice of the hotel,
- 84% said that the comments influenced the way of travel,
- 78% responded that the criticism influenced the choice of eating.

70% of consumers believe online recommendations, while only 14% trust their ads:

- 50% of blog readers read blogs for travel,
- 57% of travel-related visitors read tourism reviews,
- 97% of readers think that these criticisms are correct.

Facebook has the biggest impact on leisure choices among users aged 25 to 34 and the biggest impact on men:

- More than 1 billion active users per day,

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- About 70% of Facebook users are outside of the United States,
- People spend over 700 billion minutes a month on Facebook,
- Each month more than 30 billion pieces of content are shared (web links, news, blog posts, notes, photo albums, etc.).

TripAdvisor has the biggest impact on female reservation habits:

- 34 million monthly visitors,
- 35 million views,
- 98% of the topics posted on the forum are answered within 24 hours.

Twitter:

- Twitter's search engine gets about 600 million searches per day,
- 336 million registered users,
- 95 million tweets written daily.

7. Conclusion

Social media is one of the most powerful digital tools and nowadays is integrated into the social and economic life of each individual. Social media platforms are easily accessible, direct and attractive, and allows guests to become engaged in the same ways. The use of social media platforms has become widespread, and guests consistently use social media to express pleasure or frustration about their experiences. Whether it is used intentionally or inadvertently, the hospitality industry cannot ignore the impact of the social media paradigm on their businesses.

The real value of social media as a digital tool in hospitality is seen is the possibility for guests to turn to social media throughout every step of their journey, from start to finish. Here hotels have the opportunity for a focused approach to social media that can result in a stronger brand, greater exposure and better relationships with first-time and repeat guests.

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CUSTOMER CHURN PREDICTIVE ANALYTICS USING RELATIVE CHURN FUZZY FEATURE-WEIGHT MODEL IN TELECOMS

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Abstract:

As data on customer activities and characteristics becomes increasingly available to companies, metrics for feature transformation are evolving towards efficient churn prediction. While, the quality of a predictive model is dependent on the quality of its feature, the increasing churn misclassification in predictive models is a result of assigning equal weights with no relative interdependent association between features, which are patterned for churn management. Thus, to understand how these behavioural traits can be linked to customer retention and firm performance, we introduced a Relative Churn Fuzzy Feature Weight Model as an optimised feature subset for churn prediction. This method assigns fuzzy weights to attributes based on its relevance degree in the cluster. It also build clusters of interdependent relative associations between extracted features for effective churn prediction. The essence is to extract a high precision and recall interdependent but uniquely weighted feature set that is sufficient for churn prediction.

Keywords – churn prediction, churn features, fuzzy weights, fuzzy association, ensemble classifiers, and customer retention.

1. Introduction

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In today's business world, the acquisition and retention of customers has become a top most concern for different organization. This phenomenon is very curial because through the customer behaviour as represented in the huge transactional dataset, the knowledge of customer value, which provides targeted data for personalized markets, can be clustered (Dasgupta et al, 2008). Also, the customer behaviour, identifies which parts of the service a customer is using and how often is he/she using them, this behavioural data are represented as the attributes or features that are manipulated to define a customer and its churn prediction category through necessary data mining or churn classification technique (Chu et al, 2013). In telecommunications, for example, the number and length of calls, period between calls, the usage of the network for data exchange, etc. could be taken by the churn analyst as a behavioural data to determine a customer's churn class. Oftentimes, the data are time-series features, and they are not suitable for data mining if it is not well processed. This is because the features sets contains many irrelevant and redundant attributes that can undermine the goal of a churn predictive model (Qinbao et al, 2013). To illustrate this, in telecoms dataset, new customers will have very little information, and existing or established customers will have more historical data from which it can be used to better understand and predict customer churn. In this scenario, it is impossible to obtain a sufficient performance even with an ensemble churn prediction model since no model can be better than the data it was created from. Thus, the quality of data as always been a prerequisite to engendering better customer churn prediction. However, in research findings, we observed that, feature weights are assumed equal for different features especially in telecoms churn prediction models, as the lack of relative association between selected features for churn predictions are deficiencies among several other reasons while existing churn prediction model still encounters the problem of churn misclassification. Churn misclassification as a problem has made organizations spend more on false churners instead of targeting the actual churners with required customer retention strategies (Amal et al, 2014). Therefore, in performing qualitative churn analysis, we believe that high precision and recall values of interdependent feature selections in churn dataset are of uttermost importance for churn prediction model. Thus, this paper, presents a Relative Churn Fuzzy Feature Weight Model (RCFFWM) for feature analysis. The goal is to cluster an

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optimal fuzzy weighted predictor variable with relative associations; has sufficient qualitative feature set for churn classification. To achieving this objective, in section 2, an overview of feature selection for churn prediction is presented. In section 3, related works in churn prediction are discussed while in section 4, the RCFFW model is presented using the optimal clustered feature by Hybrid Combinatroic Brute force model for feature selection (Ibitoye and Olufade, 2016) while sample experiments and evaluation in presented in section 5 before the conclusion is documented in section 6.

2. Overview of Feature Selection in Customer Churn Prediction

Churn prediction as a well-studied data-mining task especially in the context of telecommunication network (Richter et al, 2010) main goal is to predict whether a user will leave his present operator for another one. This predictive analytics process encompasses a variety of techniques from statistics, data mining and game theory that analyse current and historical facts to make predictions about future events. An important prerequisite for churn predictive analytics is the power of the data to extract from the database, and how to prepare the acquired data for the mining algorithms. No doubt, achieving this requirement calls for feature selection. One major objective of feature selection is to identify the best subset containing the least number of dimensions that contribute the most to accuracy, and discards the remaining, unimportant dimensions (Ladha and Deepa, 2011). Several works on features selection are centred around filter approach, wrapper approach and hybrid approach. These methods are considered to be machine learning applications (Krier et al, 2007). Based on intrinsic characteristics of the data, and the independence of mining algorithms, the filter Method as an unsupervised feature selection approach selects the feature subset without using induction algorithms. Whereas, the wrapper method requires a predetermined algorithm to determine the best feature subset. It uses the classifier error rate induced by the learning algorithms as its evaluation function (Tsai and Chen, 2015). For the Hybrid features selection approach, both methods of filter and wrapper are combined to achieve the advantages of the both methods. First, the filter method is applied to reduce the search space and later the wrapper model is applied to obtain the best feature subset. However, when the feature dimensionality is increased, the quality of

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selected features by the hybrid approach is reduced. Thus, Ibitoye and Olufade (2016) extended the Hybrid feature selection by presenting the Hybrid Combinatroic Brute Force Approach for feature selection. The model is structured to automatically determine which features are indeed relevant to the task of modelling customer churn by performing first exclusive search to extract the most optimal sub features before applying the hybrid approach. The model is suitable for large data set; providing accuracy and significant reduction in complexity especially when dimensionality is increased as compared with the filter, wrapper and hybrid feature selection techniques. This was achieved by reducing the number of features whilst maintaining high performance and discarding the least useful. Despite this, in most real world problems like churn prediction in telecoms, features are not equally important and thus should not carry the same weight in churn prediction. More so, several churn prediction techniques as illustrated in section 3, for telecoms do not consider attributes relevance in correspondence to churn but do watch out for feature patterns that describe churn with different ranges of probabilities. This feature clustering method among others are influencing factors that has contributed to the problem of churn misclassification in churn prediction. Therefore, before using a churn prediction method, a data reduction technique through feature selection is used to decide which attributes can be of use, and which can be ignored for effective churn predictive analysis. Thus, in this research, feature-weight assignment as a special case of feature selection is used to indicate the importance of features before finding the relative fuzzy association of features for churn prediction models.

3. Related Works

In the last few decades there have been significant improvement and changes in the data volumes stored in files, databases, and other repositories. Hence, to aid decision-making process especially in churn management, it is vital to come up with powerful techniques for data analysis and interpretation as well as develop tools that are important in the extraction of interesting hidden patterns and knowledge (Oseman et al, 2010). The methods embraced in churn predictive modelling are broadly categorised into single classifiers and ensemble models. The goal of this methods is to use optimal extracted features to classify

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customers as either a churner or non-churner. In line with this, Zhang et al, (2012) provided an overview to the different types of subscriber attributes that are used for modelling and predicting customer churn. Tsai and Chen (2015) used association rules to extract feature from dataset in order to improve the predictive performance. The extracted feature used, proved that decision tree perform better than neural network model since a rule-based classifier uses a set of rules for classification task. By using different heuristic techniques, Chanda's et al, (2012) algorithm effectively produces the subset of features for churn prediction while Mori (2002) used Information Gain approach as a feature selection technique that can decrease the size of features by computing the value of each attribute and ranking the attributes. It selects the features via score by deciding a threshold for the metric and keeping the attributes with a value over it. The selection of optimal features ads an extra layer of complexity in the modelling instead of just finding optimal parameters for full set of features. Based on the goal of churn prediction as stated in section 2, the extracted features are used by different researchers to classify customer as churner or non-churner. For instance, Marcin (2010) used logistic regression only to identify customer dissatisfaction, service usage, switching cost and demographic variable, which affects customer churn. Nie et al, (2011) used logistic regression and decision tree model for churn prediction. Also, Pýnar et al (2008) applied Bayesian belief network to discover the most important features that have effects on customer churn in telecommunication industry. Whereas, Hadden et al, (2007) also compared neural networks and decision trees in predicting customer churn. Based on this research, Hadden et al, (2007) concluded that the decision tree outperformed neural technique. However, by using the extracted features, many of the traditional machine learning algorithms e.g., a logic regression, decision tree or neural network are not too effective in churn prediction. Hence, the introduction of ensemble methods; these approaches in churn prediction have shown better classification performance for various problems Bockand and Poel, (2011) when compared to individual classifier. For instance, Suresh et al, (2015) in their study explores Ada Boost and bagging ensemble for default prediction to contrast with several classifiers including learning Logistic Regression, Decision Tree, artificial Neural Networks and support vector machine as base learner. Kiranjot and Sheveta (2015) provided a customer churn prediction model using a standard CRISP-DM

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methodology based on RFM and Boosted Trees Technique. However, if the quality of feature is not relevant for an ensemble model structured for churn prediction. There will always be classification error.

4. Relative Churn Fuzzy Feature-Weight Model

Here, the Relative Churn Fuzzy Feature-Weights (RCFFW) technique begins its analyses on the feature set by converting the inherent attributes to a fuzzy attributes, before changing its associated numeric values into fuzzy values. The goal is to establish a wide range of discrete values by assigning weights to each attribute, minimizing the number of rules to reduce noisy information, and partitioning attributes to conditional class based on fuzzy association. To illustrate the proposed Relative Churn Fuzzy Feature-Weights process, its model is presented in Figure 1;

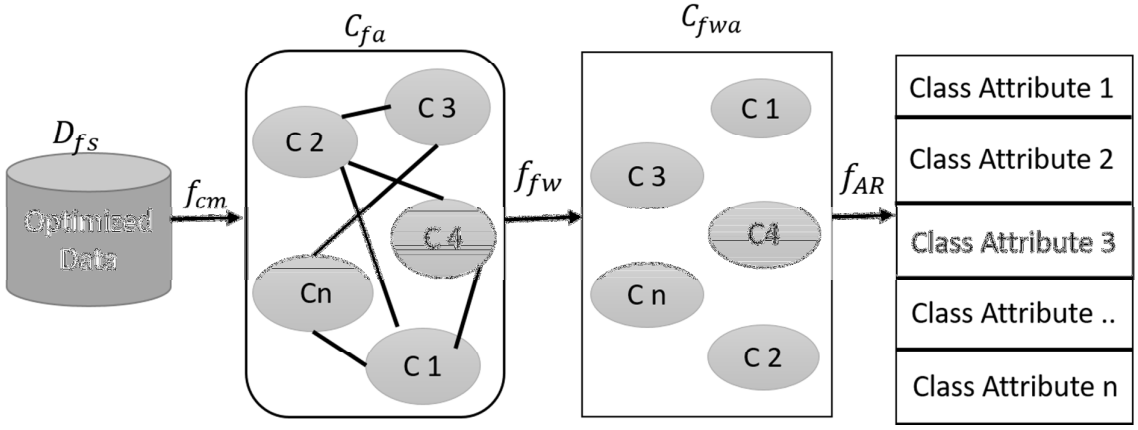

Figure 1: Relative Churn Fuzzy Feature-Weight Model

where f_{cm} is the Fuzzy C-Means algorithm, f_{fw} is the fuzzy feature weight, f_{ar} is the fuzzy association rule, C_{fa} is the clustered fuzzy attributes, and C_{fwa} is the clustered fuzzy weighted attributes.

From Fig 1, the Fuzzy C Means algorithm generates the fuzzy clustered features/attributes by minimizing the objective function to achieving a better classification. Although it does not decide the absolute membership of a data point to a given cluster; however, it calculates the likelihood (the degree of belongingness) that a data point will assume to that of the relative cluster by assigning membership to each data point corresponding to each cluster centre, based on distance between the cluster centre and the

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data point. Here, the nearer the data is to the cluster centre, the more is its membership towards the particular cluster centre, Clearly, FCM allows one piece of data to belong to more than one cluster according to a membership function, thus, clustering unique set of fuzzy attributes. From the distinct fuzzy clustered attributes, the feature weights are obtained for numeric attributes to specify the importance of a feature's relative to other feature for each record set in the cluster. Thus, the algorithm listing 1 explains the RCFFW approach.

Algorithm Listing 1.0: RCFFW approach

Input: Let x_i represent D dimension and N be the data points where (i = 1, 2. . . N) are to be clustered

Output: Class/Conditional Attributes

1. Choose an appropriate level of cluster fuzziness f > 1.
2. Initialize the $N\ X\ C\ X\ D$ sized membership matrix U at random, such that $U_{ijd} \in [0,1]$ and $\sum_{j=1}^{C} U_{ijd} = 1$ for each i and a fixed value of D.
3. Apply f_{cm}, the Fuzzy C-Means algorithm on D
4. Let C equals the number of fuzzy clustered to be made where $2 \leq C \leq N$
5. Randomly initialize the number of cluster c where $2 \leq c \leq \sqrt{d_r}$ and d_r is the number of records present in the database Db.
6. Initialize Fuzzy membership μ_{ij} such that $\mu_{ij} \in [0,1]$, and $\sum_{j=1}^{c} \mu_{ij}$
7. Calculate the data centre dc_i and find the degree of membership for the attribute w_j where j values ranges from $1 \leq j \leq c$
8. Find the maximum membership association value for the attribute w_j when
9. $$Y = \{y_{p+1}, y_{p+2}. y_{p+3}. \ldots . , y_{p+q}\}\ \mathrm{C}\ w$$
10. For $i = 1\ to\ n$
11. Use ∂ //where ∂ is the cut value as users' threshold to decide the destination of its class
12. End for

Collaborating the algorithm listing 1, are the following definitions

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Definition 1: Let Db be the database that contains the FCM clusters and d_r represents the records in it.

Definition 2: Let $w = \{w_1, w_2, w_3 \ \dots\dots\dots w_n\}$ be the returning attributes. The predictive numerical attributes under consideration, For example w_j is further divided into k number of classes such that $k = c$, where c is the number of clusters formed by using Fuzzy C-Means algorithm. Then, the objective function is minimised and the fuzzy partition matric is formed.

Definition 3: if X is a set of numeric data in D_{fs} and g the integer between 1 and n. Given, we say that g fuzzy subset $\{U_k : X \rightarrow [0,1]\}$ are a g partition of X provided

$$j(U,V,D) = \sum_{i=1}^{c}\sum_{j=1}^{N}\mu_{ij}^{f}\left[d_{ij}^{(w)}\right]^2 \quad (1)$$

While $U = \left(\mu_{ij}\right)_{c\ X\ N}$ is the fuzzy partition matrix in which it element μ_{ij} denote the membership of the j[th] sample, X_j belong to it i[th] cluster $V = (v_1, v_2, v_3, \dots\dots, v_C)^T = \left(V_{iq}\right)_{C\ X\ d}$ is the center matrix that is composed of C cluster centers, giving that f > 1 is the fuzzification exponent. Then, $d_{ij}{}^{(w)} = ||diag(w)(X_i - V_i)||$ with $w = (w_1, w_2, w_3 \dots\dots\dots, w_d)$ is a feature weight vector,

Definition 4: $diag(w) = \begin{pmatrix} w_1 & 0 & 0 \\ 0 & 0 & 0 \\ 0 & 0 & w_d \end{pmatrix}$ while the elements w_q is the feature weight vector.

Such that $diag(w)$ is a diagonal matrix of m-by-n matrixes where the off-diagonal elements are all zero. Provided w satisfies $\sum_{q=1}^{d} w_q = 1$

Upon assigning fuzzy weights to the numeric attribute in the clustered dataset, from the RCFFW model in Fig 1, algorithm 1 finds the fuzzy association that exist between the various attributes in the record set. The process generates a conditional or class attributes that will serve as input parameters to the ensemble

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classifier for customer churn classification.

5. Experiments and Evaluations

The performance of this new approach is based on a training set of customer information collected over a period of 9-months. Here, the distinct attributes for churn propensity is monitored and updated according to the customers' latest 3-month information. The essence is to be able to simulate the real-world scenario of churn prediction by integrating, feature weighing and relative association to optimal features subset before churn classification. First, the accuracy of the new weighing feature selection algorithms with relative association is measured by using random subsampling, which performs multiple random splits of a given dataset into disjoint training and testing sets is presented in section 5.1. Later, the average precision and recall rate of the features are presented in section 5.2 and 5.3 respectively.

5.1 Accuracy

A noise feature is one that, when included in the transactional dataset, increases the classification error on churn prediction. Here, accuracy of feature selection is used to determine and evaluate churn classification by eliminating noisy features. The lower, the noisy features, the higher the accuracy of the selected feature for churn prediction. From Fig 2, HCBF has higher feature accuracy when compared with Hybrid, Wrapper and Filter Methods.

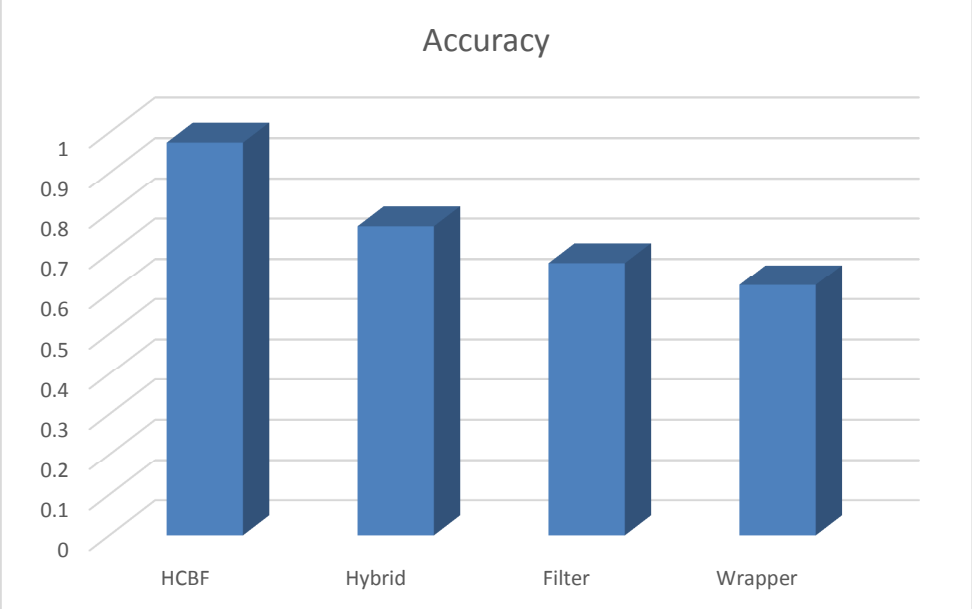

Figure 2 Accuracy Evaluation

5.2 Precision Rate

Here, the precision measures how many of the features in the subsets is actually relevant for churn classification. For example, by using the a 65 percent precision rate means that 65 percent of the selected features after weighing are relevant, while 35 percent of those features have been misidentified as relevant by the feature selection methods. In calculating the precision rate for the extracted features for churn prediction, we use the equation 2 as illustrated:

$$precision\ rate = \frac{f_p}{f_s} \qquad (2)$$

Where f_r denotes the number of relevant features selected for churn prediction, f_s denotes a clustered subset of features selection that was originally extracted from the entire churn feature set. Therefore, in Fig 3, the average precision rate is hereby presented.

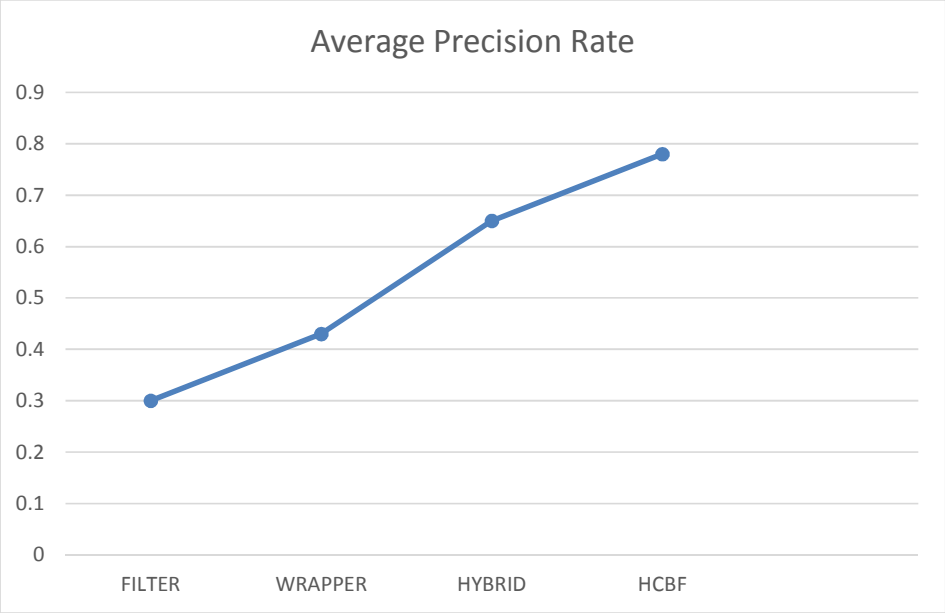

Figure 3: Average precision rate for features selection

5.3 Recall Rate

Here, recall measures how many of the relevant features in a collection have actually been assessed as relevant, that is, how much of the target has been instrumental to churn classification. For example, a 45

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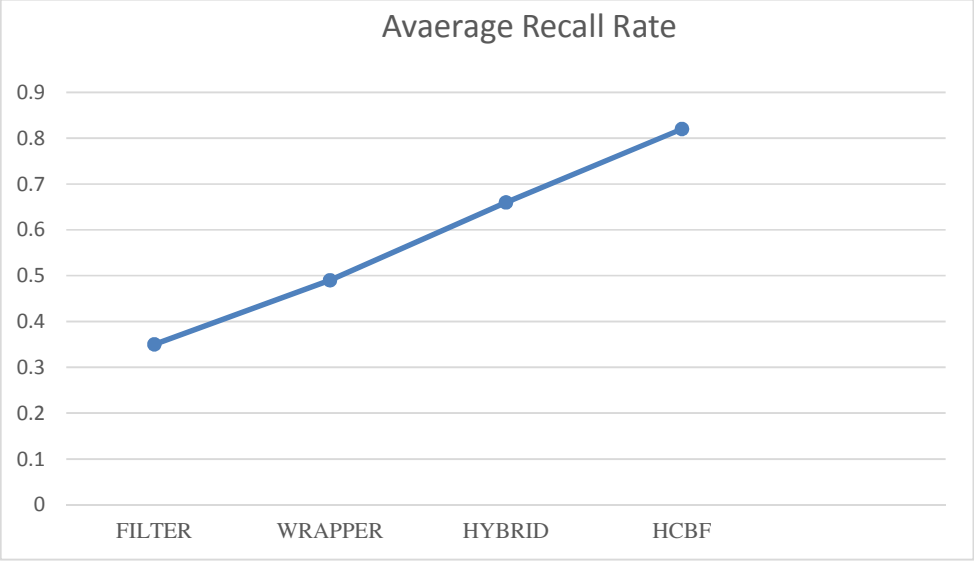
percent recall rate means that 45 percent of all relevant features in a collection are key towards churn classification, while 55 percent have been missed or silent. In finding the recall rate as illustrated in Fig 4, we apply the equation 3

$$Recall\ rate = \frac{F_r}{f_e} \qquad (3)$$

f_e is the number of relevant features in the collection while f_r denotes the number of relevant features selected for churn prediction.

Figure 4: Average recall rate for features selection



6. Conclusion

The need for effective churn classification is very important in today's business world. Hence, beyond the

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identification and clustering of customers into churn categories, using direct optimal features subset without testing it relevance in the task of churn classification may continue to be an issue for churn prediction approach either as single classifier or ensemble models. With some telecoms features being important than the order especially in churn prediction, the research introduction a relative churn fuzzy feature technique on the feature subset clustered for churn prediction. The goal of the model is to assign fuzzy weights to features while finding the interdependent relative associations that exists between these attributes. Based on this, the accuracy, precision and recall rate experiments were conducted by using the features subsets of four distinct feature selection approaches. Overall, the HCBF model performs better than its counterpart approach.

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REFRAMING THE MARKETING STRATEGY FOR ONLINE EDUCATION.

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Abstract

Online higher education is a competitive field and the lines between traditional and nontraditional higher education continue to blur. More and more universities are implementing online programs across multiple disciplines. Competition continues to increase for college enrollment, higher education funding options are decreasing, and pressure from administrators to implement successful programs is intensifying. Universities have to find creative ways to promote their programs efficiently. A new 4 S model is introduced to look at the marketing mix from a different perspective. The 4 S model focuses on solution, sacrifice, situation, and social media. Specific recommendations for higher education marketers for each of the model elements are provided.

Keywords: *marketing mix, marketing strategy, online university, for-profit higher education*

Introduction

It is taboo to use the terms *marketing* and *higher education* together, but marketing is the cornerstone of strategic planning in every industry, including higher education. As a strategic initiative, multiple stakeholders (including educators) should be involved in the marketing decision making process. The marketing 4 Ps (product, place, price, promotion) is a popular model but it has been used for over 60 years. The 4 Ps model was developed at the same time transistor radios and the slinky were introduced, and today's marketing environment is much different. We are proposing a 4 S model to better align with today's consumer needs. We posit that the 4 S model provides a guideline for how colleges or universities can position themselves in the competitive online higher education landscape. The model can be used to ensure institutions are representing their brands and delivering what they promise to their stakeholders. It can also be a guideline when developing, promoting, and evaluating effective online education options. In this paper, we will introduce a new marketing mix model and discuss how the 4 S model can be applied to higher education to help ensure a competitive advantage in the 21st century. We will cover how technology, specifically social media, can help an institution meet their goals and deliver their marketing messages.

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The Past

The 4 Ps of marketing, introduced in the 1940s by Neil Borden, are touted as the standard to use when implementing and measuring the success of a marketing plan. Borden's idea was to ensure that when a company is building a marketing program, the program aligns with the needs of the company developing it (Borden, 1964). The key focus was on the resources of the company and ensuring those resources were distributed according to what the company had available. Jerome McCarthy further developed this idea in the early 1960's suggesting that the variables introduced by Borden comprise the marketing mix or the blueprint for companies to follow when designing their marketing plan (McCarthy, 1960). This concept has served businesses well by giving them a model to follow when determining how to allocate resources to their products and services from a marketing perspective.

The SIVA model (Solution, Information, Value, Access) introduced by Dev and Schultz (2005) recognized that the emphasis of the 4 Ps should be shifted from company focus to customer focus. The idea behind the SIVA model is to give consumers the information they need to determine if the products or services being offered to them provide a solution to a problem, are easily accessible and providing a wanted value. This model is basically the 4 P's model; instead of the company dictating what is available, when it is available, and where it is available based on their resources, consumers drive this process (Dev & Schultz, 2005). The consumer driven approach is certainly a step in the right direction of moving the 4 P's into the 21st century. The product is replaced with a solution to a problem (which is a product or service), the promotion aspect becomes information (the consumers obtain information to make their decision), price becomes the value of the product or service to the consumer (not based on resource availability) and place is dictated by consumers (where consumers want to acquire the product/service versus where the company wants to sell it).

Technology has changed monumentally since 2005 which was the year YouTube was launched. Today we have virtual reality gaming, drone delivery, streaming television, texting, tweeting and remote learning, working and shopping. In 1965 when Gordon Moore introduced the idea of technology advancements doubling every two years, he pontificated that this would only be a valid trend until the 1980's (Moore, 1975). In fact, it held true for almost 50 years and came to represent just how quickly technology can change and how challenging it can be for companies to produce the next best thing when it is often obsolete as soon as it hits the market. The 4 Ps of marketing and SIVA are classic models, but are they still relevant in the 21st century? Should the focus still be on company strategy versus consumer demands? We are suggesting that in a world where consumers get their news in 280-character tweets and Facebook news feeds, it might be time to re-examine and perhaps re-tool the 4 P's of marketing. The model we are proposing takes into account the exponential growth of technology, the capricious consumer, and the trends predicted to factor in the consumer decision making process.

Current Trends

The top three trends in marketing according to the Forbes Communication Council (2018) are virtual reality (VR), interactive content, and Pinterest. VR is still in the emergence stage and the price tag is still out of reach for many consumers. In addition, this idea of complete immersion in an activity via a headset has a limited target market. There is little predictive data on this technology thus far but that has

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not stopped some large companies such as the New York Times and CNN from experimenting with this medium. CNN streamed political debates in 2013 via VR and launched their own virtual reality experience called CNNVR in 2018 (CNN Press Room, 2018).

There has been a recent shift from stagnant content such as white papers and other text-based material to more interactive web experiences which focus on engaging visitors in the online space. For example, a consumer can log on to Nike's website and build their own custom shoes based on their individual preferences. Eyeglasses.com is a website which allows consumers to upload their eye glass prescription and a headshot and try on glasses virtually before purchasing. Early research has shown that interactive content can have a positive impact on business metrics (Farris, Bendle, Pfeiffer, & Reibstein, 2010). The immersive nature of interactive content allows potential and current customers to engage with the company and experience the brand in a participative manner. Consumers may feel like they are part of the organization and connected to the brand since they participated in the process (Islam, Rahman, & Hollebeek, 2018)

While it is tempting to lump all social media platforms into a social media category of up and coming marketing mediums, some social media sites such as Pinterest and Instagram seem to have an edge in the potential for capturing marketing attention in the future. Half of consumers made a purchase after seeing a promoted pin on Pinterest and two-thirds of those surveyed said they discovered a new brand or product while perusing content on the site (Chen, 2018). User analytics is simple to gather on these sites making it easy to locate the user base and develop marketing to target those most likely to purchase a product or service.

How do businesses parlay this new technology and shift toward immersion and interaction into developing a strategy which addresses the 4 P's of marketing? Are the 4 P's still relevant in the 21st century? Should they be re-examined or re-tooled or just adapted to the new demands of consumers? We propose that perhaps the 4 Ps should evolve into the 4 S to better represent today's consumer demands. The 4 S stands for solution, sacrifice, situation, and social media.

Product to Solution

A product can be tangible such as a pair of shoes, a birthday cake, or a piece of furniture; or nontangible such as professional services including haircuts, accounting or medical services or even an idea or message. For example, politicians offer a specific message as their product. This message is developed to appeal to a follower's emotions and creates a strong opposition against their opponents. The appeal of acquiring this *product* (i.e. the politician) is being part of a select group who share similar beliefs. The politician therefore is *selling* a sense of belonging. Marketers can use this same philosophy when developing a campaign to promote their product or service. It is not about developing the perfect pair of athletic shoes, it is about developing a following for the shoe and tapping into the emotional appeal of the shoe (Jepsen, 2017). The idea is if you purchase this shoe you are part of a group, you belong to a club, you are one of the elites who own this shoe. The actual product becomes secondary. Instead of focusing on selling the shoe itself, the company is concentrating on selling a solution to a problem (Jepsen, 2017). The problem might be the consumer wants to run faster, jump higher, lose weight, or finish a 5 K run. Regardless of what the shoe consumer's problem is, the shoe is the solution.

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Solution marketing requires an enterprise wide collaboration. Departments are going to have to work across teams to bring a solution to the market place. Messaging a solution is more complex than messaging a product. Product messaging will focus on the functionality of the product (i.e. high arch support, wide width, leather uppers on the shoes, spring sole technology). Solution marketing requires the message to educate and engage the customer on why and how they should utilize the product (i.e. customize your shoe to conform to your foot so you can increase your stride, minimize foot pain, or increase your posture). It is more challenging to develop an advertising campaign for a solution than a product. It is easy to create a picture of a shoe which illustrates what it looks like but creating an ad which convinces consumers that this shoe will solve their specific footwear problem takes more finesse and creativity. This is especially true if the ad needs to appeal to the masses. Consumers have to be convinced that this one pair of shoes is the solution to a myriad of problems. Today's consumers are more technically perceptive than ever before as they have access to information with a couple of key strokes and mouse clicks. If the solution to their specific problem is not readily apparent, they will move on to the next potential product (Jepsen, 2017).

Higher education institutions need to contemplate what solution they can offer to attract new students to their programs. They must consider the pain points the targeted student segments face and what solutions they can offer them. How does the universities classes differ from the myriad of other programs/classes available and what solution do these classes offer to their students? The Purdue-Kaplan merger was named the innovation of the year in 2017 by Education Dive (Arnett, 2018). This merger blurred the lines between for profit and nonprofit institutions and opened the door for Purdue to offer new and innovative course offerings through the Kaplan brand. This provides a solution for students who are looking for an online program without the stigma of earning a degree from an online for-profit institution (Haynes, 2017). Earning a degree which is tangentially associated with Purdue University eliminates a problem (negative stigma) many online degree seekers face.

It is likely that we will see more of these collaborative partnerships between institutions which were previously competitors or adversaries. In addition to merging, some of the big for profits are making a play to enter the nonprofit sphere. Bridgepoint Education recently merged their University of Rockies with Ashford University and the newly combined institution is seeking approval to convert to a nonprofit institution (Fain, 2018). Grand Canyon University was finally successful in their long time bid to become a nonprofit institution (Smith, 2018). While the restructuring of for-profit institutions to nonprofit status is controversial and seen by some as a "backdoor way to privatize higher education" (Fain, 2018, par. 8), it is a trend that appears to be gaining traction and it could spell trouble for the few remaining large for profits.

Price to Sacrifice

Almost 80% of American's shop online and almost half of all Internet users purchase online products and services at least several times a month (Statista, 2018). Mobile commerce such as making purchases or completing financial transactions using a smart phone continues to rise. Over 20% of online digital commerce spending was conducted via mobile apps in 2016 (Statista, 2018). Amazon is a stand out in this field as an early adopter of online retail shopping. Amazon's pricing strategy makes it

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challenging for competitors to price match since prices on up to 80 million products sold on Amazon change daily (Loeb, 2014). This causes strategic headaches for retail outlets such as Walmart or Best Buy which advertise they will not be undersold by competitors. Not all prices of a product are lowest at Amazon. For example, a pricing study by BusinessWire (2016) found that when examining beverage items, identical products were much higher at Amazon than in both Walmart and Target stores. Amazon has promoted their site as a leader in low price shopping but that is not always the case. This makes setting the price for products challenging for companies. The price component obviously needs to consider profit but if consumers are not as tuned into the actual price of the product as they are to other elements, what does this mean for price setting? The price element of the 4 Ps is no longer a stand-alone component. It is part of a larger piece of the consumer buying experience. It is for that reason that we propose *sacrifice* may better reflect what the pricing element in the 21st century means.

All members of the supply chain make sacrifices when it comes to price. For manufacturers, it is more than just the difference between revenue and expenses or the average cost of an item. The price has to be set to account for the totality of the value of a purchasing experience to consumers. The price of the product or service should be set based on costs + perceived value + other factors (such as opportunity costs). Consumers are looking for the benefit or value in a product taking into account alternatives they have to purchasing this product. They are performing a simplistic cost benefit analysis for purchases because it is so easy to make comparisons in the digital age (Renfrow, 2017). Consumers may be willing to sacrifice price for convenience or they may sacrifice quality for price. Wholesalers and retailers also have to make pricing sacrifices. They may need to offer deep discounts (cutting into their profit) to be added to a specific supply chain.

Determining what sacrifices each member of the supply chain is willing to make is difficult but companies have to find a way to set the price to take into account these sacrifices. For example, if a company can create a widget for $1.00 and market research indicates that consumers value the widget at $5.00 but are willing to sacrifice an extra $1.00 for it to be shipped directly to them, the price of that widget could be set at the consumers sum value of $6.00. This is a very simplistic example, but it is used to illustrate the point that both the tangible and intangible elements of a product/service need to be considered when setting the price. This idea is not new to those who have been in the niche market business. Niche marketers know that consumers are willing to pay more for their product because they are unique or exclusive (Gotter, 2018)). In today's competitive environment, the argument could be made that some form of niche marketing is needed for most products and services. This sense of wanting to be connected and part of something is a powerful force and one that is fueled by technology and social media (which ironically often leads to feeling isolated). Setting the price of a product in this environment should take into account the sacrifices members are willing and able to make to be part of something.

In higher education, consumers (i.e. students) in the market for a degree also want to feel like they are getting a good deal. Higher education institutions should consider how they can structure their tuition strategies to meet the needs of their students. This will mean making sacrifices to ensure the needs of the consumer are met. The institution has to consider what sacrifices they are willing to make to set up a tuition structure which meets the needs of their students and in tandem, consider what sacrifices the

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students are willing to withstand to attend their university. Many institutions have a set tuition structure which is easy to administer but a one price fits all approach does not work unless you are the low-cost provider and even then, it is not guaranteed. New Charter University tried to offer a monthly, buffet style pricing structure (Parry, 2012). Students would pay a flat fee per month and could take as many classes as they wanted during that month. Since the classes were competency-based, the idea was that students could test out of a lot of classes in a short period of time limiting the amount of tuition they would need to spend to earn their degree. New Charter did not offer financial aid, so this was a cash or credit card tuition plan. It turns out that students are not willing to sacrifice their cash in hand for a lower tuition plan. Students were willing to pay more, much more in some cases, with financial aid dollars than their own upfront cash. In addition, students may not want to sacrifice 4 or more years to earn a bachelor's degree. In fact, only 26% of online degree seekers at a provide for profit institution earn a bachelor's degree in 6 years (NCES, 2018). Many students may not be willing to sacrifice the time and money needed to earn a bachelor's degree when a credential or certificate may be just as effective in advancing their career. This has been likened to not needing to buy the entire album when you only like a few songs (Arnett, 2018).

Place to Situation

The need to distribute products and services to customers has not changed much, but technology has altered the supply chain drastically. Advances in information technology are making inventory tracking a lot easier and more accurate. Advanced enterprise resource planning (ERP) is also connecting the entire supply chain, from manufactures, to wholesaler, to retailers. Large retail ecommerces like Lowe's and Home Depot can show customers the inventory in real time by location, so customers can choose the store location they want to shop (Soni, 2016). If an item is not available, customers can see when it will restock. This system is improving customer satisfaction by giving shoppers greater control of the experience. The linking of this system means stores can keep low inventory and order from manufacturers as needed. The low inventory level means cutting costs that can be passed down to consumers (Soni, 2016).

From the consumer end, the growing popularity of mobile commerce and social commerce mean there are more way to shop (Jin & Ryu, 2018). Consumers depend heavily on our smart phones, and for many, this is the primary device as they do not own a desktop or laptop computer. Having a store front that is mobile enabled is a must. Additionally, retailers are integrating the commerce functions in social media platforms such as Instagram and Pinterest. Users can buy directly from these platforms without having to exit, pull up a store's URL, and make a purchase (Jin & Ryu, 2018).

In today's business environment, it is all about information control and finding ways to connect to customers so they pull the product through the supply chain. This could include collaborating with other 3rd party organizations to support the mission of the company. For example, Coca Cola Company has been partners with the World Wildlife Fund (WWF) since 2007 to support natural global resource challenges (WWF, n.d.). The Coca Cola Company's mission includes "to refresh the world" and "to create value and make a difference" (Coca-Cola, n.d. par.2) which aligns with the goals of the WWF. Brand alignment is critical. Over 90% of companies surveyed indicated that brand alignment was the most important factor in selecting a partner (Josephson, 2017). These partnerships have a myriad of tools

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at their disposal to help each other with the distribution function depending on the specific situation. These methods are fluid and even interchangeable. The key is to complete a situational analysis to find out what a company's specific distribution needs are. These partnerships allow two or more companies to share in some of the typical distribution processes. For example, affiliate marketing would allow for the primary partner (Coca Cola) to promote methods of supporting the secondary partner (WWF). They can link directly to each other's websites and social media platforms and include easy access to purchasing the products and services of both partners. A consumer perusing the Coca Cola website could click a button and donate directly to WWF or someone searching the WWF website could purchase Coca Cola products to be shipped to their home from the WWF site.

Retailers, who are finding themselves squeezed out of the market can partner with another retailer for a larger footprint. For example, Club Tattoo (a tattoo and piercing enterprise) partnered with a shoe retailer to create custom shoes based on tattoo art and a playing cards company to create a line of playing cards with similar art (Sheehan, 2017). The idea here is to give consumers access to products and services when they want them and where they want them, which may or may not align with what the company is currently doing. It can be easy for well established brands to rely on what has always worked in the past. This is a short-sighted approach and one that could lead to detrimental effects if the company is not willing and able to accommodate their consumer's ever-changing demands.

How can a higher education institution offer college programs so they are available when and where students want them? Almost 80% of colleges and universities have activated some sort of mobile application (Arnett, 2018). Having an app is a good first step but if the learning management system being used is not integrated in the app or the app is not intuitive and easy to use, this is not going to solve the student's problem. Higher education institutions appear to be struggling with how to actually use these apps to meet the students' need. This issue is figuring how to use technology to deliver a student experience, not just content. Higher education institutions are tasked with figuring out how to re-create the campus experience using technology (Cannon, 2017). Students want to feel like they are a part of a university and have similar experiences to campus-based students. Virtual campus tours are being conducted via mobile applications. This could be expanded to offer other virtual technology offerings such as instructor office hours or meetings with advisors or the financial aid team. Imagine a student setting up a meeting with their adviser via a mobile app, during the designated time knocking on the virtual adviser's office door, sitting down in the virtual chair on the opposite side of the advisor's desk and having a real time conversation while registering for next term's classes. Today's students are technically savvy and institutions will need to consider outside the box communication mediums they can use to reach prospective and current students.

Promotion to Social Media

Promoting products is all about brand awareness. Strong brands, which are clearly aligned to a company's mission and aimed specifically at targeted consumers, will help foster extreme brand loyalty, which is necessary in an environment where consumers have unprecedented access to information (Islam, Rahman, & Hollebeek, 2018). Company's need consumers who are willing to support their brand, no matter what. Social media has added a completely new layer to influencing consumers. Now it is possible

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for companies to conduct hyper-target marketing, narrowing their focus to a very specific niche segment (i.e. those most likely to purchase their product and influence others to do the same). In today's always connected consumer environment, companies must create a strong, loyal consumer base. They can use social media platforms to recruit influencers so they spread the word and build momentum for the brand (Jin & Ryu, 2018). The use of influencers is a form of electronic word-of-mouth (eWOM) which is more organic than traditional promotions such as advertisements, commercials, and billboards. Consumers find eWOM more credible as it is coming from someone they trust (Islam, Rahman, & Hollebeek, 2018). Social media influencers have an established audience they are connected with, and the influencers' opinion on a product is more powerful than traditional promotions. Companies can hire influencers to work in the organization to expand the size of followers.

In the face of governing by Twitter feeds, company's need to dangle shiny objects to their customers in order to stay trending and continue to be talked about. Any press is good press as long as it gets people talking about the company, the brand or the product. Twitter, YouTube, and LinkedIn are the top three social media influencer sites with Facebook, Instagram and Google + following close behind (Friedman, n.d.). When implemented correctly, social media is currently the most effective way to increase brand awareness and build a community of followers (Onisko, 2016).

Social media can bring customers together in an interactive way as they share and discuss stories. To be effective, company's need to focus on this community aspect. Customers' are drawn to a company's social media page to have fun and find likeminded individuals (Jin & Ryu, 2018). This type of consumer participation communication is effective in giving customers a sense of belonging. When customers feel like they belong to a community, they are more likely to be loyal to the brand (Islam, Rahman, & Hollebeek, 2018). Social media should be seen as a long-term strategic plan not a quick fix. The key to successful social marketing is to keep the material fresh, current and engaging. Customers need a reason to come back to the social media site often. They need to feel like they are part of the organization, not the end result of a marketing effort. Brand loyalty can drive sales. Consumers who have a strong identity to a brand are more likely to make repeat purchases (Hung, Perloff, & Villas-Boas, 2005). Loyal customers make up about 20% of the overall customer base of a company but they drive 80% of the sales (Furgison, 2016).

The first step for higher education intuitions is to really understand their brand messaging. The brand needs to be unique and different from those in the same sector. Gettysburg College, a small liberal arts college in Pennsylvania, adapted their branding around a very simple slogan in 2016: Do great work (Redfern, 2016). This historical school wanted to pay homage to their history, location, and purpose. This subtle, simple message has become the cornerstone of their marketing platform, and this message is integrated in all other marketing programs such as their websites, catalogs, graduation speeches, and university merchandises.

A Pew Research study (2018) found that 88% of adults aged 18-29 use social media. This is a large portion of the higher education target market. Higher education institutions need to make their social media channels easy to find and to navigate. It is also important to find out which social media sites potential and current students are using. The same Pew Research study (2018) found that 91% of social

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media users in the 18-29 demographic are using YouTube. Many colleges have lectures available on YouTube but those are aimed at students already enrolled in a class. Potential students are likely perusing YouTube looking for entertaining videos not college lectures. The key is to find a way to use social media to build a rapport with the viewers so they want to keep coming back. YouTube is a relatively low-cost advertising platform but that does not mean the quality of the videos you post should be less than professional. The content needs to be relevant, entertaining, engaging and optimized for mobile viewing. Kansas State University has set up a YouTube channel which contains a series of short videos which average less than a minute each on various aspects of life at their university (Kansas State University, n.d.). For example, they have a video of the Kansas Wildcat fight song, information on career preparation, and snippets of student researchers conducting studies at the university. Their YouTube channel is open to current and potential students, alumni and the general public. It contains news items along with sports updates which are routinely updated to keep the subscribers coming back in search of new content.

Conclusion

The higher education industry is changing. New and innovative programs are overshadowing the legacy models which have held on to their traditions and the mindset of *this is how we have always done things*. We have already seen a shift from the for-profit education model to nonprofit and collaboration efforts such as the Purdue-Kaplan New U venture. The traditional campus-based model is continuing to evolve into more on line or hybrid offerings and less time required on physical campuses (Arnett, 2018). Students are no longer enamored by the whole college experience; they are not eager to spend years in the college classroom acquiring mountains of debt in order to find an entry level job.

Higher education is at a crossroads. Changing demographics, rising costs, lack of preparedness for employment after graduation and an overall questioning of the value of obtaining a college degree are challenging the current higher education business model. In 2017 Moody's downgraded the outlook of higher education to 'negative' and indicated that less than 20% of public, four-year institutions will see a revenue increase of more than 3% (Fain, 2018). As financial pressures loom and enrollment growth slows, higher education institutions are going to have to find ways to distinguish their programs through aggressive marketing programs. The 4 S model offers administrators a proactive stance to marketing the programs by focusing on proposing real solutions to students' real problems, understanding the sacrifices that students make to attend college, providing options for how and where content can be delivered and embracing social media and new technology tools can help extend the life cycle of higher education.

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COMPARATIVE ANALYSIS OF HUMAN RESOURCE ACCOUNTING PRACTICES AND THE EFFECT OF FINANCIAL PERFORMANCE ON HUMAN RESOURCE VALUE IN PUBLIC SECTOR COMPANIES IN INDIA

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ABSTRACT:

The human asset is an intensive nature of the companies which is critically important for effective management of human resources. Human resources constitute a major element of total operating costs and the ability of management to control these costs is vital in order to long-term business success. Therefore, it is essential to disclose the value of human resource in annual report of companies. But the problem of HR is that most of the companies in India do not recognize it properly, despite of its significant contribution. HR's contribution is also significant in human capital efficiency and firms' financial performance. This research paper is based upon the HRA practices in Indian companies and analyzed empirically the relation between the value of human resource and financial performance. The data used in the study has been collected from the annual reports of nine selected public enterprises for the years 2006-07 to 2015-16. The present study also, intend to examine the relationship between HRV with Net Profit, Total No Employee, Profit per Employee, Return on HRV, ROE by using multiple regression analysis. The findings of this research paper uncover the fact that the HRV of companies is dependent upon two factors Net Profit and Return on HRV, in other hand has clearly shown that Net Profit is the most important factor to improve HRV followed by Return on HRV.

Keywords:

Human Resource Accounting Practice, Human Resource Value, Disclosure and Financial performance,.

INTRODUCTION

In recent years, human resources have been recognized as an important source of sustained competitive advantage. HRA is concerned with the value of people as organizational resources and encompasses several approaches to measuring and accounting for their cost and/or value [1]. The American Accounting

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Association's (AAA) [2] definition of human asset accounting is the process of identifying and measuring information about human assets and communicating this data to interested parties. In other word, its process of identify and measure data related to human resource of an organization for stakeholder investment. HRA centered on the cost incurred in improving and developing human resources. Human Resource Accounting was envisaged as a way of providing manageril information that they needed to manage human resources more effectively and efficiently and for reporting the external value of human assets to external stakeholders[1]. HRA involves accounting for people as organizational resources and its development has progressed through several stages. The first stage (1960-66) involved the recognition by academicians that a method to account for human resources was needed, Then the second stage (1966-71) involved the development of concepts and models for measuring the cost and value of people as organizational resources. The third stage (1971-1976) involved experiments to apply the measurement in actual companies. The difficulties involved in finding organizations that are willing to serve as research sites has limited the number of these types of studies. The fourth stage (1976-1980) involved empirical testing of human resource accounting information in a behavioral context. The fifth stage (1980 onwards) involved additional experiments to apply human resource accounting technologies to a variety of managerial problems [3] .Though the idea of accounting for human resources started many years back, the concept still lacks general acceptability. Many authors and scholars have conducted researches on how humans within an organization can be valued and reported in the financial statements of such organization. The increased HR costs have converted more apparent in the service industry than in the manufacturing industry, as HR was the leading contributor in the service sector. The strength to contribute the trade unions with the managerial vision of the company accounting for HR resources is required. The concept of HRA in India is a latest occurrence and is waiting for its acceptance. It has not been introduced so far as an accounting system in India. However, a rising tendency towards the measurement and reporting of HR's in the public sectors, particularly, was visible during past few years. Oil and Natural Gas Corporation of India. (ONGC), Bharat Heavy Electricals Limited. (BHEL), Indian Oil Corporation Limited. (IOC), Hindustan Petroleum Corporation Limited. (HPCL), National Thermal Power Corporation Ltd. (NTPC), Bharat Petroleum Corporation Ltd. (BPCL), Hindustan Copper Limited .(HCL), Minerals and Metals Trading Corporation of India Ltd. (MMTC), Steel Authority of India Ltd. (SAIL), Cement Corporation of India, ONGC, Engineers India Ltd, Madras Refineries, Associated Cement Companies, SPIC, Cochin Refineries Limited and others were amongst the some of the companies which have started disclosing more or less valuable information regarding HR in their annual reports and financial statement.

Objective Of Study:

The main objective is to measure the value of Human Resources in the selected public enterprise in India.

- **i)** To study the Human Resources Accounting practices in public sector enterprises.
- **ii)** - To examine the relationship between profitability variables and Human Resource values in the selected public sector enterprises.

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REVIEW OF LITERATURE

Naghshbandi, et. all, (2016) [4], emphasized the importance of human resource. Propounded that the growth of any business is unconditionally depends on the skillful deployment of its human resources, which is globally recognized. They pointed out that the problem of Human Resource (HR) is that most of the Indian companies do not recognize it properly, despite of its significant contribution. The research investigated the HR practices of disclosing the human resource value and value per employee of selected 4 steel manufacturing companies in India. Analyzed the data collected on the basis of their contribution by using probabilistic and random sampling method with the data for 8 years taken from 2006-07 to 2013-14 periods. And Auto Correlation Functions (ACF) of time series data has been employed in order to the analysis of the pattern of HRA. The ACF plays a crucial role in time series forecasting and is a valuable tool for investigating the properties of an empirical time series. The result showed that the method of disclosing the value of HR required a Proper initiation. The Central Government and the professional bodies in India in respect of formulation of specific accounting standard and suitable valuation models on the measurement and reporting of value of human resources. Though it is not an easy task to enlist the suitable items of HR information, but it must be reported by every organization in its annual reports. Finally, results revealed that in the steel manufacturing companies' insignificant increase were recorded in value per employee despite of the increase in the turnover.

Safdari and Motiee (2012) [5], estimated the major determinants of Balanced Scorecard system in Telecommunication Company of Iran and investigated how effects of value of human resources have changed the Balanced Scorecard system in selected companies. The theoretical framework was based on this assumption that there is a significant relationship between human resources and Balanced Scorecard system. The results showed that there is a positive and significant relation in all the companies and also level indicators between Human Resource Accounting Index and balance scorecard system structures.

Ishola Rufus Akintoye (2012)[6] , has examined the relevance of Human Resource Accounting to Effective Financial Reporting, he used secondary data obtained from Oceanic Bank for a period of five years from 2002-2006. The statistical techniques like Simple linear regression and correlation are used to study the impact of total asset on the profit and capital employed by the bank. The result showed that there is high coefficient of correlation between the total asset and the profit earned after tax, the variables are useful in determining the impact of total asset on capital employed, the rate of return when human resource value was included in the financial report was greater than the rate of return when human resource value was not included in the financial report from 2002-2006. Finally, he concluded that the practice of accounting for investments in human resources as expenses rather than assets results in distorted income statements and balance sheets, the valuation of human resources in any firm creates an impact on the production of such firm and the presentation of the value of human asset in the financial report tends to increase investment in such firm, as investors have the assurance that their resources are in good hands which will be effectively and efficiently managed over time to create wealth.

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Verma and Dewe (2008)[7], explored perceptions and practices in the area of valuing human resources and focused on the importance of valuing human resources, current measurement practices, barriers to measurement and the progress expected in this field. This research used by a survey questionnaire to identify and describe perceptions and practices in valuing human resources in three types of UK organizations: traditional companies; knowledge intensive companies; and local authorities. Finally, they showed that the majority of respondents regarding the measurement of human resources is important to their organization, little or moderate progress was expected in measurement practices over the next few years. The main reasons for this included a lack of organizational support, uncertainties as to what should be reported, the lack of precision in current measurement practices and sensitivities around what should be reported.

Flamholtz, Bullen and Hua (2002)[8], presented a history and overview of HRA with the purpose of promoting both organizational applications and continued academic research. In their study, they defined HRA and suggests implications of measuring human capital for managerial uses and financial reporting. According to the finding of the study Swedish-based HRA applications with respect to measuring Human Assets and intellectual capital, illustrate the intellectual history and developments in business schools can influence business history.

Cascio (1998)[9] , He proposed a method for measuring human capital based on indicators of human capital of innovation, employee attitudes and the inventory of knowledgeable employees. According to him, innovation can be measured by comparing gross profit margins from new products to the profit margins from old products. Similarly, employee attitudes predicting customer satisfaction and retention are an important indicator of human capital and therefore need to be measured, as well as measures of tenure, turnover, experience and learning.

Dinesh K Gupta (1992)[10] carried out study on Human Resource Accounting Disclosure Practices of the Companies in India, has scrutinized the Annual reports of top Public and Private sector undertakings (100 each as per the Economic Times rating on the basis of capital employed) for the period 1980-81 to 1986-87 were scanned. Out of twelve companies, ten from the Public sector and two from the Private sector, were found to be publishing such information in their respective Annual reports. In order to evaluate the quality of disclosure regarding human resource accounting, certain variables were identified after scanning their Annual reports during the period under review. In all 23 variables, concerning with the system of human resource accounting were identified. He made a comparative analysis regarding the quality of disclosure made by various companies. He also focused that BHEL has given the maximum information, followed by MRL, and the least information was disclosed by EIL, followed by ONGC. BHEL has made consistent disclosure of these variables and concluded that the disclosure practices of various companies which publish HRA information shows that most of the companies have highlighted on the disclosure of the variables used in the process of valuation.

Ansari and Flamholtz (1978)[11], propounded that a common misconception about human resource

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accounting (HRA) is that it focuses narrowly upon financial accounting, its purpose is to reflect the asset value of people on financial statements. They suggested that the main purpose of human resource accounting is to provide concepts and measurements to facilitate the effective and efficient management of human resources. And Management science has played an important role in facilitating the development of human resource accounting as a managerial tool. They pointed out that finally, Human Resource Accounting represents a major development in the adjustment of accounting for what has been called "post- industrial society". Human Resource Accounting, reflects both major economic changes and the influence of management science, techniques and approaches.

Nabil Elias (1972)[12], has examined with an experiment conducted with a help of Questionnaire distributed to several groups with different levels of sophistication and orientations of accounting and to the three student groups enrolled in an intermediate accounting course. The financial statements were prepared with human assets and without human assets and the participant were asked to select one of the two companies as the company for better investment. The findings of the study revealed that the differences among occupational groups, given the human assets treatment, were not statistically significant; No significant relationships could be ascertained between the background variables examined and company choice.

Paton (1952)[13]**,** pointed out to people as an asset. They are an important asset of the organization. He suggested that in the business enterprise, a well organized and loyal personnel may be more important "assets" than a stock of merchandise. Further, he concluded that human asset is a factor of production, which has not yet reached the point in the business process where they may be correctly treated as 'Cost of Sales' or expenses.

Rao (1954)[14]**,** stated, that Human Resource Accounting is a factor for measuring the cost and value of people. It is one of the recent developments in the area of accounting. He also suggested that the framework of human resource accounting is concerned with the effort of the accounting research to prepare human resource investment and value analysis for managerial planning and control.

Measurement of Human Resources

According to approaches of human resource accounting, valuing of human resource of organizations can be broadly classified as monetary approaches and non monetary value-based approaches. The monetary approaches are further classified as (a) Cost Based Approaches, which incorporate historical cost approaches, replacement cost approach, opportunity cost model, standard cost method, current purchasing power method, and (b) Value-Based Models that embrace Hermanson's adjusted discounted future earnings model, Lev and Schwartz present value of the future earnings model, rewards valuation model, Jaggi and Lau model, net benefit model, Eric Flamholtz model and Morse model. The lists of popular methods used all around the world are enlisted in table-1 as under:

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Table 1 Methods to measure Human Resources

For Individuals Value	For Group Value	For expense Centre Group
Cost Methods	The Likert & Bowers	Capitalization of
Historical Cost method	Model	Compensation
Replacement Cost method	Brummet, Flamholtz, &	Replacement Cost Valuation
Opportunity Cost method	Pyle's economic value model	Original Cost Valuation
Standard Cost method	Hermanson's unpurchased	
Economic Value Approach	goodwill model	
Flamholtz's model of	Human organizational	
determinants of individual value to formal organizations	dimensions method	
Flamholtz's stochastic rewards valuation model		
Lev & Schwartz Model		
Hekimian & Jones		
Competitive bidding model		
Skills Inventory		
Performance Evaluation		
Assessment of potential		
Attitude measurements		

Source: Vineet Chouhan and Nader Naghshbandi

Out of the above methods the most common method used by Indian companies is Lev & Schwartz Model which uses the present value of future earnings of the employees.

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The characteristics of the sample companies are enlisted in table-2 as under: Table 2 has shown that out of the five sample companies four were using the Lev & Schwartz model for evaluating their Human resources while one company ONGC is using the present value by discounting the estimated earning which is similar to the Lev & Schwartz model and other company SAIL is using the Lev & Schwartz with refinements as suggested by Flamholtz and Jaggi &Lau.

Table 2 Characteristics of Sample companies (2015-2016)

S. No.	Company Name	Date of Issue	Model used	No. of Employees	Operating Profit (Crore)	EPS (R.s)	HRV
1	Oil and Natural Gas Corporation of India. (ONGC)	1981-82	Jaggi & Lev Schwartz model. The present value by discounting the estimated earnings	**33,927**	**77,791.53**	**18.71**	**82,552**
2	Bharat Heavy Electricals Limited. (BHEL)	1974-75	Lev & Schwartz	**42784**	**25,137.88**	**-3.73**	**8,382**
3	Indian Oil Corporation Limited. (IOC)	1982-83	Lev & Schwartz model	**33,112**	**342,907.72**	**42.83**	**31,330**
4	Hindustan Petroleum Corporation Limited. (HPCL)	1981-82	Lev & Schwartz model	**10,538**	**179,281.07**	**114.07**	**25,242**
5	National Thermal Power Corporation Ltd. (NTPC)	1986-87	Lev & Schwartz model	**21633**	**70,131.00**	**12.42**	**27,921**
6	Bharat Petroleum Corporation Ltd. (BPCL)	1986-87	Lev & Schwartz model	**12,741**	**189,098.10**	**102.78**	**25,377**
7	Hindustan Copper Limited .(HCL)	1986-87	Lev & Schwartz model	**3,252**	**13,433.35**	**33.62**	**724**
8	Minerals and Metals Trading	1982-83	Lev & Schwartz model				

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	Corporation of India Ltd. (MMTC)			**1,340**	**12,460.47**	**0.55**	**1,021**
9	Steel Authority of India Ltd. (SAIL)	1983-84	Lev & Schwartz with refinements as suggested by Flamholtz and Jaggi &Lau	**85,145**	**38,547.60**	**-10.02**	**6,842**

Source: Author

Methodology of the study

The research methodology of this study is divided in following points:

Source of data- The source of data collection is secondary data which is collected from the 9 public sector enterprise providing the Human resource value in their annual reports. Certain information has been obtained from the companies' websites also. The annual reports for the ten financial years, 2006-07 to 2013-14, were taken for conducting this study.

Sample size- For the study a sample of 9 public enterprises were taken on the basis of manufacturing companies.

Sampling technique- The sampling technique used is convenient sampling.

Multiple Regression Analysis

The opening model of multiple regression analysis is intended to elucidate the impact of Net Profit, Total No Employee, Profit per Employee, Return on HRV, ROE on Human Resource value.

Dependent Variable: Human Resource Value

Independent Variables: Net Profit, Total No Employee, Profit per Employee, Return on HRV, ROE.

Hypotheses of Study:

H_0 . There is no significant relationship between Net Profit, Total No Employee, Profit per Employee, Return on HRV, ROE and Human Resource value within public sector enterprises.

H_1 . There is no significant relationship between Net Profit, Total No Employee, Profit per Employee, Return on HRV, ROE and Human Resource value within public sector enterprises.

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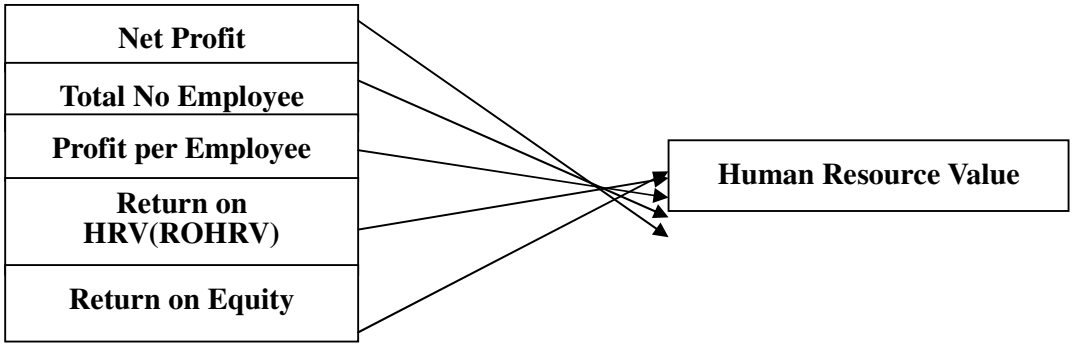
Hypothetical Model:

Figure 1: Hypothetical Model



Data Analysis:

As per the research objective of the paper the secondary data were collected from 9 enterprises. To identify that whether the difference between Net Profit, Total No Employee, Profit per Employee, Return on HRV, ROE and Human Resource value are significant or not, following hypothesis were developed:

H_0 . There is no significant relationship between Net Profit, Total No Employee, Profit per Employee, Return on HRV, ROE and Human Resource value within public sector enterprises.

To analyze the data and significant of the hypothesis Multipale Regression Analysis of were conducted by SPSS-21 software in table- 3 as under:

Table 3: Descriptive Statistics

Variables	Mean	Std. Deviation	N
Net Profit*	5195.3604	5914.49635	90
Total No Employee*	30680.0889	31674.06138	90
Profit Per Employee	.2620	.30625	90
Return on HRV*	23.5243	18.44807	90
Return on Equity*	14.4590	8.47057	90
Human Resource Value*	18950.6000	17942.27361	90

Source: Author

Tables 3 present descriptive statistics of all the variables concerning the current research. Descriptive statistics include mean, standard deviation, and number. The Total No Employee obtained the highest mean value of (30680.0889± 31674.06138), then the Human Resource Value followed by a mean value of (18950.60± 17942.27361), the Net Profit mean value of (5195.3604± 5914.49635), Return on HRV with a mean value of (23.5243± 18.44807), Return on Equity (ROE) with a mean value of (14.4590± 8.47057), and Profit Per Employee with a mean value of (0.2620±0.30625) from financial variables employed in the study during 2006-7 to 2015-16, respectively.

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Table 4: ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	23834415614.411	5	4766883122.882	83.127	.000[b]
	Residual	4816925599.189	84	57344352.371		
	Total	28651341213.600	89			

a. Dependent Variable: HRV

b. Predictors: (Constant), ROE, PPE, TE, Net Profit, Return on HRV

Source: Author

Result of Multiple Regression Analysis treating Return on Equity (ROE), Profit per Employee (PPE), Total No Employee, Net Profit, Return on HRV as predictors and HRV as criterion variable was shown in Table 4, Table 5 and Table 6 .The overall multiple regression model was found to be significant (F = 83.127, p<0.0) (Refer Table 4) at 5% level of significance. This implies that all the independent variables considered in this multiple regression model are significant in determining HRV.

In addition to F Value, significant ANOVA test robustly supported the employment of multiple regression analysis to appreciate the impact of Return on Equity (ROE), Profit per Employee (PPE), Total No Employee, Net Profit, Return on HRV on HRV. In simple words, it can be said that the multiple regression analysis employed here effectively estimates the degree of influence mentioned factors have in determining HRV.

Table 5: Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.912[a]	0.832	0.822	7572.60539

a. Predictors: (Constant), ROE, PPE, TE, Net Profit, ROHRV

b. Dependent Variable: HRV

Source: Author

The first measurement in the Model Summery (See Table 5) is R which commonly known as the multiple correlation coefficient. Table 5 shows that the multiple correlation coefficient is 0.912 and it indicates that the relationship between HRV and predictors (Return on Equity (ROE), Profit per Employee (PPE), Total No Employee, Net Profit, Return on HRV) are strong and positive.

Table 5 also revealed that the value of R-square is 0.832 simply means that about 83.2 % of the variation in HRV is explained by the Return on Equity (ROE), Profit per Employee (PPE), Total No Employee, Net Profit, Return on HRV as the independent variables and R square value is significant at the 1percent level.

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Table 6: Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	10914.957	1883.053		5.796	.000	7170.299	14659.615
	Net Profit	3.419	.186	1.127	18.404	.000	3.050	3.789
	TE	.007	.028	.013	.265	.792	-.047	.062
	PPE	-1526.368	3023.023	-.026	-.505	.615	-7537.979	4485.244
	ROHRV	-488.312	68.782	-.502	-7.099	.000	-625.093	-351.531
	ROE	133.861	128.313	.063	1.043	.300	-121.303	389.025
a. Dependent Variable: HRV								

Source: Author

The above regression model coefficient table 6 reports in among all the four predictors "Net Profit" with its Beta coefficient value of 3.419 has emerged as the most important factor in predicting HRV. Looking at the p-value of the t-test for Net Profit, It can be observed that this variable statistically significantly predicted HRV. Next the effect of Total Employee (b=.007, p=0.792) is not significant and its coefficient is negative, indicating that the greater the total employee, the lower the HRV.

The average Profit per Employee (b=-1526.368) is not significant (p=0.055), but only just so, and the coefficient is negative, which would indicate that larger Profit per Employee is related to lower HRV which is what we would expected. The effect of Return on HRV (b= -488.312, p=0.000) is significant and its coefficient is negative, indicating that the greater the Return on HRV , the lower the HRV. Finally, the percentage of Return on Equity (ROE), (b=133.861, p=0.300 is not significant and its coefficient is negative, indicating that the greater the ROE, the lower the HRV.

CONCLUSION

For the current study the data of 9 public enterprises were used which revealed that the companies in India were disclosing the HRV in their annual report. For this purpose the Lev & Schwartz model is being used foremost by 9 public enterprises. Since the different companies are selected, there is a huge difference in the Net Profit, Total No Employee, Profit per Employee, Return on HRV, ROE and Human Resource value. The findings of this research paper uncover the fact that the HRV of companies is dependent upon two factors Net Profit and Return on HRV, in other hand has clearly shown that Net Profit is the most important factor to improve HRV followed by Return on HRV.

. Thus, this study revealed that HRV mainly depends on the profitability of the company. Therefore, we may conclude on the basis of the multiple regression analysis that public enterprise in India tend to

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increase their HRVwith increase in Net Profit and Return on HRV.

These results could provide guidance for the success of Indian companies. Net Profit and Return on HRV are shown in this study to be key factors in influencing HRV. Therefore, managers should pay close attention to these factors while taking performing human resource accounting into Indian companies.

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DETERMINANTS OF BRAND LOYALTY : EVIDENCE FROM SHOES INDUSTRY

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ABSTRACT
The purpose of this study is to inspect the impact of self-congruency, customer involvement and perceived quality on brand loyalty in the shoe company. A sample of four companies selected (Bata, Service, Borjan, and Sage.) from shoe industry. The study is based on primary data. Primary data collected through questionnaires. Data analyses were performed using Statistical Package for Social, Sciences. (SPSS), Three types of analyzes were used i.e. Descriptive Analysis, Correlation Analysis, and Regression Analysis. Results indicated a significant and positive relationship between self-congruity with brand loyalty, customer involvement with brand loyalty and perceived quality with brand loyalty in the shoe industry of Pakistan.

Keywords:
Self-Congruency, Customer Involvement, Perceived Quality, Brand Loyalty

INTRODUCTION

Customers do not use products for their value only. Now and again the primary reason of utilization is the typical implications shaped in consumer mind (Elliott, 1997). The association among the perceived picture of the item and consumer's image of himself are the most significant component in deciding the notable and typical estimation of the item. Self-congruency alludes to the propriety between the individual image of the client (the actual and ideal self) and the mental picture of the customer among the item, brand or store (Su, 2000 & Sirgy). Shoppers now and then choose to buy something in light of the fact that they feel that item will advance their own idea (Hung, 1991 & Zin khan). The top level of Self-congruency will expand the consumer loyalty with typical utilization of merchandise and hence the client will have a more prominent motivation to buy and devour those products (Sirgy, 1982). Customer Involvement, Perceived Quality, and Self-Congruency is one of the variables that effect on brand loyalty (Cass, 2008 & Grace) Two types of congruity were distinguished in past studies: (i) self-congruity, which is exceptionally identified with information of the congruity, and (ii) functional congruity, which is exceedingly identified with self-expressive components of the congruity (Patrick and Hung, 2011). Kressmann et al. (2006) noticed that in marketing tool, self-congruity is known as the existed match among self-idea of the clients and perceived item picture. Self-congruity theories were inspected in right

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on time examination yet the present studies attempt to utilize more confounded self-congruity measures and to test them as indicated by the effect of distinctive components like ownership, conspicuousness and the self-consciousness (Ross, 1971). In One variables that have been tended to past studies on the impact of Self-congruency on client brand loyalty is the client association (Kressmann et al., 2006; Xue et al., 2008 Sirgy et al, 2008 ;

Also, while consumers select an item, they think about perceived quality and brand involvement. Perceived quality can help customers to have a subjective judgement on general item quality that make an item hold a notable separation and turn into a particular brand in buyers' brains (Aaker, 1991). Additionally, organizations need to develop brand loyalty. A few studies recommend that the expense to draw in another client is more than five times of keeping up a devotion client (Sasser, 1990 Reich). That is, the higher the brand dedication, the less cost organizations to pay. The marketing environment has end up being an exceptionally multifaceted and aggressive one and step by step promoting environment is moving and growing steadily. Along these lines, it has gotten to be fundamental for business to search for methods for building so as to pick up and keeping up brand devotion customer trusts and to give an individual identity to brand loyalty. Item quality and brand loyalty has turned into the goal of all associations. Associations have acknowledged with the goal of, when clients are faithful to their image, it gives the association to grow progressively with no unsettling influence and make a type of income consequently of expansions in benefits. An extremely incredible saying "Companies that successfully develop loyal customers also develop brand ambassadors". True brand loyalty exists when clients have a high near methodology towards a particular brand which can be displayed through repurchase conduct. This sort of reliability can be a tremendous advantage for the firm: "in light of the fact that clients are prepared to pay higher costs and might charge less to the serve and convey new clients to the firm" (Sasser, 1990 and Raichel). Data handling by the customers implies a procedure, through which the buyers subject to, go to, and understand the data, remember them and recover this information for the future use (Minor, & Mown 1998). One of the primary components is customer involvement. Truth be told buyer association has long held status as an imperative social brain research and by expansion, purchaser conduct develop; while the build has gotten a decent arrangement of consideration in the customer conduct/advertising writing (Taylor, & Celuch 1999). Keeping in mind the end goal to customer purchaser's conduct, knowing structure of buyer's contribution is exceptionally vital; and the word market association is regularly used to see customer conduct in relationship with a particular subject. Customer involvement bodes well when the customer knows about the item or the brand and has gotten some data in this field. At that point this data is prepared in the customer brain and is utilized when vital. These days' organizations use different systems keeping in mind the end goal to pull in new clients, hold current clients and separate their items from their rivals. Maybe, the most critical and viable technique to make buyer customer involvement in the item choice is utilizing the brand for the items. Having impact on origination and impression of the buyers, the brand expands shopper inclusion and changes purchaser inclinations and states of mind. The more association expands, the more data is handled profoundly. Thusly, this study examines the impact of brand on buyer inclusion. Swait and Sweeney (2008) explored the impacts of brand validity on client loyalty. Spans et al. (2006) concentrated on impacts of earlier

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brand use and advancement on buyers' reactions. Godey et al. (2013) led an examination exploring the impacts of brand and the starting point nation on customer buy choice making of the extravagance products. Erdem et al. examined effect of brand believability on consumer value affectability. Blili and Bezençonand (2010) researched moral items and customer inclusion. Ashill and Boisvert (2011) surveyed the effect of brand inventiveness and quality on state of mind towards new administration line augmentation and the directing part of purchaser inclusion. Miranda and Parkvithee (2012) concentrated on the association impact of nation of cause, brand value and buy involvement on customer buy aims of dress name. Perceived quality can help customer to have a subjective judgment on general item quality that make an item hold a remarkable separation and turn into a specific brand in customers' psyches (Aaker, 1991). In addition, organizations need to develop brand loyalty. A few studies propose that the expense to draw in another client is more than five times of keeping up a dependability client (Sasser and Reichheld, 1990). That is, the higher the brand loyalty, the less cost organizations to pays. Loyalty means to repurchase the products.

LITERATURE REVIEW

SELF-CONGRUENCY

Self-congruity alludes to the fittingness between the individual picture of the client (the actual and ideal self) and the mental picture of the client about the item, mark or store (Su and Sergey, 2000).One of the most recent definition about the brand identity is exhibited by Marketing professor at the University of California, Jennifer and Aaker (1997), that depicts it as "an arrangement of human attributes connected with the brand"

Aaker (1994) gives five personality frameworks in term of five measurements and extends it into 42 properties that are: genuineness (domestics, legit honest to goodness, lively), energy (brave, vivacious, inventive, and forward), capability (solid, capable, tried and true, and proficient), advancement (captivating, self-important, beguiling, sentimental) toughness (extreme, solid, outdoors, rough). At the point utilize the brand id; the customer is included with the procedure of recognizing brands which are reliable with his self-mental picture.

In this procedure is known as the congruency in the middle of brand and self-Self-congruency assumes a vital part on affecting buyer conduct (Sirgy et al., 1991; Samli and Sirgy, 1985; Kressmann et al., 2006).Ponders demonstrate a reliable relationship between self-congruency influences customer decision (Quester et al., 2000), inclinations (Najjar and Ibrahim, 2008), saw quality (Kang and Kwak, 2009) and brand unwavering ness (Kressmann et al., 2006).Self-congruity is the expansion of jumble or coordinates among the people's impression of the brand and item (Sirgy, 1982). There are existed different definitions identified with self-congruity. Holman (1980) noticed that the mental self-view is the way people like to be seen.

Goode and Jamal (2001) specified that same as people, every one of the items has their own particular identity pictures that are characterized by cost, physical viewpoints, and notices. The item assessment of the shoppers is finished by coordinating of the item picture in inverse to her/his mental self-view thus the mental self-view congruity judgement will be created (Sirgy and Johar, 1991). Nowadays, the customers

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more tend to purchase particular items because of the symbolized importance for them from those items. At the point when clients appreciate an item, it implies that they welcome the item thus they are roused about how they feel about themselves. Congruity is the augmentation of jumble or coordinates among the people's view of the brand and item (Sirgy, 1982). Self-congruency is one of the critical things that are impacting customer choice on determining brand. The customer tends to buy brands which have a comparable picture to his/her mental self-portrait. (Blackwell et al, 2001p.399).This wonder will make a solid and close relationship between the shopper and the brand. This relationship alludes to brand relationship quality (Kressman, 2006). Hence, a client who discovered the brand picture is harmonious with his/her mental self-image will create and keep up the association with chose brand. It implies that the more grounded self-congruity will build the brand relationship quality and the other way around. At the point when purchaser conduct writing is investigated, it is comprehended that brand identity enables the customer to express them.

As such, individuals incline toward items whose mental attributes are consistent with their own particular qualities (Beerli et al., 2007; Opoku, 2009). All things considered, the congruity of self-idea (or mental self-image) they have been characterized as "the entirety of individual's considerations and sentiments has reference to him as an article" with item or brand alludes to self-congruity (Sirgy, 1985; Baloglu and Uşaklı, 2011). Self-congruity comprises of four measurements. These measurements are real self-congruity, perfect self-congruity, social self-congruity and perfect social self-congruity. Real self-congruity is the fit between how individuals really see themselves in connection to the picture of that the sort of individuals who buy the item or product. Self-congruity alludes to how individuals like to see it Social-self congruity is the fit between how individuals trust they are seen by others in connection to the item or brand client picture. Perfect social-self congruity is the fit between how individuals might want to be seen by others in connection to the item or brand client picture (Su and Sirgy, 2000).

At the point when self-congruity is examined in the setting of touring, it is seen that the fit between target picture and traveler's mental self-view affects visitor's return to aim (Murphy et 2007b). With this perspective, tourism writing demonstrates that genuine self-congruity has been stressed more than other three measurements in purpose picture ponder (Sirgy and Su, 2000). In their study Baloglu and Uşaklı (2011) have examined real self-congruity and perfect self-congruity themselves.

More evidently, the consistency between destination personality and the two estimations of self-congruity (how visitors see themselves and how visitors like to see themselves) have been measured. Notwithstanding the nonstop studies in purchaser composing, self-congruity studies are still not ordinarily performed in tourism considers (Baloglu and Uşaklı, 2000)

H1: Self-congruency and Brand loyalty has a positive relationship.

2.3 CUSTOMER INVOLVEMENT

The idea of customer involvement is established in social brain research. Krugman (1965) utilized the idea of contribution as a part of marketing .Krugman connected this idea with promoting and buyer conduct. From that point forward particularly at the season of expanded examination on customer conduct in 1980s more consideration was centered around the idea and measuring involvement with product, for

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example, an item, message, shopping, promoting or activities (Lin and Chin, 2006). Laurent and Kapferer (1985) and different innovator of this region utilized "the idea of customer involvement" to comprehend the reason and sorts of intrigues, extraordinary hobbies of the shoppers to distinctive levels of items including music, auto, books and soccer groups (Michaelidou and Dibb, 2006). Zaichkowsky (1985) characterizes contribution as "the apparent connection of an item in light of inward value, need, and intrigues". Minor and Mown (1998) characterize buyer contribution the products, administration or thought. Kapferer and Laurent (1985) contend that inclusion ought to be considered as a multi-dimensional idea. In the structure gave by them incorporates unique measurements to be specific: (significance of item class), joy (the hedonic estimation of item classification), sign-value (typical importance of the item), chance significance (saw significance of negative results) and hazard likelihood (saw likelihood of making miss buy) connected with it. Buyer inclusion is characterized as saw individual significance, or an enthusiasm with respect to procurement, utilization or aura of merchandise, administrations or thoughts.

As the level of customer, inclusion expands, the buyer has more prominent inspiration to assemble, understand, expound and acclimatize on information. Buyer conduct scientists consider involvement as a directing variable in a purchaser's choice making process. Moreover, inquire about discoveries recommend customer involvement is affected by physical attributes identified with the item, individual qualities identified with the buyer, and situational variables identified with the buying choice. There is a relationship among' the purchaser association and the items, for example, the item, adverting, message, system, circumstance and the practices like acquiring and reaction (Capella & Kinard, 2006). The idea of contribution alludes to the condition of the brain and mental status that shows significance level of an individual pertinence which a subject, promotion or item have. Consequently, the association proclaims accept or feeling identified with a subject or the message which that subject passes on.

The idea of customer involvement emerges from the individual importance and it conveys to the psyche the ties exist between the subject, its outcomes of people's advantages and predetermination. For this situation, the individual significance as the center of the contribution idea is a mental state which mirrors the significance and individual relationship among an individual and a thing or a wonder. Vaughn states that customer involvement clarifies why shoppers are occupied with some buy exercises more than the others and how buyers see diverse messages amid buy thought. Quickly, purchaser contribution proposes a continuum of buyer interest in products.

High-inclusion purchasing appears differently in relation to low-association, ease buys. When people are collecting money and purchase TV, a vain or a vacation, they cannot take a decision quickly. These are high-involvement in decision making. Before making them, we collect information, talk with our friends and usually find out all that we can about our probability to purchase (Sutherland, 2008).

Kapferer and Laurent (1985) expressed that inclusion is a causal or propelling variable with various results on the correspondence technique and customer purchases. Therefore, contingent upon their level of involvement, customer will contrast incredibly in the breadth of their buy choice procedure (demonstrated by the quantity of credits used to look at brands, the length of the decision process, and the eagerness to achieve a greatest or an edge level of fulfilment) or in their handling of correspondences

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(showed for example by the degree of data pursuit, separately to publicizing, and the number and kind of intellectual reactions created amid presentation).

Emmert and Goldsmith (1991) Smith and Friedman (1993) expressed that item involvement assumes an imperative part in buyer conduct. Whenever his/her contribution level builds, the customer will look for additional data. Inclusion is an essential variable in the investigations of advertising, social brain research and marketing conduct. (Kim, 2003) indeed, it is more than 30 years that the idea of association has been concentrated fastidiously in promoting fields. (Broderick, 2007) This idea began from social brain science which is an elucidation of individual's contribution that indicates the relationship between a man, target or subject (Lin and Chen, 2006; Michaelidou and Dibb, 2006) A few relates the studies on purchaser's contribution to the Allsorts, (1945). As per him, mental involvement is one of the central practices and starts from inner contribution. (Broderick, 2007) However, Krugman made involvement a typical idea in promoting. (Lin and Chen, 2006; Michaelidou and Dibb, 2006) Using learning hypothesis, Krugman (1965, 1977) found that individuals recall best notices showed toward the starting and end of a business break. He accepted (1965) that a notice has a low level of inclusion. Since his significant case on TV ads, association structure turns into an essential component in the investigation of commercial adequacy. (Zhao and Chung, 2003) Customer association covers a wide scope of exercises by both the client and the firm.

The minimum personal type of involvement comprises of the clients giving spontaneous input or recommendations to the associations. At its most complex shape, the client tackles dynamic parts, for example, contributing mentally, monetarily or physically to the improvement and commercialization of innovation. Incorporating the client in the development procedure is accepted to be capable intends to diminish vulnerability and disappointment rates and to build the income from new items (Rohrbeck, et al, 2010).

However, the advantages of coordinating the client in the involvement process must be weighed against the expenses; as the position of the client has effectively changed in the course of the most recent three decades from an aloof beneficiary to an activity co-creator in the making of quality (Ernst, 2004). Customer involvement covers an expansive scope of exercises by both the client and the firm. The slightest personal type of contribution comprises of the clients giving spontaneous criticism or recommendations to the associations. At its most complex frame, the client tackles dynamic parts, for example, contributing mentally, monetarily or physically to the improvement and commercialization of innovation. Coordinating the client in the development procedure is accepted to be intense intends to diminish instability and disappointment rates and to build the income from new items (Rohrbeck, et al, 2010).

Involvement speaks to the level of interest or significance of an item to an Individual, or the centrality of an article to a people's personality structure (Zaichowsky, 1984; Day, 1969). The involvement develop has been all around explored, and is seen as a focal idea association the purchaser conduct writing. Association in business research has gotten little consideration, yet it could be vital in this setting (Patterson, 1993; Patterson et al, 1997). The level of inclusion decides the level of choice significance in

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the obtaining process, and business clients are prone to show attitudinal steadfastness for high involvement buys.

H2: There is positive relationship between Customer involvement and Brand loyalty.

2.4 PERCEIVED QUALITY

Perceived quality can help the client to have a subjective judgment on general item quality that make an item hold a remarkable separation and turn into a particular brand in purchasers' psyches (Aaker, 1991). Perceived quality is an exceptionally troublesome appraisal for the choice making of clients. Above all else client's measure interchange items quality as for price (Yong and Jin, 2005). "Clarified perceived quality as the level to which an item or administration gives key client necessities and how reliably these prier quasits are conveyed"

We can say that the quality which is being perceived is not the genuine nature of a brands or items (Zeithaml, 1988; and Asker, 1991).Basically, it is the consumers‟ choice around an element's or an administration's general legitimacy or power. "Perceived Quality" alludes to the quality that clients recognize through the look, the touch, and the vibe of an auto. For instance, in a showroom, the client would first take a look around the auto, then open the entryway, sit on the seat, and check the nature of the subtle elements. At Nissan, we are deliberately taking a shot at methods to upgrade both the quality feel and the craftsmanship discernible through the five detects. Perceived quality is a customer judgment on the collective item advantages and a subjective feeling on item quality (Dodds et al., 1991; Zeithaml, 1988). Aaker (1991) contends that perceived quality can demonstrate the remarkable separation of an item or an administration and turns into a particular brand in customer' brain.

Perceived quality has been characterized as the client's impression of the general quality or prevalence of an item or administration with respect to option items or administrations exist in the business sector considering the item or administration targets. This issue is accepted to be an aggressive commitment and numerous organizations today, have changed client-focused quality to an intense vital tool (Zeithaml, 1998). In Zeithaml (1988), quality was seen as the predominance of a sure item or administration in an expansive sense. Perceived quality was characterized as customer' judgment about items' greatness or predominance.

Zeithmal (1985) recommended that apparent administration quality is controlled by the contrast between expected administrations and perceived administrations. In numerous past studies, the worth was just viewed as an exchange off in the middle of value and cost Berry (1985). According to Dodd's., (1991), client' perceived value speaks to an exchange off in the middle of value and advantage they see from the item and the penance they perceive by paying the cost.

Zeithaml (1988) portrayed perceived quality as the client impression of the normal quality or organization concerning its proposed reason, in admiration to in the brand joined with the thought or organizations. It demonstrates the basic part of the brand. Thus, mark devotion is an idea that organizations underscore since it might make or manage a clients' support over the long haul in this way expanding brand value. As per Aaker (1991) perceived quality loans worth to a brand in a few ways: superb gives buyers a justifiable reason motivation to purchase the brand and permits the brand to separate itself from its rivals, to charge a

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premium value, and to have a solid premise for the brand expansion. Perceived quality is characterized as "the client's impression of the general quality or prevalence of an item or administration as for its planned reason, with respect to options"

Aaker (1991) on another hand, (Zeithaml, 1988), characterizes perceived quality reflects upon "the client's view of the general quality or predominance of an item or administration regarding its expected reason in respect to options". Hines and Swinker (2006) further order perceived quality into four classes as natural, outward, appearance and execution. Considering the relationship between perceived quality and brand reliability, a few studies show a positive effect of saw quality on by goal (Tsiotsou, 2006).Perceived quality is observed to be the primary predecessor of brand dedication (Marell and Biedenbach, 2009). Perceived quality was found to affect brand image (Tseng and Chen, 2010).

H3: There is positive relationship between Perceived quality and Brand loyalty.

2.5 BRAND LOYALTY

The idea of brand loyalty is investigated widely in showcasing writing (Basu and Dick, 1994; Harris and Goodeet, 2004; Evanschitzky et al., 2006). Despite the fact that there are numerous definitions as far as brand steadfastness, the best meaning of brand loyalty has been given by Oliver (1999). In view of the meaning of Oliver client dedication signifies "A solid duty to repurchase an item for all time in future in spite of the ecological effect of different marketing efforts to make potential movement towards different brands" This study shoes the two essential approaches to manage faithfulness including Behavioral trustworthiness and attitudinal unwaveringness (Basu and Dick, 1994; It ought to be noted so as to quantify loyalty as far as conduct; analysts use variables, for example, recently repurchasing the brand again and again for a long stretch (Clottey et al., 2008) while the brand loyalty is initiated by leaning toward a brand over the others and through enthusiastic responsibility so through the "goal to resent purchasing" the repurchasing against different brands is supplanted and the expectation of advertising is constant with informal (Anisimova et al., 2007).Aaker (1996) expect that a tried and true purchaser base identifies with a deterrent to segment, a reason at a cost premium, time to respond to contenders, and a defense against vindictive quality completing, and stamp dedication is a middle estimation of brand worth.

Moreover, brand loyalty is the last objective of brand management and the need to test the quality of the customer; it can without much of a stretch check whether buyers still support its item as opposed to contenders. Loyalty; Brand loyalty is customer states of mind on a brand inclination from past use and shopping knowledge of an item (Aaker, 1991; Neslin , and Henderson , 1994) and it can be studied from redeem rate on the same brand. Assael (1998) defines that brand loyalty is that customer purchase product recently.

Aaker characterizes the brand loyalty as a circumstance which demonstrates how likely a client will be to change to another brand, particularly when that brand rolls out an improvement in value, the item includes, its correspondence or dissemination programs (Keller, 2003). Concentrating on the brand loyalty is considered as one of the critical points in studying shopper conduct. The brand loyalty is powerful in picking the item sort, picking the brand, and learning and, in addition, making a contribution.

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Loyalty has been perceived as one of the most critical pointers of accomplishment in the marketing writing (Valle et al., 2006). The term loyalty is characterized as "a profoundly held responsibility to re-purchase a favored item/benefit reliably later on, along these lines creating dreary same brand or same brand-set acquiring, notwithstanding situational impacts and marketing effort having the capacity to bring about exchanging conduct" (Oliver, 1999). Since loyalty ought to be performed in diverse ways, it is hard to quantify. Bowen and Chen (2001) recognize the estimation methodologies of loyalty as "behavioral, attitudinal and composite estimations".

The behavioral measurement characterizes loyalty as genuine utilization (Mechinda et al., 2010) that implies a dull buy conduct .The attitudinal loyalty implies a feeling of enthusiastic connection to a decent/benefit (McKercher et al., 2011). At long last, composite loyalty is the blend of the initial two measurements and it implies both repurchasing and prescribing the item/administration to others (Chen and Bowen, 2001).When considered regarding destination guests, the composite dependability implies returning to and prescribing the destination to others. There is numerous operational definition of brand loyalty. Brand loyalty can be identifying as the quality of inclination for a brand complement with other comparable accessible choices. This is dedication signifies "A solid duty to repurchase an item for all time in future in spite of the ecological effect of different marketing efforts to make potential movement towards different brands" Recent more export adopted the measured the term of repurchasing behavior or price sensitivity (Brandchannel.com, 2006).

Be that as it may, Kasper and Bloemer (1995) characterized genuine brand loyalty as having six essential conditions which seem to be: 1) (i.e. non-arbitrary); 2) behavioral response (i.e. buy); 3) convey after some time; 4) by making some unit; 5) as different option brands out of an setting of such brands, and 6) a component of mental procedures. Genuine brand dedication exists when clients have a high relative mentality toward the brand loyalty through repurchase conduct. This sort of devotion can be an incredible resource for the firm: clients are willing to pay higher costs, might cost less to serve and can acquire new clients to the firm (Sasser and Reichheld, 1990).The brand loyalty customer does not attempt any sort of trait assessment but rather essentially picks the recognizable brand on the premise of some general positive sentiments towards it. This generally positive assessment comes from past involvement with the specific brand under thought. (Sidiki and Yee, 2008).

Amine (1998) in her writing recognizes two fundamental ways to deal with characterize the loyalty construct: the behavioral one recommends that the rehash acquiring of a brand after some time by a customer communicates their dependability, and; the attitudinal point of view which expect that steady purchasing of a brand is a vital however not adequate state of „true‟ brand steadfastness and it must be supplemented with an uplifting mentality towards this brand to guarantee that this conduct will be sought after further

Brand loyalty is a component of both behavior and attitudes. It is a purchaser's slant to buy a particular brand in a thing class. It happens in light of the fact that customers see that the brand offers the right thing highlights, picture, or level of worth at the right cost. This insight transforms into the foundation for new acquiring inclinations. Customer will, at first, make a trial result of the brand and, when fulfilled by the buy, tend to frame propensities and keep on obtaining the same brand in light of the fact that the item is

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sheltered and well known. Steadfastness is a conduct where clients choose regarding life, is there any point to it a faithful client in the interim, brand loyalty is characterized as the extent of customer time to buy the same brand under the particular item class contrasted with the other brand under the same item classification (Neal, 2008,) Brand loyalty is a customer's predictable buy of a particular brand inside of a given item classification after some time (Wozniak and Hanna, 2001, p.157).

Another assessment by Peter and Olson (2005) views brand loyalty as the essential responsibility in rehashing the buy of the exceptional brand. Brand loyalty is the measure of client inclusion towards a brand (Durianto et al, 2001). There are two ways to deal with measure brand loyalty (Bala & Chahal, 2010); the attitudinal brand faithfulness and behavioral brand loyalty. The attitudinal brand loyalty alludes to buyer aim to lead rehash buys toward a sure brand later on and, in addition, prescribing the brand to others. While the behavioral brand loyalty eludes to the movement to direct rehash buys a brand in a particular timeframe and the customer propensity to spend a large portion of his/her Income to buy a sure brand.

Also, the chosen brand rules the shopper item accumulations. Asseal (1992) characterized brand faithfulness as a good demeanor towards the outcome in steady buys of that brand after some time. In addition, brand loyalty depicts the mentality, conduct, and decision points of view of the clients (Moberg and Javalgi, 1997).Brand loyalty is thought to be the most grounded way promoting brand value (Atilgan et al., 2005). Brand loyalty has a positive and direct part in influencing brand value (Atilgan et al., 2005). It is thought to be the most grounded way promoting brand value (Atilgan et al., 2005). Brand loyalty can give both purchaser and organization crucial advantages. Brand loyalty is, similar to brand faithfulness, a mind-boggling build in itself, which should be disaggregated on the off chance that it is to be plainly caught on? (Atilgan, 2005)

Specialists have been tested to characterize and measure brand loyalty on the grounds that this measurement is framed by two unique parts: attitudinal and behavioral (Basu and Dick, 1994) and both segments clarify the arrangement of brand loyalty. From one perspective, the attitudinal segment demonstrates that steadfastness development originates from a positive security or duty in the middle of consumer and brand, and this disposition, thusly, emerges from the happenstance between the brand qualities and the buyer's inclinations.

Then again, from the behavior component, loyalty formation is clarified by the customer earlier buys which bring about a sure buy propensity (Basu and Dick, 1994). brand loyalty is characterized as "a profoundly held duty to re-purchase or disparage a favorite item/benefit reliably later on, in this manner bringing about dull same-brand or same-brand set acquiring in spite of situational impacts and marketing effort having the capacity to bring about exchanging conduct" (Oliver, 1997). Brand loyalty is characterized as "a circumstance that replicate how customers can shift to other brand, especially when that brand reveals a change, either in cost or in item highlights (Aaker, 1991). As right on time as the 1960s, meanings of brand loyalty consolidated both attitudinal and behavioral ideas, yet a couple of observational studies have fused both measurements. Rather, look into around there seems to have divided into two particular conventions,

With behavioral analysts concentrating on the detectable activities of loyal clients (Goodhardt Ehrenberg,

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2000) and attitudinal analysts researching Commitment to marks and repurchase aims (Patterson.1997; Dorsch et al., 2000). Research in these conventions has created investigations of the level of duty buyers' showcase towards a brand, how choices taken at one minute influence ensuing buys, and customers' relative consumption on brands in a class. Notwithstanding the perspective that brand reliability be conceptualized comprehensively and be reflected by both attitudinal and behavioral measures (Dick and Basu, 1994: Rubinson and Baldinger, 1996), few studies in either the purchaser market or business marketing writings have joined both measurements of brand loyalty.

RESEARCH METHODOLOGY

RESEARCH DESIGN

This study is aimed to explore the Impact of Self-congruency, Customer Involvement and Perceived quality on Brand loyalty. The design for this research is on rational with data being collected using survey administered to the people of Haripur.

INSTRUMENT

A questionnaire was developed for the reason to gather information from the Haripur city about popular shoe brand (Bata, Service, borjan, sage). The questionnaire was based on two variable first independent variable (Brand Loyalty) and second dependent variable (self-congruency, customer involvement, and perceived quality). Among questionnaire 320 distributed, 300 usable questionnaires were collected.

SCALE

The collected data are the basis for the study. The questionnaire was a closed questionnaire with five-point Likert scale starting from 1 (Strongly disagree) to 5 (Strongly agree) to get correct information from answers.

POPULATION

The area that is selected for the population is Haripur region, because of short time and less expensive study.

SAMPLING

The total population of Haripur region is 9,46,000 and this figure is put in online sampling calculator with the significance level of 95% which gives the figure of 385.due to cost constraint, only 320 could be distributed and only then 300 was collected back in usable condition. The type of sampling used in this study is Convenient sampling. In this type of sampling, the data is gathered from the most suitable and easily accessible sources.

ANALYSE TECHNIQUES

The data is analyzed with the help of Statistical Package for Social Sciences (SPSS 22)

The tests applied in this study include:

- Demographic/Descriptive Analysis
- Reliability Analysis
- Correlation Analysis
- Regression Analysis

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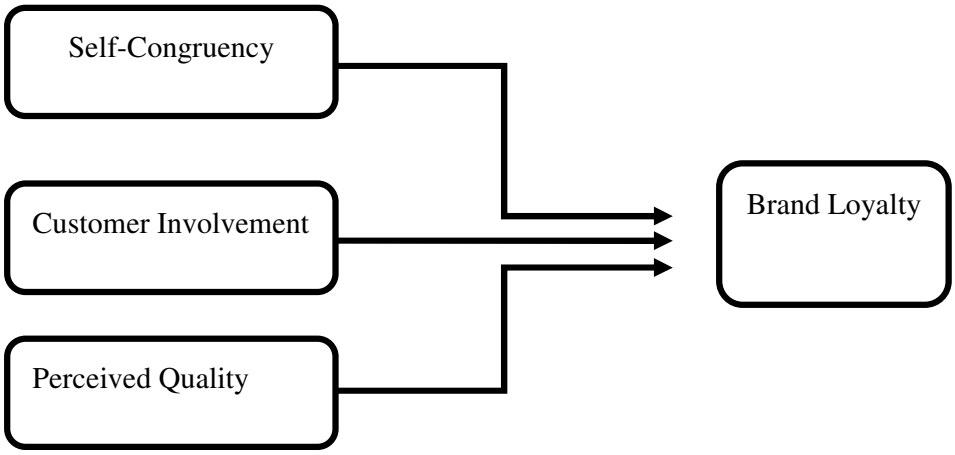
CONCEPTUAL FRAMEWORK

Then conceptual framework has been developed to test above mentioned hypotheses. The conceptual framework comprised independent and dependent variables and shows the relationship among these variables. The conceptual framework represent in Figure 01 has developed to guide the analysis presented in this study. There is one dependent and three independent variables.

Figure 5: Conceptual Framework



Dependent variable

- Brand Loyalty

Independent variables:

- Self-congruency
- Customer involvement
- Perceived quality.

DATA ANALYSES AND RESUIT

DESCRIPTIVE ANALYSIS

Descriptive statistics is the discipline of quantitatively telling the main structures of a gathering of information, or the quantitative description itself.

Below are the tables and graphs for the respondents, from which the survey questionnaire was filled, these includes Gender, Age, and Education level

Gender Table 4.1

	Frequency	Percent	Valid Percent	Cumulative Percent
Male	206	68.7	68.7	68.7
Female	94	31.3	31.3	100.0
Total	300	100.0	100.0	

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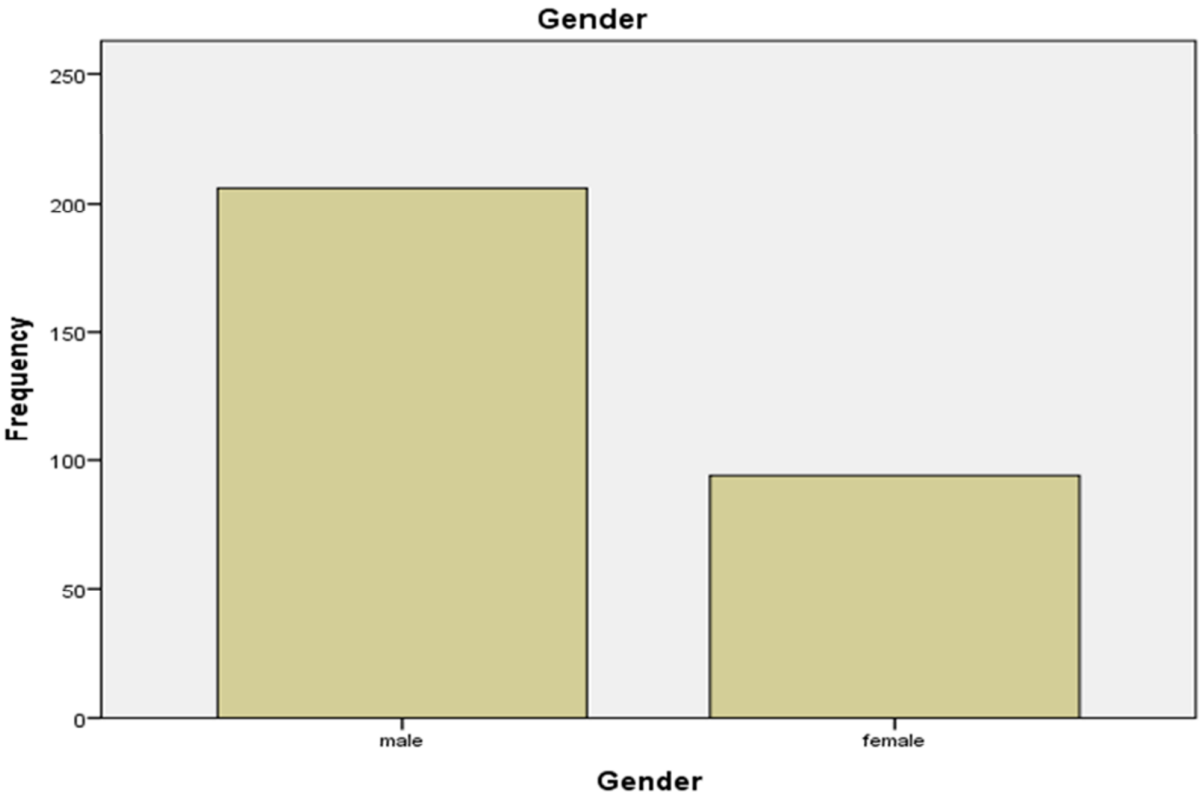
Table 4.1 Explain the Gender male and female, the total frequency of gender is 300, in which the frequency of male is 206 and female are 94.



Age

Table 4.2 Age

	Frequency	Percent	Valid Percent	Cumulative Percent
18 or below	34	11.3	11.3	11.3
19-25	246	82.0	82.0	93.3
26-35	14	4.7	4.7	98.0
36-above	6	2.0	2.0	100.0
Total	300	100.0	100.0	

Table 4.2 explains Age and frequency of respondents. The total numbers of respondents are 300. What a number of people age below 18 is 34; age between 19-25 frequencies is 246 which are high. The frequency of age 26-35 is 14 and frequency of people's age above than 36 is 6.

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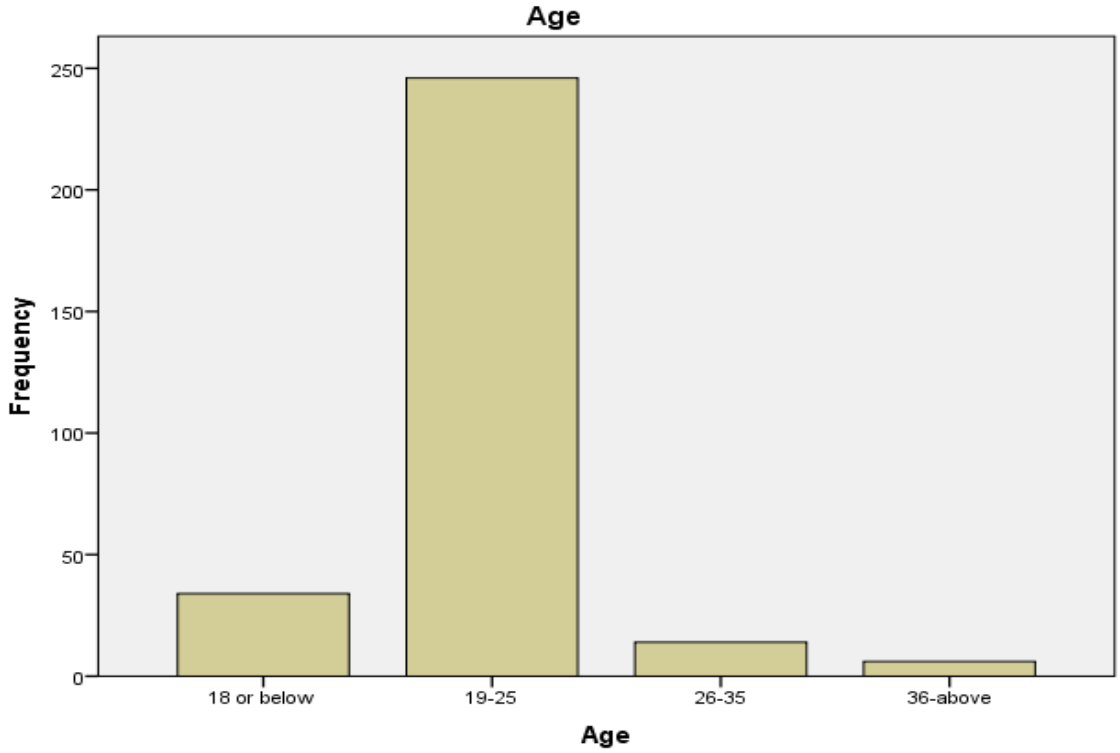

Education

Table 4.3 Education. Level

	Frequency	Percent	Valid Percent	Cumulative Percent
School	12	4.0	4.0	4.0
College	23	7.7	7.7	11.7
under graduate	151	50.3	50.3	62.0
Graduate	100	33.3	33.3	95.3
Other	14	4.7	4.7	100.0
Total	300	100.0	100.0	

Table 4.3 Explain the frequency of education level. Total respondents are 300. Education frequency is school, college and undergraduate, graduate and other is 12, 23,151,100 and 14 respectively. In this table, other refers to those people who are the Ph.D degree holder.

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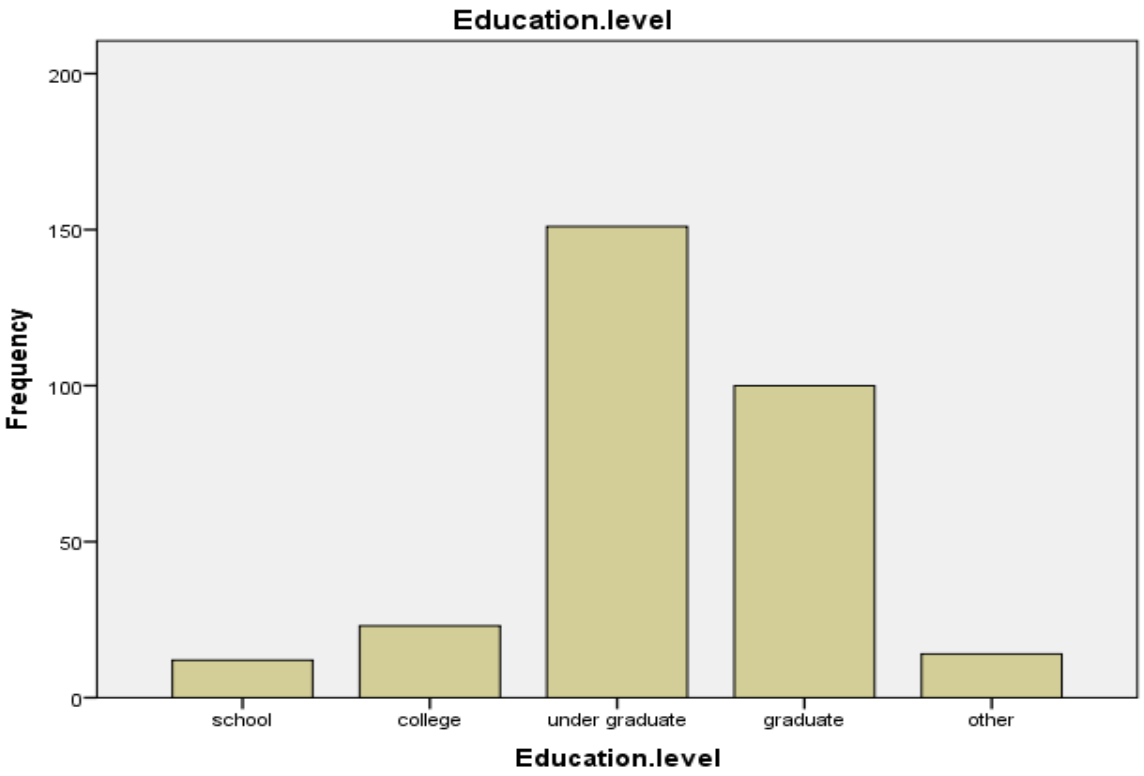

Occupation

Table 4.4 Occupation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Student	273	91.0	91.0	91.0
	Faculty	12	4.0	4.0	95.0
	Entrepreneur	7	2.3	2.3	97.3
	Other	8	2.7	2.7	100.0
	Total	300	100.0	100.0	

Table 4.4 explains the summary of occupation. The total frequency of occupation is 300, in which the frequency of student, faculty, entrepreneur and other is, 273, 12, 7 and 8. Here another stand for those people who are an employee.

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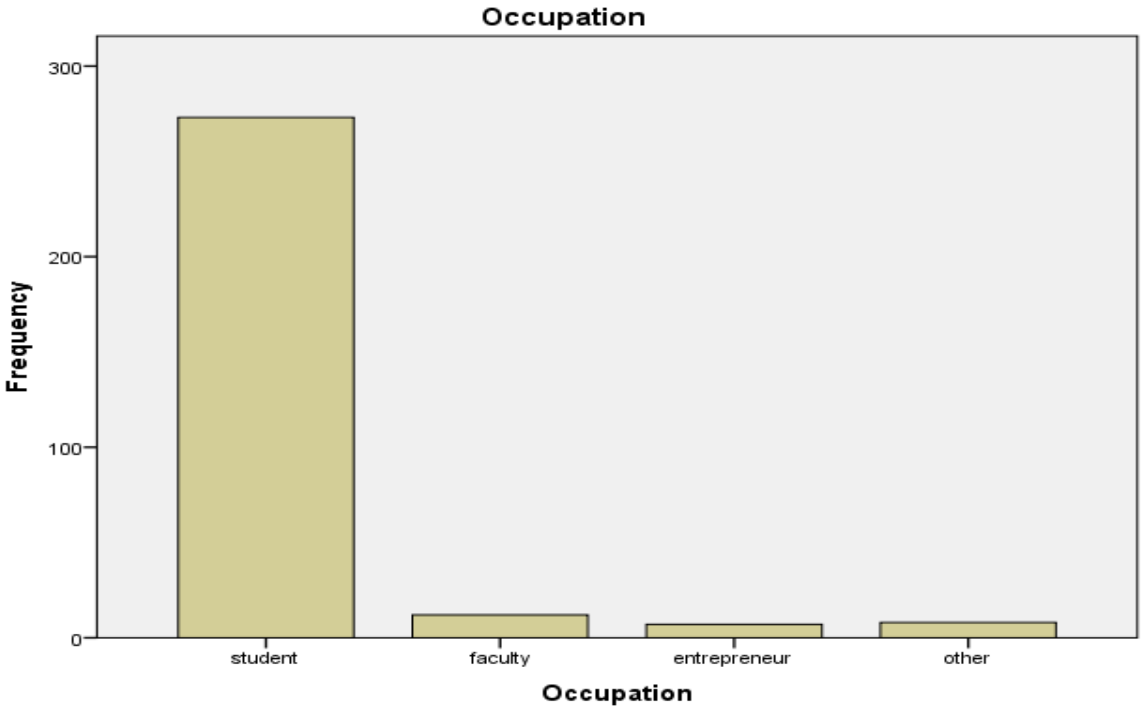

Monthly Income

Table 4.5 Monthly. Income

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	under 20000	75	25.0	25.0	25.0
	20000-29000	49	16.3	16.3	41.3
	30000-60000	88	29.3	29.3	70.7
	above 60000	88	29.3	29.3	100.0
	Total	300	100.0	100.0	

Table 4.5 explains the summary of the monthly income of people. The total frequency is 300, in which 75 people income was below then 20000 as show in table and 49 income was among 20000-29000. However, the monthly income of 88 was among 30000-60000 and 88 was above
60000.

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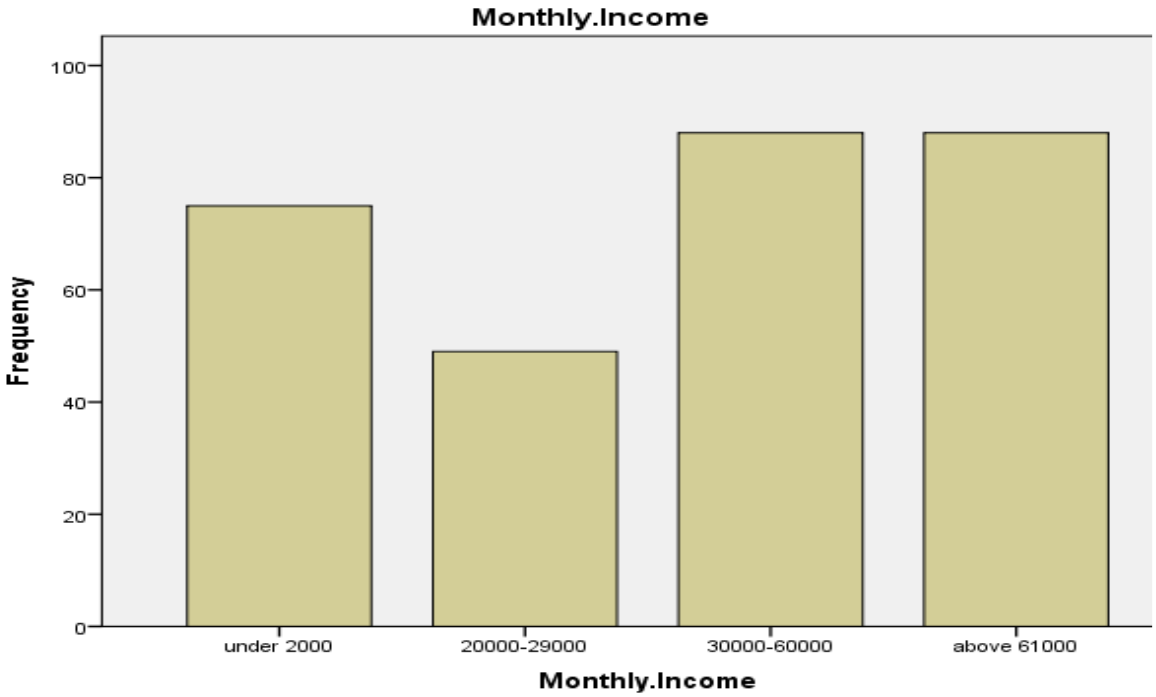

Brand

Table 4.6 Brand

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Bata	90	30.0	30.0	30.0
	Service	76	25.3	25.3	55.3
	Borjan	79	26.3	26.3	81.7
	Sage	23	7.7	7.7	89.3
	Other	32	10.7	10.7	100.0
	Total	300	100.0	100.0	

Tables 4.6 explain the summary of the brand. The total frequency is 300, in which the frequency of Bata, Service, Borjan, Sage and other is 90,76,79,23 and 32.other consist those people who purchase a brand of other companies.

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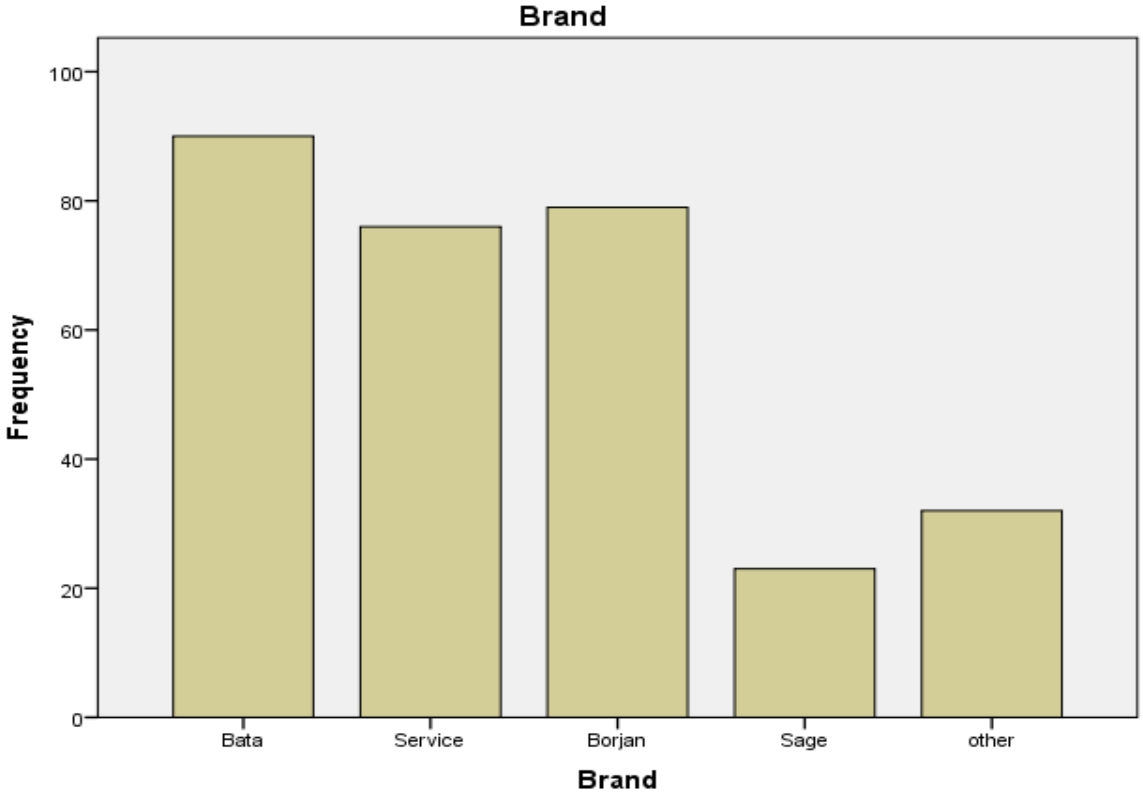

CORRELATIONS

Correlation is a factual measure that indicates the extent to which two or more variables vacillate together. A positive relationship determines the degree to which those variables increment similarly a negative connection demonstrates the sum to which one variable increment as alternate reduces.

Table 4.7: Correlation between Self-congruency and Brand loyalty.

Correlations

		Brand loyalty	Self-Congruency
Brand loyalty	Pearson Correlation	1	.593**
	Sig. (2-tailed)		.000
	N	300	300
Self-Congruency	Pearson Correlation	.593**	1
	Sig. (2-tailed)	.000	
	N	300	300

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

Table 4.7 of correlation have taken two variables that are Brand Loyalty and Self-Congruency, the findings show that these two variables are positively correlated because the value of **r= 0.593** and **p= 0.000**. Here relation between these two variables is strong and positive.

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Table 4.8 H_2: Correlation between Customer Involvement and Brand loyalty.

Correlations

		Brand loyalty	Customer involvement
Brand loyalty	Pearson Correlation	1	.538**
	Sig. (2-tailed)		.000
	N	300	300
Customer involvement	Pearson Correlation	.538**	1
	Sig. (2-tailed)	.000	
	N	300	300

Table 4.8 of correlation have taken two variables that are Brand Loyalty and Customer Involvement, the findings show that these two variables are positively correlated because the value of **r= 0.538** and **p= 0.000**. Here relation between these two variables is strong and positive.

Table 4.9 Correlation between Perceived Quality and Brand loyalty.

Correlation

		Brand loyalty	Perceived quality
Brand loyalty	Pearson Correlation	1	.785**
	Sig. (2-tailed)		.000
	N	300	300
Perceived quality	Pearson Correlation	.785**	1
	Sig. (2-tailed)	.000	
	N	300	300

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

Table of correlation have taken two variables that are Brand Loyalty and Perceive Quality, the findings show that these two variables are positively correlated because the value of Pearson Correlation is 0.785 and sig (2-tailed) is 0.000. Here relation between these two variables is strong and positive.

REGRESSION

A factual method used to assess the relationship between a variable of concern (dependent variable) and one or more logical variables (indicators)

- Strength of the association
- Direction of the relationship (positive, negative, zero)
- Goodness of model fit

Allows you to ascertain the sum by which your subordinate or (dependent) variable changes when an indicator variable changes by one unit (holding every other indicator constant)

- Often alluded to as Ordinary Least Squares (OLS) regression

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- Regression with one indicator is called basic regression
- Regression with two or more indicators is called multivariate regression
- Just like relationship, if an informative variable is a huge indicator of the dependent variable, it doesn't infer that the illustrative variable is a reason for the dependent variable.

Model Summary

Table 4.10 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.806[a]	.650	.646	.52601

a. Predictors: (Constant), Perceived quality, Customer involvement, Self-Congruency

In Model summary table 4.8, "R" stands for Multiple Correlation Coefficient and its outcome value is 0.806, And R Square tell us the ratio of interdependence and its outcome value is 0.650, Adjusted R Square value is 0.646 Which means that 65% of the Variance in Brand Loyalty can be predicted by Independent variables like Self-Congruency, Customer Involvement, and Perceived Quality.

ANOVA

Table 4.11 ANOVA

Model		Sum of Squares	df	Mean Square	F	Significant.
1	Regression	151.916	3	50.639	183.021	.000[b]
	Residual	81.898	296	.277		
	Total	233.814	299			

a. Dependent Variable: Brand loyalty

b. Predictors: (Constant), Perceived quality, Customer involvement, Self-Congruency

In ANOVA table 4.9, the Significance Level is 0.000 which shows the high significance level. Which means all the Independent Variables like Perceived Quality, Customer involvement, Self-Congruency significantly predicts the Dependent Variable which is Brand Loyalty.

Coefficients

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Significant.
		B	Stander. Error	Beta		
1	(Constant)	.447	.159		2.807	.005
	Self-Congruency	.125	.044	.130	2.869	.004
	Customer involvement	.165	.043	.157	3.827	.000
	Perceived quality	.641	.048	.622	13.236	.000

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In this study, the primary objective of Regression is to drive out such equation which could be used and tell us the actual influencing factors of predictors on Brand Loyalty.

Linear Regression equation shows that if there is one unit increase in Self-Congruency this lead to 0.125 accepted changes in Brand loyalty while remaining all other variables constant. This coefficient result is strongly confirmed by the previous research undertaken by Su and Sergey, (2000) and concludes the same result of coefficient as in this research. So, it is concluded that when self-congruency plays a very important roles when making any customer loyal to product or brand. If there is one unit increase in Customer Involvement this causes 0.165 percent positive change in Brand Loyalty while remaining all other variables constant.H2 is accepted this correlation result is strongly confirmed by the previous research untaken by Sasser and Reichheld, 1990 and concludes the same result of coefficients as in this research. So, it is concluded that when customer involvement plays a very important roles when making any customer loyal to product or brand.

If there is One Unity increase in Perceived Quality this cause 0.641 percent positive change in Brand Loyalty while remaining all other variables constant.H3 is accepted this coefficient result is strongly confirmed by the previous research untaken by Su and Sergey, (2000) and concludes the same result of coefficient as in this research. So, it is concluded that when perceived quality plays a very important roles when making any customer loyal to product or brand.

Significance level for all the Variables is Self-Congruency: 0.004, Customer Involvement: 0.000, & Perceived Quality: 0.000

Above all the value shows that all the values of significance level are below 0.005 which concluded that all the Predictors are significant statistically.

DISCUSSION AND CONCLUSION

The brand is increasingly finding its place as a key source of the customer choice among other brands. The brand is not just merely a physical product, but also a unique property. It develops and improves through the time and obtains tangible and intangible assets. Brand causes a split between similar products over time. David Aaker says “brands with a human personality for themselves give their customers their words.”

This study examined the impact of self-congruency, customer involvement, and perceived quality on Brand loyalty in the shoe company.

The first hypotheses tests indicated a strongly positive significant effect of self-congruency and brand loyalty This hypothesis has been previously approveds by previous researchers including Xue (2008), Bsnjak and Rudolph (2008) and Sirgy (2000, 2008).Accordingly it is recommended that the companies try to make their brands consistent with customer personal image by focusing on self-congruency so that they could affect customer behaviors such as brand loyalty.

The second hypothesis test suggests that customer involvement and brand loyalty has a strongly positive relationship. This indicated the relation between the two variables. The positive relationship means that as the

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Customer involvement increases, brand loyalty is increased as well. This hypothesis is supported by previous researchers. The previous studies that indicate the effect of involvement on brand loyalty include Kressmann et al (2006), Quester and Lim (2003), Bin Ismail et al. (2006) and Dagger et al. (2012). According to the results, it seems that the product involvement factor and its maintenance must always be considered by the marketers who want to increase their profitability by creating loyalty. The third hypothesis test suggests that Perceived Quality and Brand loyalty has positive relationship This correlation result is strongly confirmed by the previous research untaken by Sergey and Su, (2000) and concludes the same result of correlation as in this research. So, it is concluded that when perceived quality plays a very important roles when making any customer loyal to product or brand.

Self-congruency it is recommended to the future researchers to use the model of this study to analyze other products as well and also measure the self-congruity on other variables including brand preference and intention to repurchase. Also previous research (Sirgy et al., 1991, 2000) confirms functional congruity on the behavior of customers. Functional congruity means the match between the ideal expectation of the customers about brand and product ideal characteristics with their perception about these characteristics. Therefore, it is recommended that in addition to between self-congruency, future studies would also consider functional congruity.

LIMITATIONS and Feature Research

- A sample size of this research is small, if the large sample is collected than result may be different.
- This research is focused on Haripur city if more cities are included then the result may be different.
- Lack of time is also a limitation of this study, a complete study required more time.
- This study is conducted by students which have limited resources. Availability of resources may move the result toward the original.

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THE FACTORS THAT AFFECTING STRUCTURE CAPITAL IN MANUFACTURING COMPANIES: THE STUDY IN INDONESIA OF 2012-2014

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Abstract
The purpose of this research to analyze and empirical evidence of factors affecting the company capital structure in manufacture of BEI. In this study population of several manufacturing companies who enrolled BEI in 2012-2014 years. Samples of the sampling method purposive by using the criteria samples from 109 companies. The method of analysis test composed of the classic, linear regression analysis of multiple, the t, and the R^2. Test results show that this study classical normally distributed, there will be no multicolinierity, and heteroscedatisity autocorelation regression on the model. The results showed that the testing of hypotheses profitability, liquidity, the size of the company, higher than that of the company assets and structure and it has some positive effects on the capital structure in manufacturing firm BEI.
Key word: capital structure, profitability, liquidity, the size of the company

INTRODUCTION

The problem the main objective of the company is to maximize its shareholders (Gitman Prosperity, 2009). The conclusion can be achieved when company has a high value, which means to optimize the use of the price of stock of a corporation, to take the most appropriate capital structure by balancing between the use of debt and their own capital. Optimal combination should be able to minimize the cost capital that have to be covered by the company with respect to the use of these funds. When using treasury debt manager, capital cost arising non-competitive purchase will be charged interest costs by a creditor. That is not a right capital structure election would give rise to a fixed charge in the form of capital cost high that affects profit produced by a corporation (Sartono, 2012).

From the table above, shows that capital structure some rise and fall these phenomena showed factors affect capital structure, this is because capital structure play an important role for the company overall, because the capital structure, company can assess the company performance and able to decide to expand. The company capital structure consisting of two side, that is the side debt (liability) and sides their own capital (equity).

With debt (liability) is a source of funding company derived from external sides in form of loan, while with their own capital (equity) is a source of funding company derived from the internal company. Capital

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structure optimal is capital structure is expected to produce capital cost weighted average coal the most low expected to improve value of enterprise. The determination of capital structure a little many will be influenced by factors internal company. The internal factor the profitability of them, liquidity, the size of the company, growth of assets and structure.

PROBLEM OF STATEMENTS

1. Whether influential profitability significantly to capital structure on a manufacturing company in Indonesia Stock Exchange?
2. What is the liquidity effect significantly to capital structure on a manufacturing company on Indonesia Stock Exchange?
3. What is the size of the influential perushaaan significantly to the capital structure on a manufacturing company on Indonesia Stock Exchange?
4. What is the growth of assets effect significantly to capital structure on a manufacturing company on Indonesia Stock Exchange?
5. What is the structure of assets of significant effect against the capital structure on a manufacturing company on Indonesia Stock Exchange?

THE PURPOSE

The purpose of this research to analyze and empirical evidence that:

1. Profitability has significant on structure capital in manufacturing company in Indonesia Stock Exchange.
2. Liquidity has significant on structure capital in manufacturing company in Indonesia Stock Exchange.
3. The size of the company significant has on capital structure in manufacturing company in the Indonesia Stock Exchange.
4. The growth of asset has significant on capital structure in several manufacturing companies in Indonesia Stock Exchange.
5. To provide evidence that the impact of the current structure of the company assets on significant structure capital in manufacturing company in Indonesia Stock Exchange.

The result of this research would be expected: (1) able to provide information to manufacturing companies as input that it can be optimize the use of funding sources on the structure of capital company, (2) can add insight readers and become additional reference in the field of capital structure for research conducted in the future, and (3) give additional knowledge especially knowledge on capital market.

LITERATURE AND HYPOTHESES

Profitability is return on an investment capital. Profitability calculated of its divided capital investment (Wild, 2005). Company with the rate of return that high on an investment use debt relatively small. The

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rate of return that high allow to finance most of the needs funding with funds generated internally. The higher profitability shows that the profit obtained the company is also high. If corporate profits high so company have the financial resources from within which large enough so the company less need debt, in addition when profit detained increase, the ratio of a debt by itself will decline, assuming that the company do not increase the amount debt. This is supported with the results of research of Joni & Lina (2010), Meidera Elsa & Dwi Putri (2012), Tatik Agustini & Budiyanto (2015) who discovered that profitability significant to structure capital.

H1 = profitability have a significant impact on capital structure manufacturing companies.

All manager want his company have the ability in fulfill their obligations. But not all the company has this capacity. Companies have been able to is a company that has assets large, while the company who has assets small quite challenging in fulfill their obligations. The bigger assets company owned the small debts of the company, on the other hand the less assets the large the debts of the company. The company which has debt small tend to have the ability liquidity high, the ability of liquidity high, company can reduce the risk of company with reduce debt. So the company has the ability liquidity high the to use funding source of internal in fund their operations. This is in accordance with with pecking order theory, a prefer the use of internal funding to fund their operations (Halim, 2007), it is supported by the results of study of Devi Verenasari (2013) who discovered that liqudity has a significant on capital structure.

H2 = liqudity have a significant impact on capital structure manufacturing companies.

The amount the size of a company will have an influence to capital structure, the grand corporate the more large also the needed funds company to do investment. The bigger the size of a company, so a tendency use capital foreigner too the bigger, this is because big companies need big fund dedicated to support operating, and an alternative their fulfillment is foreign capital when their own capital insufficient. A company that of large tends to be flexible in access the source funds, so will increase her debt to maximize capital structure (Halim, 2007). This is supported with results of the research of Meidera Elsa & Dwi Putri (20120 and Tatik Agustini & Budiyanto (2015) who discovered that size of the company has an effect significant impact on capital structure.

H3 = the size of the company have significant impact on capital structure manufacturing companies

Theory said that companies with high level of growth will expand which is to use funds external of debt. An increased occurrence of asset followed an increase in operating results will be more increase trust outside of the company, with increasing trust outside (creditors) of the company, so the proportion of the debt will be getting even bigger than their own capital. It is based on the belief creditors for funds that is implanted into the company guaranteed by the asset owned the company (Robert Ang, 2010). This is supported the study of Joni & Lina (2010) who discovered that is higher than have a significant impact on capital structure.

H4 = higher than a significant impact on capital structure manufacturing companies

The company that owns structure high assets mean having assets a great. Weston & Copeland

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(2010) said that companies that had long term assets are larger, so the company would often used long term debt, in the hope of the assets could be used to cover loan. On the other hand, a company that most of any assets that are she had of receivable and an inventory of goods whose value is highly dependent on level profitability there each of the enterprises, not so depends on financing long-term debt and more dependent on financing short-term. Based on the discussion the can be concluded that variable structure assets have had a positive impact to structure capital. This is supported with the results of the research of Joni & Lina (2010), Meidera Elsa & Dwi Putri (2012), Tatik Agustini & Budiyanto (2015) who discovered that structure any assets that are having significant impact on capital structure.

H5 = structure assets have significant impact on capital structure manufacturing companies

RESEARCH METHOD

Population is the sum a whole financial data on manufacturing companies who enrolled in BEI a number of 187 company. The sample in this research was financial data company banking industry that enrolled in BEI Jakarta in year of 2012-2014. The sample collection done with purposive sampling criteria company as manufacturing industry and profit always positive, so that sample in this research a number of 109 company. The capital structure is balance or the comparison of short-term debt which are permanent, long-term debt, preferred stock, and common stock. The capital structure in research have proxied in debt to equity ratio (Halim, 2007). Profitability in this research measured by retrurn on assets that is one form of the ratio profitability intended to measures the company of overall funds, that is implanted in an activity used for the activity of operations of a firm for purpose generate profit by using assets present (Harahap, 2010).

Liquidity company showed the ability to meet obligations short term, as settle debts due in the short term (Astuti, 2004). The size of company is size or magnitude assets company. The size of company in this research is a reflection of the size of total assets a company at the end of the year, measured using logs natural (Ln) of the total assets (Sujoko & Soebiantoro, 2007).

Growth of is of growth potential measured by ratio the difference total assets in the t-1, to the total assets t-l, the sooner of growth, the bigger funding need for the future, increasingly possible company hold income, not payed as dividend. Indicators to the factors of this is the growth rates a mixture arranged every year in total assets (Sri Sudarsi, 2002). Structure assets is a composition the number of assets fixed owned company .(Yeniatie & Destriana, 2010).

RESULT AND DISSCUSION

The results from the data obtained model the regression equation is linear multiple as follows:

$$Y = 1{,}813 + 0{,}046.X1 + 0.010.X2 + 0{,}113.X3 + 0{,}003.X4 + 0{,}063X5 + e$$

The interprestasi of the equation linear regression multiple on the top is as follows: (1) $\alpha = 1{,}813$, that means that capital structure it has value negative when profitability, liquidity, the size of the company, growth, and structure assets are considered to be constant/fixed, (2) $\beta 1 = 0{,}046$, it means variable

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profitability had a positive impact to structure capital company, when profitability up 1 unit, so capital structure company will be up by 0,046 point, (3) β2 = 0.010, it means variable liquidity had a positive impact to structure capital company, when a unit of liquidity up 1, so capital structure company will go up 0.010 point, (4) β3 = 0,113, the size of the company that had a positive impact on the company capital structure, when the size of the company unit up 1, so the company capital structure will rise 0,113 point, and (5) β4 = 0,003, is higher than that of the positive effect on company capital structure, when the unit higher than 1, so the company capital structure will rise 0,003 point, as well as (6) β5 = 0,063, it means the assets had a positive impact on the structure of the company capital structure, if the structure of the company assets up 1, so the company capital structure will rise 0,063 point .

The regression coefficient variable size of regression coefficient 0,113 company has the greatest among the other means that the size of the company is the variable dominant in this research .For the profitability, results of the test on this fact profitability obtained the significance of 0,006; 0,05, shows that it has some positive effects profitability on structure and significant company capital manufacture in BEI. The conclusion of the testing suggests that hypothesis (1) to prove true. This study supports the research of Joni & Lina (2010), Meidera Elsa Dwi Putri & Tatik Agustini (2012) and Budiyanto (2015) who discovered that profitability significant impact on capital structure.

For variables liquidity, the calculation on test in partial obtained value significance liquidity of 0.010 (α = 0.05), shows that liquidity had a positive impact and significant on structure capital manufacturing companies in BEI. The conclusion of testing this indicates that hypothesis (2) prove true. This research support research of Devi Verena Sari (2013) who discovered that liqudity significant on structure capital.

The size of the company, partial results of the significance of size of the company got 0,004 (α = 0.05), shows that the size of the company it has some positive effects on the capital structure and manufacturing firm in BEI. The conclusion of the testing indicates that hypothesis (3) to prove true. This report supports the research of the Dwi Meidera Elsa Putri & Tatik Agustini (2012) and Budiyanto (2015) who discovered that size of the company that has significantly affect the capital structure.

For variables growth, the calculation on test in partial obtained value significance growth assets of 0,007 (α = 0.05), shows that growth of have had a positive impact and significant to structure capital manufacturing companies in BEI. The conclusion of testing this indicates that hypothesis (4) prove true. This research support the research of Joni & Lina (2010) who discovered that growth of that has an effect significant impact on capital structure.

For the structure assets , the results of the partial obtained in the structure of the significance of assets 0,009 (α = 0.05), shows that structure assets influential positive and significant to structure the company capital manufacture in BEI. The conclusion of testing suggests that hypothesis (5) to prove true. This research support study of Joni and Lina (2010), Meidera Elsa Dwi Putri (2012), Tatik Agustini and Budiyanto (2015) who discovered that structure assets that has significant impact on capital structure.

The value of coefficient of determination (Adjusted R^2) is 0,844 or 84,4%, this shows that the variable profitability, liquidity, size of the company, higher than that of and structure of assets in the capable of being explained 84,4 % on variables at manufacturing firm capital structure, while the rest 15.6% described by other variables that not be researched as the price of the stock, and the company

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performance of corporate governance.

CONCLUSION

1. Influential positive profitability and capital structure significantly to manufacturing companies in BEI.
2. The liquidity effect positively and significantly to capital structure manufacturing company in BEI.
3. The size of the company's positive and significant effect against the capital structure manufacturing company in BEI.
4. Positive and influential asset Growth significantly to capital structure manufacturing company in BEI.
5. The structure of assets of the positive and significant effect against the capital structure manufacturing company in BEI.

LIMITATION

1. An object researchers only performed at manufacturing in BEI with a period 2012-2014, so the result of survey cannot be generally to other companies.
2. Variable used only profitability, liquidity, size of the company, growth and structure assets as the independent variable as well as structure capital as dependent variable.

SUGGESTION

1. Profitability had a positive impact and significant on structure capital manufacturing companies in BEI, hence researcher a suggest that more firm used the funds internal (profit detained) on the external (a debt and equity) to pay for capital with the high profitability the company would reduce the level of use of debt. The higher profitability means getting better and increase prosperity company.
2. It has some has positive effects and significant liquidity on structure manufacture in BEI company capital, hence the researchers suggested that company did not use funding from debt, so the company will use the funds to finance investment internal first before using externally through debt financing.
3. The size of the company had a positive impact and significant on structure capital manufacturing companies in BEI, hence suggest increase the size of company existing, big company will safer in obtaining debt because firms capable of in fulfilling duties with the diversification and having cash flows stable, and will structure capital is increased.
4. Higher than influential positive and significant on structure the company capital manufacture in BEI, hence suggested maximize assets in raising the company, if the use of internal funding remained be inadequate capital requirements company, financial resources external of debt be an option the next from in the issuance of common stock.
5. The structure assets had a positive impact and significant on structure capital manufacturing companies in BEI, hence suggest assets will still fulfilment of capital of their own capital. The use of

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assets will created a burden of fixed cost and if company uses foreign capital in spending fixed asset, cost of will the more. Long-term debt will is dominant composition the use of debt to companies that their assets.

6. To further researchers suggest to use the sample services company or kind of another company has researched with a period of research longer so the results are more likely to generally.
7. To further research would add another variable as managerial ownership, the size of the company and foreign exchange change predicted bias affecting structure capital.

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EFFECTS OF SOCIO-ECONOMIC CHARACTERISTICS ON PREFERENCE FOR DETERGENTS AMONG FEMALE EMPLOYEES OF SELECTED PUBLIC UNIVERSITIES IN NIGERIA.

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Abstract
The study determined the effects of socio economic characteristics of consumers on preference for detergents among female employees and with a view to evaluating the determinants of consumer preference for detergents in selected public institutions in Southwest Nigeria. The study was carried out in Federal, and State universities located in Osun, Ogun, Lagos, Ondo, Oyo and Ekiti States of Southwest Nigeria. A total of 888 female employees in the selected institutions were sampled using two-stage sampling techniques. Data were collected on socio-economic characteristics of respondents using a structured questionnaire. Data collected was analysed using descriptive statistics and ordered logit. The results from estimation of socioeconomic characteristics of respondents showed that nature of employment, marital status, household size and membership of association significantly ($p < 0.05$) affect preference decision of female employees on detergent use. The study concluded that the nature of job, marital status, income size and consumers household are important to female consumers at the time of making preference decision on detergents product.

Keywords: Socio-economic Characteristics, Occupational Pattern, Preferences, Public Universities, Detergents.

1.0 Introduction

One of the most important goals of any business is to satisfy the needs and wants of its customer. With an increasing need for domestic products in the day to day domestic chores, all distribution links in the sale of domestic products would want to know, specifically, what pleases the consumers of their products. The

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very old marketing management motto was to "sell what you have," but increasing consumer demand has caused the adage to transform to what Maynard, (2001) described as "have what sells".

Over the years, different approaches have emerged on factors that determine consumer preference. Consumer preference is a set of attitude that characterizes the patterns of consumer choices. Apart from the essential internal factors which are recognized as influencing consumers' preference, there are a number of external situational context that affect consumer choices too. According to Walter (1970), the consumer is simultaneously influenced by his choice of products and by some attributes such as price, quality, packaging, sales promotion and quality, which influence a brand preference of a product. People may seek the benefit that a product provides rather than the products itself and consumers may consider the available alternative from the vantage point of the usage context which they experience or the specific application they are considering.

These, among others are the ideal beliefs of various past researchers on consumer preference for a product. However, various studies have also shown that all the ideas of the past researchers might not be appropriate to make generalization on what factors influence consumer preference for a product. The rationale behind this is that different products might have different peculiarities that distinguish them from one another. This might likely bring in some factors that might not be covered by the scope of past researchers and these factors are most likely to have varying degrees of influences on consumer preference for certain products (Parasuraman, Zeithaml & Berry, 1994) such as detergents.

The consumer is rational and aims at attaining the highest possible satisfaction given his income and the prevailing market prices. He attempts spending his income in a way that gives him maximum satisfaction (Agbaje, 2003). An individual's decision on what range and type of product to consume is likely to be influenced greatly by income and other factors such as employment status, educational status e.t.c.

Detergent as a domestic household commodity possesses unique features that can account for changes in consumer preference for it. Households are faced with allocation of their scarce resources to satisfy all their domestic needs. Detergents are one of the households' commodities, which are used daily domestically for cleaning.

The massive increase in the supply of cleansing products most especially detergents into the Nigerian market necessitated a need for research attention. In general, extant literature on determinants of increase in supply of domestic products, have focused on the role played by preference behaviour of consumers.

Researches in this area of study are vast yet their focus were only on market segment with a narrow focus on the marketers, thereby neglecting business managers and administrators who are crucial to policy implementation on sale of detergents, (David & James;1998, Bradhl ;2003; Janneke & Jabilyn,2009; Marlia, Nassuddin & Fazleen, 2011, Rook & Fisher, 1995). A critical look at these studies showed that many of the researchers concentrated on consumer behavior and consumer attitude, (Ifegwu & Ajetomobi, 2014; Amadi & Ezekiel, 2013; Ezeh & Onubuobi, 2011; Oghojafor, Ladipo & Nwagwugwu, 2013), but few of them were found to have been conducted on relationship between socio-economic characteristic and preferences for detergents particularly among female gender who plays prominent role in household buying decision of detergents. This study therefore intends to fill this gap by establishing the effect of socio-economic characteristics of the preferences for detergents among female employees of selected

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public universities.

2.0 Literature Review

Consumer preference deals with the set of attitudes that characterize the pattern of consumer choices along with the quality of the products that aim to fulfill consumer needs; satisfaction acquired within the connection between consumers and the product are able to fulfill these needs. Consumers may express their needs and desire and still may act in totally opposite way, at times it's possible that they are not aware of the true motivations behind their buying behavior ,or they could react to factors determining last minute changes to their buying decisions. Although the consumer decisions are relatively easy to notice and quantify, the psycho-physiological processes behind them are very difficult to take into account (Kotler, 2008).

Preferences are the result of a long - term relationship between the product brand and the consumer, as the latter learns to associate the brand with the symbol and perceive it as having high quality. It has been demonstrated that the consumer preference can be measured effectively, and that their study can provide a more thorough understanding on the choices consumers make, when they decide to select a particular product against the other. Knowledge of consumer preference is especially important with respect to the various activities carried out at the organizational level, necessary for the survival. For instance, if an entrepreneur must determine what features the product he wants to create must have, he will interview more potential buyers, asking them to mention the level of preference for each separate feature. The consumer preference represent the basis for pretesting models for the new products, which implies determining the functional relationship between the buyers opinions concerning a product ,testing it and the purchase behaviour. The level of preferences is one of the variables that need to be taken into account when identifying the strong and the weak points of the competitors.

An important stage in the process of preference decision of consumer is the choice and behaviour where often purchase intention leads to purchase behaviour. Normally, the consumer will buy the most preferred brand, which would be the consumer's purchase decision, but there are two important factors that can come between the purchase intention and the purchase decision. The attitudes of others are one factor, and these can be for instance families, peers or reference groups, income, educational status and marital status (Kotler, Amstrong, Saunders & Wong, 2005). Individual consumers exhibit strong preferences; and understanding of factors which influence consumers preference decision is important. Cheng and Capps (1988); Dellenbarger, Dillard, Schupp, Zapata and Young (1992); Wayga and Capps, (1995) indicated that studies have shown that socio-economic factors is one of the factors that affect consumers preferences of detergents. These socio-economic factors include income, sex, age, household size, education and employment. In addition household size is a significant determinant of consumer preferences for detergents,(Bose & Brown, 2000).It is also known that as income rises, consumers tend to spend more on the brand of detergents they prefer, (Herman, Rauniyar, Hanson & Wang,1994).

2.1 Empirical Review

Kapaj, Habrendt, Deci and Kapaj (2011) explored consumer preference for milk in Albania and tried to determine consumer types based on their preferences and socio-demographic factors .A conjoint choice experiment survey designed and primary data were collected in the most populated cities of Albania. The

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data was analysed using latent class approach to determine milk consumer classes based on the product attributes. The study was able to identify four milk consumer groups according to their preferences on the product attributes. All these groups represented different potential market segmented with specific characteristics The results showed that the most important attribute for the milk consumers is the "fat level''. At the end three of the four groups chose fat level as the main important attribute for their preferences.

Gihan-Wijesundera (2010) explored how the marketing mix and demographical factors influence the brand preference and purchasing behaviour of beauty soap among female consumers in the greater Colombo region. The results indicated that there was no statistical relationship between place, promotion, age, income level, marital status, skin type, social factors, and substitute product with the brand preference. Thus the research concludes that the price, product, education and occupation are only having a statistical relationship with the brand preference of female consumer in greater Colombo region.

In another study by Musaba and Namukwambi (2011) on the influence household characteristics have on consumers' decision to purchase horse mackerel, hake, and snoek. Specific factors considered in the model were gender, age, education, household size and income. Based on data collected from 120 shoppers, in the City of Windhoek, capital of Namibia, the results revealed firstly, that education, income and household size have negative significant effect on consumers' decision to purchase mackerel. Secondly, it was found that age and income have positive significant effect on the probability to purchase hake. Thirdly, household size and income have positive significant effect on the probability to purchase snoek but marital status had a significant negative effect on the decision to purchase snoek. In brief, the results confirmed strong income, age and household size effects on the purchase of fish species. The implication of the findings is that fish marketers and processors should consider these factors in the formulation of marketing strategies aimed at promoting fish consumption in the study area.

Yakubu, Garba, Jibir and Zubairu (2013) assessed factors influencing consumers preference for fresh beef in Sokoto metropolis, Nigeria. A total of 90 household heads (15 from each of the six wards of Sokoto metropolis were randomly selected and interviewed. They identified factors that influenced consumer preference as household size, educational level, and occupation, expenditure on beef and expenditure on beef substitutes. A quadratic regression model was found to best explain the relationship between preferences and found the factors identified, household size, level of education, and expenditure on beef substitutes were significantly related to preference for fresh beef. However, occupation and expenditure did not influence preference. As expected, expenditure on beef substitutes tends to decrease the preference for beef.

Moses; Daniel; Giroh. Zalkuwi Jimjel and Akindele (2015) also examined the influence of socio-economic characteristics on consumer's preference on fish purchase in Yola North local government area of Adamawa state. Data from the study were obtained using a well-structured questionnaire administered randomly to 100 consumers out of which 99 were retrieved. Multiple Regressions was used as a tool to examine the influence of socio-economic characteristics on consumer preference on fish purchase. The result of the study revealed that majority of the consumers who prefer fish were between the ages of 41-50; 48.48% were males, 51.52%were females. Majority (78.79%) of

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consumers were married. The results further revealed that the consumers had attended one form of formal education or the other. 21.2%had secondary education, 77.8% had tertiary education, while 1.0% had other form education. Analysis of the consumers' household size revealed that 44.4% were found to be between 4-6 persons. An analysis of consumers' preference for fish was found in the study. Results revealed that 16.2% purchased their fish from wholesalers, 76.8% from retailers and 5% from importers. 2% purchase from other source. Most of the fish purchased were both fresh and smoked fish (47.5%). Results also showed that the average monthly income of the consumers were 58.6% (51,000>) and 67.7% of the consumers like at least very much to eat fish. The regression analysis gave an R2 of 88.01% and the independent variable X1 (Age), X3 (educational level), X4 (income) and X5 (household size) were positively significant and affect the amount spent on fish. The study also revealed that income, availability of fish and good storage facility were factors limiting consumers' preference for fish in the study area. Recommendations on the study was that infrastructural facilities should be made available, and fish farmers should be supported by providing them with some incentives to encourage them to produce more to meet the increasing demand of the teeming population.

2.2 Theoretical Framework

Theory of Planned Behavior

It may be argued that broad attitudes and personality traits have an impact on specific behaviors only indirectly by influencing some of the factors that are more closely linked to the behavior in question, (Ajzen & Fishbein, 1980).The theory of planned behavior is an extension of the theory of reasoned action (Ajzen & Fishbein, 1980; Fishbein & Ajzen, 1975) made necessary by the original models limitations in dealing with behaviorsover which people have incomplete volitional control.

As in the original theory of reasoned action, a central factor in the theory of planned behavior is the individual's intention to perform a given behavior. Intentions are assumed to capture the motivational factors that influence a behavior; they are indications of how hard people are willing to try, of how much of an effort they are planning to exert, in order to perform the behavior. As a general rule, the stronger the intention to engage in a behavior, the more likely should be its performance. It should be clear, however, that a behavioral intention can find expression in behavior only if the behavior in question is under volitional control, i.e. if the person can decide at will to perform or not to perform the behavior.

2.2.1 Theory of Rational Choice

The theory of rational choice by Oliver (1997) can be stated succinctly and cogently. The basic unit of analysis is the individual actor, with a set of well-specified preferences. Such an actor behaves rationally by acting upon her preferences: when facing two opposite courses of choices, she will choose the one that most closely fits her preferences and is the least costly. The individual choice will be transitive and consistent: if she prefers A to B and B to C, she will also prefer A to C. When presented with identical options in identical circumstances, she will make the same choice. In this case the individual compares products perceived performance maximization, makes decisions from clear value preferences in relation to his expectation.

3.0 Material and Methods

The study is exploratory in design. It employed both qualitative and quantitative research. Specifically for

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this study, qualitative approach in the form of interview guide and focus group discussion was used. Quantitative data was collected to make generalizations and understanding of the mechanisms through which the characteristics of the products (detergents) influenced preference decisions of respondents. Purposive sampling technique is used to select 888 female employees of the selected universities and Simple random techniques was also used for this study to ensure that each female in the target university had equal chance of being sampled. Reliability test was done using the Cronbach Alpha method for the purpose of assessing the consistency of the entire scale. All the questions on the validation were reported based on the alpha score that is above the standard guide of 0.70.Data collected were analyzed using ordered logit.

4.0 Results and Discussion

4.1 Effects of socio economic characteristics of consumers on preference for detergents

Evidence from estimation of socioeconomic characteristics of respondents' shows that consumers' age has no significant effect on preference for detergents (Table 1). But, job status of female employees in public universities significantly affects their preference decision on detergent use. This suggests potential role of 'class-segment' on preference for domestic products most especially detergents. Specifically, the results show a positive and significant ($p < 0.10$) effect of job status or nature of employment on preference, implying that academic staff vary their decision and place greater emphasis on the characteristics of detergents more than non-academic staff. This finding suggests that marketers of detergents can take advantage of this market segment by disaggregating detergent markets to capture the specific preference of female employees belonging to different job status in the universities communities.

The decision to choose a particular detergent is not significantly related to very high or comparatively low level of educational status. The findings of the study did not significantly ($p > 0.05$) support high level of educational status as correlate of detergent preference decision. Similarly, income variable did not significantly influence preference of female employees for detergents, at 5% level, though positive. High income earners among female employees would raise their preference charts for both intrinsic and extrinsic characteristics of respondents. Also, the finding supports the influence of marital status on preference for detergents at 5% level of significance. Married consumers among female employees would show greater concern for detergents' attributes relative to other employees who are single in marital status. This is expected, a priori, since married status confers additional responsibility of household keeps with high probability of increase in number of household members who might need detergents for basic chores of the home. This result is supported by the significance of household size ($\beta = 0.210$, $p < 0.05$). Parameter estimate of household size is positive, indicating that high number of household size would pay greater attention to the attributes inherent in detergents, due to extensive need for its use. Parameter estimate of membership of association is negative and significant ($p < 0.05$), implying that belonging to staff association do not in any way influence preference decision of female employees of public universities on detergents.

Table 1: Estimated effect of consumer socioeconomic characteristics for detergents preference

Characteristics	Coefficient	Std. Err.	z-value	P>/ Z /

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Age	-0.082	0.154	-0.053	0.594	
Nature of employment	0.520	0.285	1.83*	0.068	***,**, significant at 10%, 5% respectively**
Educational status	-0.0241	0.149	-1.63	0.104	
Income	0.165	0.114	1.45	0.147	
Marital status	0.696	0.345	2.01**	0.044	
Household size	0.210	0.086	2.45**	0.014	
Membership of association	-0.730	0.273	-2.67**	0.007	
LrcHI2(7)=20.87					
Prob>Chi2]=0.0040					
Pseduo R2=0.0564					
Laog Likelihood=174.52156					

5.0 Conclusion and Recommendations

The findings of the study led to the conclusion that nature of employment, marital status, income and size of consumers' household were important to the female consumers at the time of making preference decision on detergent products. This also showed that business managers, marketers cannot and should not ignore the influence of socio-economic characteristics in understanding their target audience.

Given that more academic employees among female consumers were more inclined to using more of detergents, it is recommended that retail managers should focus more on this segment while attracting nonacademic female consumers with other attributes of detergents that could appeal to their preference decision. Since high income has been found to have significant influence on consumer preference decision on detergents, retail managers should emphasize the importance of increasing the stock of detergent products with low price to accommodate female employees with low level of disposable income.

Finally, this study has demonstrated that public institutions provide an opportunity for improved sales of detergents brands most especially among female employees. Managers should take this opportunity to enhance trust and reduce perceptions of risk associated with using available brands by promoting the quality and reliability of their retail brands.

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ASSESSMENT OF PRODUCTION AND EXPORT LEVEL OF FRESH AND DRY FRUITS IN J&K

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ABSTRACT

Over the time, horticulture has emerged as one of the potential agriculture enterprise in speeding the growth of economy. Jammu and Kashmir is home to some world famous varieties of fresh and dry fruits. Nearly 75 percent of temperate fruits in India are grown in the state. The results of the study shows that the production of fresh fruits on J&K is still dominant than dry fruits, which has a low production because of various geographical and climatic factors. The year wise production growth show that production of dry fruits in state is growing but not on large scale. Considering the growth prospectus of this sector, the state govt. needs to plan for higher and more quality production. The state should shift its agriculture development strategy from food security mode to that of value addition by growing certain products like high value fruits and crops.

Keywords: Horticulture, dry fruits, fresh fruits, growth rate, production

INTRODUCTION

Jammu and Kashmir is the northern state of India with an area of 2, 22,236 sq km. in terms of area, it is one of the largest states of India, comprising of 22 districts. Horticulture in recent years has emerged as an important sector and growing sector of the Jammu and Kashmir. The status is famous for its horticulture produce in India as well as abroad. During the past few years ,demand for the cultivation of horticulture crops such as apple, pear, peach, apricot, cherry, almond, walnut, mango, gauva, etc. the state is home to growing all varieties of fresh and dry fruits. During the past few years, demand for high value and low volume horticulture crops has been showing much faster growth than demand for food grains.A vast natural resource base has helped the predominantly agrarian state to develop its base for cultivation of major fruits, such as apples, pear, cherry, plum, saffron, walnut and almond (Anon 2009-10).Recently, Khan (2013) presented comprehensive agriculture scenario of wide range of crops including horticulture produce in relation to environmental sustainability. More recent contribution by Wanchoo (2014) on horticulture in Himalayas specifically addresses horticulture principles and practices. Existing research report (Ahmad and Simnani, 2001) indicates that the fruit industry in Jammu and Kashmir supports more than 5 lac families and it has direct or indirect role in the employment of nearly 25 lac people annually. Malik (2013) provided information on assessment of apple production and marketing problems in Kashmir Valley and stated that apple production is the main occupation in the Kashmir valley and it

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constitutes 90% of total fruit crop in the valley. The study
further assesses the potential and problems faced by this sector. Rather et al (2013) explored potential and strength of Jammu and Kashmir with regard to its production and export of fresh and dry fruits. Jammu and Kashmir is the major producer of apple and walnuts in India, 77 % of apple and 90 % of walnut production in India belongs to Jammu and Kashmir and percentage share of state in India's total production is showing an increasing trend. Bhat and Choure (2014) dealt with the status and strength of apple industry in J&K, and state that apple dominates all other crops of horticulture.

OBJECTIVES OF THE STUDY

The present study has certain specific objectives.

1. To analyze the year wise production of major fresh and dry fruits.
2. To assess the growth of horticulture sector in J&K.
3. To give some suggestions for increasing the production of horticulture sector.

RESEARCH METHODOLOGY

The present study is based on the secondary data. Main sources of data collection include government official records, economic survey, Jammu and Kashmir statistical Digest, magazines and Journals. The data has been analyzed and interpreted through tabulation and simple percentage method.

RESULTS AND DISCUSSIONS

The figures above in table 1.1 shows that during the overall period from 2003-04 to 2012-13, production of total fruits in Jammu and Kashmir has shown an increasing trend metric Production in 2003-2004 was 11.6 lac tons which in 2010-2011 has increased rapidly to 20.4 lac metric tons thus showing a rapid growth in production of fresh fruits in J&K. in the year 2009-10bthe production rate has increases by an absolute margin from 15.3 lac metric tons to 20.4 metric tons in 2010-11i.e., in just a year it has shown an increase of 5.1 lac metric tons. In the same year, the production percentage has increased from 89.6% to 92.05% towards the total production of fruits (fresh n dry) i.e., fresh fruits production has increase and dry fruits production has decreased in this year.

As also shown in table 1.2, the total quantity exported during 2008-09 was 1.1 lac metric tons which has shown a decline of 6.2 lac metric tons as compared to 2007-08 thus making a considerable fall in growth rate of export which reported negative as -84.8%. But in the next year i.e., 2009-10, the export of fresh fruits has shown a remarkable progress from 2008-09, the export quantity jumped to whooping 9.5lac metric tons from 1.1 lac metric tons with a considerable rise in growth rate of export which reported as positive 763%. The above mentioned table shows that the growth rate of export of fresh fruits has been showing upward and downward movement during the overall period. During 2004-05, the growth rate of export was 7.6% and during 2012-13, the growth rate of export was negative (11.6%) which has slightly increased but as on 2007-08 it was -84.8% which has marginally decreased and it is significantly very low as compared to earlier period i.e. 2004-05.

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Table 1.1: production and export growth of fresh fruits

Dry fruits

Year	Production MT)	Export	Growth in Production	Growth in Export
2003-04	1165886	762401.1	-	-
2004-05	1217604	20412.05	4.4	7.6
2005-06	1289296	759654.89	5.8	-7.4
2006-07	1373759	678440.58	6.5	-10.6
2007-08	1477920	733710.35	7.5	8.1
2008-09	1529912	110925.75	3.5	-84.8
2009-10	1534682	957310.25	0.3	763
2010-11	2045556	1087638.05	33.2	13.6
2011-12	1949173	1053832.95	-4.7	-3.1
2012-13	1524593	1176228.5	-21.7	11.6
2013-14	1841200	1192001.65	20.77	1.34

The year wise production of dry fruits in Table 1.2 show that the production of dry fruits in state is growing but not on large quantities. The dry fruits production in the year 2010-11 has decreased as compared to other years, the production in 2009-10 was 177 thousand metric tons the total production of 17.1 lac metric tons as compared to the 2010-11 it was 176 thousand metric tons towards the total production of 22.2 lac metric tons, thus total production has increased from 17.1 lac metric tons but the production of dry fruits in 2010-11 has remained almost same as it were in 2009-10, its percentage towards total production has declined in 2010-11 from 10.37% to 7.94%. As shown in table 1.2, the export of dry fruits in year 2005-06 was 9223.6 metric tons has declined from last year i.e., 2004-05 which was 139977.22 metric tons has also affected the growth rate of export to fall in negative -34%, but

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in next year its export quantity has increases to 14454.51 metric tons with a rise in export growth rate to 56.7%. The above mentioned figure reveal that the growth rate of export of dry fruits has been showing upward and downward movement during 2012-13, the growth rate of export was negative (-9.50%) which has marginally decreased and it is significantly very low as compared to earlier period (2004-05).

Table 1:2 year wise dry fruit production and export growth

Year	Production(MT)	Export (MT)	Growth in production	Growth in export
2003-04	108025	12892.5	-	-
2004-05	114257	13977.22	5.7	8.4
2005-06	123696	9223.6	8.2	-34.0
2006-07	130342	14454.51	5.3	56.7
2007-08	158283	16077.78	21.4	11.2
2008-09	159936	15479.13	1.0	3.7
2009-10	177728	16381.21	11.1	5.8
2010-11	176436	25124.16	-0.7	53.4
2011-12	211996	27868.36	20.1	10.9
2012-13	217549	25613.98	2.6	-8.0
2013-14	227394	11106.49	4.5	-56.64

CONCLUSION AND SUGGESTIONS

Considering the growth prospectus of this sector, the state government needs to plan for higher and more quality production. The state should shift its agriculture development strategy from food security mode to that of value addition by growing certain products like high value fruits, vegetables and cash crops like saffron that can give high returns. The aggregate production of fresh and dry fruits during 2004-05 was 1273.91 thousand metric tons and it reached to 1742.14 thousand metric tons during 2012-13 and the overall export of fresh and dry fruits was 7.7 lakh metric tons in 2003-04 and it reached to 12.01 lakh metric tons in 2012-13.Diversification should be the main focus in all places but physiographic differences should be taken into consideration. Proper marketing facilities should be given to the fruit grower in the state. Export zones should be set up in all districts to promote exports. For mechanized cultivation, equipments must be effectively demonstrated to the fruit growers.

Horticulture sector being the vital organs of Jammu and Kashmir economy, various measures can be taken to further growth of this sector. Agriculture institutions should play an important role in imparting all kind of knowhow and necessary technical knowledge in a precise manner, so that farmers will be motivated, encouraged and well educated how to increase fruit production to meet the demand and meet the quality standard of national and international market which will impede the growth of economy. Scientific invention can also bring boom to this sector which is slow due to rational methods of cultivation and

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harvesting. Quality control and checks can also improve the quality production.

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RELATIONSHIP BETWEEN INFORMATION COMMUNICATION TECHNOLOGY ADOPTION IN MICROFINANCE INSTITUTIONS AND ACCESS TO FINANCIAL SERVICES IN TANZANIA

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ABSTRACT

Access to financial services is limited to the large population worldwide. This study mainly intended to examine a relationship between ICT adoption in microfinance institutions and access to financial services, particularly availability, convenience and affordability in Tanzania. A cross-section study design was conducted in two regions on 77 selected microfinance institutions. An exploratory factor analysis was employed to reduce variables to a manageable size, while retaining original information. The study used structural equation modelling with the help of Analysis of Moment Structures version 21. Five factors were grouped from 29 variables. Only one path leading from ICT adoption to availability of financial services was found statistically significant. This implies ICT plays a key role in financial service delivery to clients via electronic delivery channels. Hence, services become available to everybody regardless of location and time.

Keywords: ICT Adoption, Access to financial services.

1. Introduction

Access to financial services is central to human development and a catalyst for state growth (Cracknell, 2012; Jeanty, 2016; Honohan., 2006; Fischer, 2014). Adequate access to financial services is one of the solutions, which minimises income inequalities and poverty among citizens in any country (Rabobank, 2005; Rojas-Suarez, 2010). Microfinance institution (MFI) is one of the well-known sources of money supply that provides access to financial services for low income earners (Ellis, Lemma, & Rud, 2010). Financial services include savings, loans, remittance and insurance (Odhiambo, 2009; Burgess & Pande, 2003). MFIs target constrained people, who are unable to offer sufficient collateral and excluded by

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well-established financial institutions, including commercial banks (Kessy., 2009; Robinson., 2003).

Although MFIs are mushrooming across the globe, evidence shows large populations remain unbanked. According to World Bank (WB) reports, about two billion people do not have access to formal financial services. This comprises countries in Asia, Latin America and Africa (Hossain & Sarker, 2015). Further results indicate that less than a quarter of adult populations have access to financial services in sub-Saharan Africa (SSA) (Koblanck, 2013). In Tanzania, data shows 40 per cent of adults have accounts at financial institutions (WB, 2014). Limited access to financial services implies that financial products are inaccessible, unaffordable, unavailable of banking services, inflexible and unacceptable by some citizens (WB, 2017).

To access financial services adequately, some studies suggest adoption of different advanced operational methodologies such as information communication technology (ICT) in MFIs (Kipesha, 2013; Bada, 2012; Claessens, 2006). ICT facilitates communication, data capturing, processing and transmission of information (Beckinsale & Ram, 2006; Boar, 1997) through the use of computers, mobile phones, the internet, applications, hardware and networks (Ashrafi & Murtaza, 2008). Furthermore, ICT can form new delivery channels, which reach low income earners through branchless banking. Effects of ICT have been appreciated in broadening services, easy processing and in innovative products (Emmanuel & Sife, 2008; Khanna & Gupta, 2015). ICT adoption in MFIs also increases efficiency and effectiveness (Ssewanyana, 2009; Kumar & Rao, 2012), expands services to the unbanked population (Jawadi, Jawadi, & Dechamps, 2010; Shamim, 2007; Osabuohien, 2008), reduces operational costs (Eid, Trueman, & Ahmed, 2006; Akanbi & Oladejo, 2012) and increases staff productivity (Apulu & Latham, 2011; Harindranath, Dyerson, & Barnes, 2008; Brynjolfsson & Hitt, 2003).

Despite positive effects of ICT on MFIs' performance, still large populations in developing countries do not have access to financial services (Hossain & Sarker, 2015; Koblanck, 2013). This limited access to financial services was observed in the MFIs, which have low management support in adopting ICT, high ICT investment costs, weak technological connectivity and low control of risks and fraud on electronic transactions (Triodos-Facet, 2011; Ashta, 2010; Sjauw-Koen-Fa & Vereijken, 2005). Consequences of these obstacles delay MFIs to adopt seriously sophisticated and advanced ICT in their operations (Kipesha, 2013). As a result, negative effects on availability, convenience and final retail prices on financial services.

Although, previous studies pointed out the effects of ICT on MFIs' operational performance, especially an increase in efficiency, improved staff productivity, increased service delivery and a reduction in costs (Kairu & Rugami, 2017; Musa & Khan, 2010). This study observed a knowledge gap of the contribution of ICT adoption to access to financial services. Therefore, there is a need to understand how ICT adoption in MFIs contributes directly to access to financial services, particularly in making financial services available, convenience and affordable to large populations. Objectively, this study determines the

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relationship between ICT adoption in MFIs and access to financial services in Tanzania.

2. Literature Review

1.1.Theoretical Framework

Two theories guided this study in explaining the relationship between ICT adoption in MFIs and access to financial services through actual usage of electronic delivery channels. The theories are Davis' (1989) Technology Acceptance Model (TAM) and Roger's (1995) Diffusion of Innovation Theory (DOI). TAM was employed to bring out the relevance of accepting new technology in MFIs and its usefulness in operational performance. The theory focused on understanding the causal relationship between the use of external variables and perceived ease of use and perceived usefulness in the actual use of the system. 'Perceived usefulness' refers to the degree to which an individual believes that using a particular application system will enhance his or her job performance and 'perceived ease-of-use' is expressed as the degree to which an individual person believes that using a particular system will be free from effort (Davis., 1989). TAM has proved to be useful and is employed in different disciplines such as health care, including telemedicine (Holden & Karsh, 2010; Hu, Chau, Sheng, & Tam, 1999), ICT such as mobile phones, the internet, websites, e-learning (Bacha, Čeljob, & Zoroja, 2016; Kwon & Chidambaram, 2000; Venkateswara & Hanumantha, 2012), e-government (Chan, Thong, Venkatesh, Brown, Hu, & Tam, 2010) and agriculture (Amin & Li, 2014).

Another theory that has been used in this study is Diffusion of Innovation (DOI), which tries to explain that technology permeates organisations and individuals' lifestyles and its effects on the overall performance and access to services. Individuals or organisations perceive technology is new in which they may refer innovation regardless of the time of invention within or outside their communities. Thus, innovation is defined as an idea, practice or object, while diffusion is the process by which innovation or perceived new technology is communicated through certain channels over time among members of a social system (Rogers., 2003). DOI has been employed extensively in different studies, including ICT (Echchabi & Aziz, 2012), banking (Al-Jabri & Sohail, 2012; Yahaya, Yusoff, Idris, & Haji-Othman, 2014) and health (Cain & Mittman, 2002).

DOI has five distinct features, which determine innovation adoption, including relative advantage, compatibility, complexity, trialability and observability. Relative advantage refers to the degree to which innovation is considered to have more benefits than DOI. This means that clients perceive usefulness of the latest technology over a traditional one (Roberts & Amit, 2003). Compatibility refers to the degree to which a service is perceived as consistent with users' existing values, beliefs, habits and present and previous experiences (Chen, Gillenson, & Sherrell, 2004). Observability of innovation describes the extent to which innovation is visible to members of a social system and benefits can be easily observed and communicated (Rogers., 2003). Trialability is defined as the capacity to experiment new technology before adoption (Al-Jabri & Sohail, 2012). Observability is defined as the degree to which results of innovation are visible to others (Rogers., 2003).

Presented theories (TAM and DOI) provide in-depth understanding of the subject matter. The review

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indicates that ICT adoption is beneficial to MFIs' operations and individuals' access to financial services. The theories indicate that technology is more likely to be adopted if it has positive effects on individuals or MFIs. In addition, intensity of adopting ICT differs among MFIs and individuals based on budget requirements.

1.2.Empirical framework

1.2.1. Effects of ICT on Operational Performance

Over the last decades ICT adoption proved to have strong and positive correlation with operational performance in the banking industry (Kairu & Rugami, 2017; Omanyo, 2014; Agbolade, 2011). Studies by Jawadi et al. (2010), Kombe and Wafula (2015), and Wasilwa and Omwenga (2016) revealed that ICT adoption contributed to expansion of financial services and enhanced performance through cost reduction. Sonja (2010) urged that IT adoption significantly increased efficiency on determining loan overdue and calculation of charges and penalties automatically. A study by Musa and Khan (2010) found that adoption of Point of Sale (POS) technology in MFIs operation enhanced implementation strategy and increased outreach through increased staff productivity. ICT adoption is considered as a catalyst and enabler for the MFIs to compete at a global scale due to improved efficiency, effectiveness, service delivery and enhanced customer and supplier relationship (Alam & Noor, 2009; Dangolan, 2011). Well-established technological infrastructure and devices in MFIs facilitates automation of loan application, approval, funds disbursement and tracking loan repayment (Singh & Padhi, 2015).

However, there is no evidence, which shows whether operational performance contributes to access to financial services in the unbanked population. Some studies show that access to financial services is affected by high costs of hardware, software and the internet, unstable network, financial literacy and security of information and fraud (Busler & Ssewanyana, 2007; Kevin, Bernard, & Ronald, 2013; Attom, 2013). For instance, clients spend much on services consumed because MFIs lease technology from mobile service providers to facilitate deposit accumulation, loan disbursement and loan repayment, as clients pay for services (Riggins & Weber, 2013). Further findings by Ray and MacMillan (2005) found that there were no direct effects of different ICT resources employed on the performance of customer service delivery.

1.2.2. ICT Adoption and Access to Financial Services

ICT adoption can benefit clients in the context convenient services, saving time and overcome distance barriers (Honohan., 2006). Another benefit of ICT adoption is smooth facilitation and transformation of regular banking services (Bada, 2012; Irechukwu, 2000). For example, mobile and internet banking contribute significantly to account opening, deposits, bill payment, balance enquiry and printing statements (Wasilwa & Omwenga, 2016; Thulani, Tofara, & Langton, 2009). Furthermore, mobile phones can serve not only as voice call conversations, but also monitor to customer account at anytime and anywhere through a short message services (SMS), whereby it is easy to view an account balance and track transactions (Enu & Gberbi, 2015; Nganga & Mwachofi, 2013; Vota, 2016).

Another study by Hossain and Ahmed (2014) explored the benefits and challenges of mobile banking service deployment for MFIs in South Africa. The study revealed that most of the MFIs deployed mobile banking for loan repayment and cash in and cash out services. Bada (2012) also investigated the extent to

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which MFIs used ICT to deliver business services in Uganda and results showed that ICT was crucial to service delivery to clients. Asare and Sakoe (2015) examined the effects of electronic banking products on financial service delivery in Ghana and found that electronic banking enabled customers to select products conveniently regardless of time and place. Dangolan (2011) found that ICT in the banking system of Iran contributed to saving time and cutting down expenses. According to a study by Wu, Li and Lin (2010), tustomer perception on online banking is high compared to other banking delivery channels in Taiwan.

Conversely, Munsaka (2009) found that retail prices of financial products could be affected by high investment costs and broadband services. A study by Luka and Frank (2012) revealed that customers were not comfortable with bank charges injected by MFIs. Maiyaki and Mokhtar (2010) also found that availability of electronic facilities such as ATM, online banking and mobile banking had no significant influence on customer's choice of financial institutions. Regardless multiple electronic modes of payment that exist and available in India, still many citizens prefer cash mode of payment (Khanna & Gupta, 2015).

Based on literature reviewed in this study, the following hypotheses were tested:

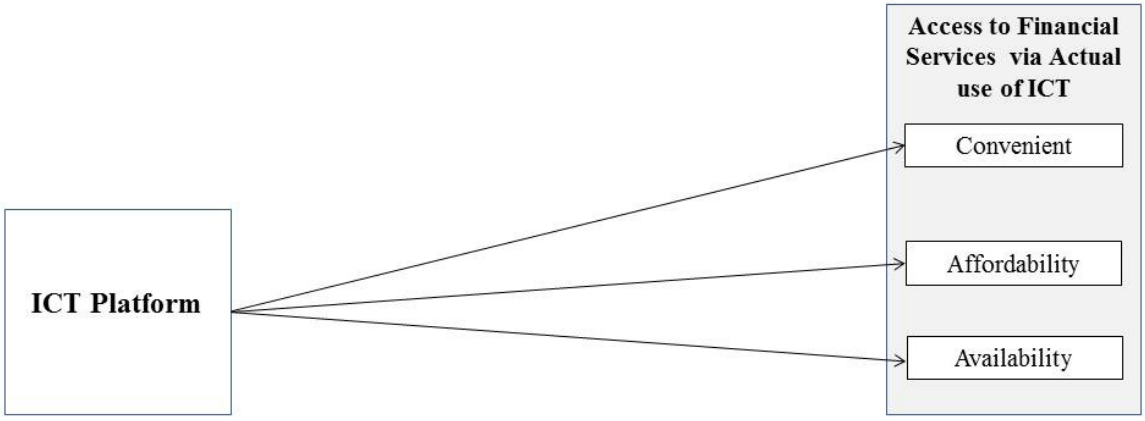
Hypothesis 1: There is a relationship between ICT adoption in MFIs and availability of financial services.

Hypothesis 2: There is a relationship between ICT adoption in MFIs and convenience of financial services.

Hypothesis 3: There is a relationship between ICT adoption in MFIs and affordability of financial services.

These three hypotheses and their relationship between ICT adoption in MFIs and access to financial services through actual usage of ICT can be seen in Figure 1.

Figure 6: Model of ICT Adoption on Access to Financial Services



3. Methods

3.1. Study Area

The study was carried out in Kilimanjaro and Dar es Salaam regions, which were selected because they had many MFIs (FDST, 2013). Located in northern Tanzania, Kilimanjaro Region has more than 1.6 million people and six districts with 116 MFIs. Dar es Salaam is situated in eastern part of Tanzania with

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more than 5 million people. Dar es Salaam is the commercial capital city of Tanzania and has five districts with 188 MFIs distributed across the region.

3.2. Sample Size Calculation

Sample size was calculated based on the standard formula detailed by Naing et al, 2006 with 95 per cent confidence interval, which gives the confidence level value of 1.96 from the normal distribution table. Marginal error of 5 per cent with 0.3 estimated value for the proportion of sample, which gives the minimum sample size in absence of known population. The target sample size was 322 clients for MFIs and this sample size was within the range as suggested by Sekaran (2000) that the sample size should range between 30 and 500 depending on the sampling design. Kline (2011) recommend that it was important to determine the minimum sample size that met the desired satatistical power as per model requirements before data collection.

A total of 77 MFIs (22 in Kilimanjaro and 55 in Dar es Salaam) from the regions, which provided financial services during the survey, were included. Each selected selected MFIs was visited and inofrmation was collected from clients. All clients, who attended MFIs for financial services on the days of the survey, were eligible and interviewed.

3.3. Study Design and Data Collection

A cross sectional study design was deployed to 77 MFIs to examine a relationship between ICT adoption and access to financial services for it suited the purpose. A structured questionnaire was developed as the main survey instrument to gather data from selected MFIs. The questionnaire consisted of a five-point Likert scale and respondents were asked to indicate the extent to which they agreed/disagreed with various statements. In addition, the questionnaire consisted of closed and open ended questions for gathering respondents' characteristics.

Field enumerators were trained on survey procedures and questions on the questionnaire for face to face was also administered. A random sampling technique was applied to select MFIs from the list given by respective districts. On the day of data collection, the first four clients, who visited the MFIs' office, were requested to be interviewed by researcher assistants with supervision from the researcher. The latter quested and they recorded responses in the questionnaire. This method reduced missing values and also improved the validity and reliability of data.

The questionnaire was designed in a manner that the respondents did not reveal their names and the name of the respective of MFIs for commercial confidentiality and sensitivity of financial information. Operational variables in the questionnaire were collected in a standard procedure to achieve the results and test the hypotheses of the study. A total of 303 questionnaires out of 322 were completed during the

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survey. Data was collected for 12 weeks.

3.4. Data Management and Analysis

Data were entered in the Statistical Package for Social Sciences (SPSS) version 20, a computer software programme. Data cleaning and analysis was performed using SPSS. The study applied a deductive approach to test hypotheses by either approving or disapproving, then the theory was confirmed, modified or abandoned.

A descriptive analysis was carried out to obtain frequencies, mean and standard deviations of various variables using SPSS. The results were presented in form of tables and graphs for easy interpretation of the findings. Furthermore, descriptive statistics were also used to obtain data patterns and check for outliers and missing values. An exploratory factor analysis (EFA) was employed to reduce variables to a manageable size into five factors, while retaining as much original information as possible. The study used Structural Equation Modelling (SEM) with the help of Analysis of Moment Structures (AMOS) version 21. SEM was employed to determine multiple relationships of independent and dependent variables simultaneously. After sampled data fitted the model well, hypotheses were tested and interpreted for examining a relationship between ICT adoption and access to financial services. A significance test of individual path parameters was tested by z-statistics=1.96, which is referred to as Critical Ratio (C.R.). The C.R greater than 1.96 was considered significant.

3.5. Ethical Clearance

A protocol of this study was approved by the Vice Chancellor of the University of Dar es Salaam and granted an institutional ethical clearance submitted to regional secretariats. All participants in the study were asked for oral informed consent before collecting data and they had a right to withdraw from the study at any time without they wanted.

4. Results

4.1. Respondents' Characteristic

Table 1 presents respondents characteristics from two regions (Kilimanjaro and Dar es Salaam). The results show that 67.3 per cent of the respondents were recruited from Dar es Salaam, while 54.1 per cent of the respondents were male. This implies that more males were recruited and attended for financial services in the MFIs during the survey than females. Furthermore, results shows that 47.2 per cent of the respondents were aged 20-30 years. The respondents were relatively young people. Demand for financial services increases as age increases and also this group has a high rate of ICT usage on different services. Respondents' income was generally low. Less than 10 per cent of the respondents would receive Sh1,000,000 and above per month. The output coincides with the study design as MFIs intend to offer financial services to low income earners.

Table 5: Respondents' Characteristics

Item	Frequency	Percent

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Region	Dar es Salaam	204	67.3
	Kilimanjaro	99	32.7
Sex	Male	164	54.1
	Female	139	45.9
Age *(Years)*	20-30	143	47.2
	31-40	119	39.3
	41-50	29	9.6
	≥ 60	12	4.0
Income	< 500,000	155	51.2
	500,000-1,000,000	128	42.2
	> 1,000,000	20	6.6

4.2. Factor Analysis

The factor analysis was conducted via principal component analysis with orthogonal varimax rotation. The Bartlett Test of Sphericity and Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy were used to validate the use of factor analysis. In Table 2 shows that the value of KMO is meritorious, fall between 0.80 and 0.89 and Bartlett's Test of Sphericity is significant (P<0.05) suggesting that factor analysis can be conducted (Kaiser, 1970).

Table 6: KMO and Bartlett Test Sphericity

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.860
Bartlett's Test of Sphericity	Approx. Chi-Square	6555.578
	df	595
	Sig.	.000

Several studies have given different cut off values for the retention of items based on the value of factor loadings, varying from 0.35 to 0.50 (Hair Jr, Black, Babbin, & Anderson, 2010). In this study, loadings of 0.50 or more are considered practically significant. Table 3 presents results of the exploratory factor analysis. The remaining items were grouped into four factors. First, factor is availability with six items. Second, it is affordability with six items. Third, it is ICT adoption with six items and fourth, it is convenience with four items as shown in Table 3.

Table 7: Exploratory Factor Analysis

Constructs	Factor Loadings

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	1	2	3	4
Receive alert on financial transaction update	.801			
Check balance of loan repayment	.773			
Check balance of savings	.759			
Repayment of loans	.739			
Deposit money	.648			
Enquire about financial services offered	.568			
Low service charges		.900		
Saving more money		.826		
Increase in dividends		.805		
Obtain more than one loan		.774		
Get micro insurance claim on time		.665		
Low maintenance charges		.564		
Mobile technology			.894	
Internet or website			.829	
Voice call			.796	
Local area network			.773	
SMS			.768	
Email or electronic data			.675	
Borrow money through download or online				.919
Easy process of borrowing money				.890
Open account through download or online				.841
Easy process in acquiring micro-insurance				.741

4.3. Cronbanch's Coefficient of Reliability, Mean and Standard Deviation of Constructs

Items in study constructs were tested for reliability. Table 4 shows that computed Cronbanch's alpha coefficients of the constructs or factors are above 0.6. The Cronbanch's alpha coefficients of 0.6 and above are considered more acceptable (Kline, 2011; Hair et al., 2010).This indicates that all items in factorial groups in this study are sufficient reliable measures.

Table 4 shows the computed mean and standard deviation value of the items in each construct-based on the five Likert scale. Results in Table 4 indicate that the overall mean value score of ICT adoption, availability and convenience are below 3. This implies that respondents were satisfied on the contribution of ICT to MFIs business. While the mean value of affordability construct was above 3, it implies that the respondents were not satisfied that ICT contributed to affordable services. However, the computed standard deviation values of all constructs were less than 3.This implies that the variability of the responses is small from the respondents.

Table 8: Mean, Standard Deviation and Cronbanch's alpha

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Construct	No. of Items	Mean	Standard Deviation	Cronbanch's alpha
ICT Adoption (ADO)	6	2.66	1.048	0.887
Availability (AVA)	6	2.32	.713	0.783
Convenience (CON)	4	2.40	.823	0.879
Affordability (AFO)	7	3.16	1.006	0.875

Notes: Mean scores based on a five-point scale, where 1= Strongly Agree and 5= Strongly Disagree.

4.4. Model Fit Measurement

The model fit comprises a measurement model and a structure model. The measurement model uses a confirmatory factor analysis (CFA) to validate sampled data if fits a hypothesised model of related constructs. The constructs of the hypothesised model were correlated by using two headed arrows in AMOS version 21 with a degree of freedom (df)) of 550. The AMOS version 21 generated fit statistics as follows: Chi-square = 1994.727; RMSEA= 0.093; GFI=0.739; CFI=0.769; TLI=0.750; NFI=0.708; Chi-square/df = 3.627. All generated fit indices do not fall within acceptable criteria. Hence, the model is rejected and subjected to modification.

In this study, the hypothesised model was rejected based on goodness-of-fit statistics, consideration for an alternative model that fits data is necessary (Lei & Wu, 2007). Modification of the model went through deleting weak factor loadings one after another. Thereafter, redundant items were paired or deleted one of the items preferable with a lower factor loading. Remaining factor loadings reported in the CFA output were above 0.69. New fit statistics generated from AMOS version 21 with degree of freedom (df) of 94 are: Chi-square=185.226; RMSEA = 0.065; GFI = 0.940; CFI = 0.969; TLI = 0.960; NFI = 0.940; Chi-square/df = 1.970. The results fall within acceptable limits as suggested in previous research using AMOS (Kline, 2011; Hair et al., 2010). Hence, the model fit the data well.

The overall hypothesised model was tested with the sample data and converted and executed into AMOS version 21. The results of fit statistics output met minimum requirements with degree of freedom of 97 as follows: Chi-square=193.004; RMSEA=0.057, GFI=0.927, CFI=0.967, TLI=0.960, NFI=0.937, Chi-square/df = 1.990.Thus, the model fits the data well and was subjected for hypotheses testing.

4.5. Hypotheses Testing

Subsequent to the model fits the data well, interpretation and examination for statistical significance of the parameter estimate (path coefficients and standard error) is proper. The significance test of individual parameters is tested by z-statistics, which is referred to as Critical Ratio (C.R.) obtained, when estimate divided by Standard Error (S.E) (Ullman, 2006). As a rough reference, the absolute value of this ratio greater than 1.96 may be considered statistically significant at the 0.05 level, otherwise the hypothesis can be rejected (Kline, 2011).

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Results in Table 5 show a positive standardised regression coefficient or weights of the path leading from ICT adoption to availability. The standardised regression coefficient of the path from ICT adoption to availability of financial services was 0.313 with the critical ratio (C.R) value of 4.886 above z-test value of 1.96. This implies a significant and positive contribution to the relationship between ICT adoption and availability of financial services. Another positive standardised regression coefficient of the path leading from ICT adoption to convenience was 0.060 associated with the critical ratio (C.R) value, which is less than z-statistics value of 1.96. The path indicates an insignificant relationship between ICT adoption and convenience of financial services. However, the positive standardised regression weight indicates that ICT use contributes to accessibility of financial services. The standardised regression coefficient of the path leading from ICT adoption to affordability is 0.078, which is a positive association with the critical (C.R) value given, which is below z-statistics value of 1.96. The path indicates that there is no statistically significant relationship between ICT adoption and affordability of financial services. However, the positive standardised regression weight indicates that ICT use has little contribution to make financial services affordable.

Table 9: Unstandardised and Standardised Regression Weights of the Relationship between ICT Adoption and Access to Financial Services

			Unstandardised Estimate	S.E.	C.R.	P	Standardised Estimate
CON	<---	ADO	0.079	0.079	1.003	0.316	0.06
AFO	<---	ADO	0.102	0.078	1.304	0.192	0.078
AVA	<---	ADO	0.283	0.058	4.886	***	0.313

5. Discussion

This study aims at assessing the relationship between ICT adoption in MFIs and access to financial services (availability, convenience and affordability). The findings provide some explanation to help understand how ICT adoption and access to financial services relate to each other. Availability of financial services is significant and is associated with ICT adoption. This implies that ICT platforms (mobile technology, the internet, websites and telephones) facilitate financial services to be available in unbanked communities. Results of this study coincide with previous studies of Karjaluoto, Mattila, & Pento (2002) , Bada (2012), Hosain and Ahmed (2014), Monyoncho (2015), Chale and Mbamba (2014) and Thulani et al. (2009), found that ICT adoption was related significantly to financial service delivery such as money deposits, withdrawals, money transfers and bill payments. Mohammed, Siba and Sreekumar (2009) also concluded that internet banking transformed traditional banking to a growing banks with a significant number of clients with high deposits. Another study conducted in Bangladesh concluded that mobile phone banking contributed to expansion of services via virtual bank accounts to many unbanked individuals (Rayhan, Sohel, Islam, & Mahjabin, 2012).

ICT adoption and convenience of financial services is insignificant. This is contrary to the output of Enu

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and Gberbi (2015), Asare and Sakoe (2015), Akanbi and Oladejo (2012) and Basweti, Masese and Martin (2013), who found that ICT use in the banking sector was related to accessibility in managing accounts, withdrawals, deposits and money transfrers regardless of time and location. Finally, the insignificant output of the relationship between ICT adoption and affordability of financial services is inline with the findings of Luka and Frank (2012), who found that clients were not comfortable with bank charges although ICT was used in banking services. Similar to Munsaka (2009), who studied the impact of ICTs on development, found that constraints of ICT affected consumer prices of final products.

5.1. Limitations of the Study

This study has several limitations. First, it does not include new emerging or sophisticated ICT platforms, which are commonly used by people or large organisations. It mainly focuses on basic or minimum ICT use in MFIs because they have budget constraints to invest in new emerging or sophisticated technology. Hence, further studies are recommended to include new emerged technology such as automatic teller machines, management information systems, points of sale and social media to produce innovative products and become competitive in the provision of financial services.

Second, the study does not cover ICT literacy. Hence, further studies are recommend to examine the contribution of ICT literacy to MFIs and access to financial services. According to Roger's Diffusion Innovation theory, an innovation decision process is knowledge in which an individual becomes aware of the innovation and how to use new technology (Rogers, 2003).

5.2. Conclusion

Most of the MFIs employ ICT platforms such as computers, the internet, websites, LAN, mobile and fixed phones to perform daily operations and enhance access to financial services to clients. A part from carrying out a business process, ICT plays a key role in financial service delivery to clients via electronic delivery channels. Hence, services are normally available to clients regardless of location and time.

The use of mobile phones and the internet is essential for communication between MFIs and clients. It is possible for clients to enquire about the availability of financial services offered by MFIs through sending SMS or making telephone calls to the MFIs personnel. In addition, clients can browse on the website to understand available financial services and information and download forms for membership account and borrowing money.

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A LITERATURE REVIEW ON ORGANISATIONAL LEARNING AND LEARNING ORGANISATIONS

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Abstract

The survival of any organisation, particularly, a profit oriented organisation depends to a large extent, on how well it can adapt to environmental changes, accepts changes and do better in terms of its operations. This conceptual paper reviewed some extant literatures on organisational learning and learning organisations with a view to answering the following question: First, how do you identify a learning organisation when you see one? Secondly, what is the conceptual difference between organisational learning and learning organisation? Thirdly, what are those impediments that deprive organisation from becoming a learning organisation? Fourthly, what benefits do organisations derive from being a learning organisation? Furthermore, it attempted to pinpoint some examples of learning organisations in Nigeria and USA. The contributions of the different approaches to the study of organisation learning and learning organisation are analyzed, and some areas are suggested where the transfer of analytical concepts may improve understanding.

Accordingly, this paper supports the proposition that organisation learning culture has direct influence on organisational organisational innovativeness, which is directly tied to long-term organisational success. It is recommended, therefore, that all organisations that want to remain competitive should focus on becoming a learning organisation.

Keywords: learning organisation, organisational leaning, knowledge transfer, competitive advantage

Introduction

An organisation's capability to learn has been linked to a fundamental source of competitive advantage (De Geus, 1998, p. 71), which is why Hussein and Ishak (2006) insisted that organisational learning helps to improve an organisations competitive advantage as well as responsiveness to change. Interestingly, "business executives and intellectuals have come to realize that knowledge assets and intellectual capital can best serve as a source of competitive advantage in comparison with the total dependence of traditional factors of production" (Morgan, 2000, p. 1). This lends a support to the fact raised by Handy (1990) over three decades ago, that the value of a firm's organisational learning capabilities and knowledge assets is frequently several times that of its material assets. This study will review several literatures on organisational learning and learning organisation to explore the various areas that

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organisations can benefit by focusing on the organisational learning process and its outcome (learning organisation).

Meaning of Organisational Learning

According to Saadat and Saadat (2016), the first to introduce the concept of organisational learning into the literature were Kurt and March. However, another study has it that Cangelosi and Dill (1965) were the first to introduce the topic of organisational learning with empirical analysis. Be that as it may, the quantum of debate on whether organisational learning should be conceptualized as a change in cognitions or behaviour has greatly reduced in recent times (Easterby-Smith, Crossan, & Nicolini, 2000), owing to the great acceptance in recent literature that learning involve both a change in cognition as well as change in behaviour. In other words, it is almost a universal postulation that learning involves both cognition and doing.

Organisational learning is defined as a change in the organisation's knowledge base that occurs due to past experience (Fiol & Lyles, 1985). Learning organisation has been described as an outcome or product of organisational learning, which is complex and multidimensional in aproach. That is why Jones and Hendry (1994, p.157) view organisational learning as a process going on in the learning organisation.
According to Cyert, and March, (1992) the creation of knowledge, the retention of knowledge, and the transfer of knowledge, which altogether can be classified as organisational learning, can be conceptualized as formal activities which are a function of experience.
Organisation learning is hereby viewed as a "multilevel process where members individually and collectively acquire knowledge by acting together and reflecting together" (Scott, 2011, p. 1).
Accordingly, this paper proposes that learning organisation culture have direct effects on organisational performance and organisational innovativeness, potentially leading to long-term organisational success.

Approaches to the study of organisational learning

There are two major approaches to the study of organisational learning are:
Cognitive and behavioural approach.

One of the cognitive theorists, Day (1994, p. 89) defined organisational learning as "the process of developing open-minded inquiry and informed interpretation." Taking into cognizance the fact that, an organisation can acquire knowledge without a corresponding change in behaviour; some researchers have defined organisational learning as a change in the range of potential behaviors (Huber, 1991). According to Huber (1991), an organisation is said to learn when any of its units acquires knowledge that it recognizes as potentially useful to the organisation. Scott, (2011) defines organisational learning as the "acquisition of new insights whereby learners develop new cognitive maps or belief systems" (p. 3).
According to her, whether there is an accompanying shift in behaviour or not, it is immaterial, as far as there is awareness within the individual or organism that there is a change in assumptions, belief and

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interpretive schemas, learning is said to have occurred.

There are scholars that support the cognitive-behavioural approach to the study of organisational learning. These theorists insist that for learning to take place, both the belief system and behaviour, by way of action, must be involved. Aryris (1977) in trying to establish a relationship between behaviour and action, defined learning as the discovery and correction of errors (Malek-poor Gol Sefidi, 2006). Here, learning is viewed as a change in cognition as well as a change in behaviour.
Alvani (2008) also supported Aryris opinion when he defines organisational learning as "the process of finding errors and mistakes and resolving and correcting them" (Senge, 2003, p. 47).

In the opinion of Mayo (1994), organisational learning consists of all the methods, mechanics and processes which are used in the organisation in order to achieve learning. Learning is about taking action. It is about using the information that we gather to create knowledge management systems and statistical databases and then using that knowledge to improve the organisation" (Giesecke & McNeil, 2004). The implication of this is that we cannot infer learning when knowledge is acquired but not applied in our daily activities.

Similarly, Pentland (1992) defined organisational learning as the capacity of an organisation to act competently. Some researchers have also measured knowledge by assessing characteristics of an organisation's products or services (Helfat & Raubitschek, 2000) or its patent stock (Alcacer & Gittleman, 2006).
Organisational learning is the process of improving actions through better knowledge and understanding. Organisational learning is the development of insights, knowledge and associations between past actions, the effectiveness of those actions and future actions (Fiol, & Lyles, 1988, p. 811).
Aligned with this more liberal view of the organisational learning process are: Cummings and Worley (1997, p. 492), who suggest that, organisational learning is a process aimed at helping organisations to develop and use knowledge to change and improve on their performances on a continuous basis. The concept of learning organisation has been linked to innovation and performance in organisations (Power & Waddell, 2004; Watkins & Marsick, 1993; 1999). The capacity for change and continuous improvement to meet the challenges in our ever changing environment in which organizations operate has been linked with the capability of these organisations to learn (Armstrong & Foley, 2003; Senge, 1990).

Generally speaking, learning involves knowledge acquisition, knowledge sharing, knowledge utilization and also new success. (Gumusluoglu, & Ilsev, 2009), therefore learning cannot take place by means of merely theoretical thinking. It has to be achieved through bodily experiencing and recognition, and by action.
According to Huber (1991) the "knowledge acquisition construct consists of five processes: The first is drawing on knowledge available at the organisation's birth, which can be construed to mean foundation learning" (p. 88). The second is learning from experience, which has to do with what individuals have

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learnt before. The third is learning by observing other organisations, which can be called role modeling. The fourth is grafting on to itself components that possess knowledge needed but not possessed by the organisation, and finally noticing or searching for information about the organisation's physical environment.

Grant (1996b) specifies that organisational learning capability is a consequence of sophisticated assimilation of knowledge, where productive activity is a function of the firm's capacity to harness and integrate knowledge attributed to multiple individuals and groups.

However, Morgan (2000) advised that caution should be exercised here in noting that organisational learning capability depends upon the firm's mechanisms and processes of knowledge integration, rather than the extent of knowledge that individuals and groups possess per se" (p. 23). For that purpose, learning needs a robust environment to thrive and that environment is one that gives time for the reflection of past actions and outcomes. The very implication of the above is that learning will only thrive when organisational members are prepared to accept some unpalatable truths about their thinking and actions.

Furthermore, it will not thrive in a blame culture in the sense that mistakes are inevitable and a consequence of learning. Such an environment makes a distinction between 'mistakes' that are due to irresponsibility and lack of forethought and those that are genuine explorations of a new idea or a new way of working and thinking.

On the basis of the above, individuals and teams must be encouraged to be innovative and creative and the only way to be innovative is to explore alternatives without limits, and to take thoughtful and calculative risks where desirable. For the simple reason that all the experiments are not bound to succeed we need to make several trials. When we encounter challenges, we do not need to think of them as failures; rather we need to call them legitimate explorations of the space of possibilities, as part of the search to find new ways of working or doing things.

Organisational learning occurs in a context (Glynn, Lant, & Milliken, 1994), which includes both the internal environment and the external environment. The internal environment has to do with those variables that are within the control of organisational managers. They include structures, people, and processes. The external environments are those variables outside the control of organisation managers such as competitors, clients, political, economic and legal systems of the business operating environment. The environment can vary along many dimensions, such as volatility, uncertainty, interconnectedness and munificence. The environmental context affects the experience the organisation acquires.

Dimensions of organisational learning

Management Training conveys the idea of making people more alike than different in some respect and trying to deemphasize individual differences in some particular area. Many organisations spend considerable time, energy, and money to make their managers more alike than different. Instilling company values and philosophy and inculcating the organisation's climate and norms are examples of

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exposing managers to ideas and ideals they are expected to emulate and to think similarly about (Reilly, 1998). A good example of management training include salary and payroll administration, data and information processing,

Management development means legitimizing individual differences, giving opportunities for managers to develop and actualize his or her potentials, and encouraging him or her to be more unique in their own personal characteristics.

Many organisations invest so much resource to management developmental programs, like educational advancement program, which will enable the individual to develop his own already built in competences. The assumption made here is that increased self-awareness and understanding can lead to attitudinal or behavioural changes that will increase an individual's personal effectiveness and ultimately the effectiveness of the organisation (Reilly, 1998, p. 1).

Organisational development involves policies and programs designed for inculcating in employees the right attitudes, skills and knowledge necessary for success in an employee's job function (Fajana, 2002). According to Beckhard (1969) organisational development is a planned process of cultural change, utilizing behavioural science knowledge as a base for interventions aimed at increasing the organisation's health and effectiveness. The focus of organisational development is not solely on the individual person and his or her growth in the organisation. Rather, the focus is on how the individual relates to his or her own work group and how his or her group interfaces with other groups in the organisation (Reilly, 1998)

The choice of learning approach employed is a dependent on the organisation objective, given the specific kind of change desired in the organisation. Whether the change is directed at reducing individual differences, legitimizing individual differences, or enhancing group/intergroup collaboration, performance is the key issue.

Benefits of Organisational Learning

Organisational learning results in technological innovation, process improvement and product enhancement (Gomes, & Wojahn, 2017). In fact, organisational learning will lead to a higher level of competiveness and it is considered a panacea for long term organisational success and growth. It has been established that there is a positive relationship between the degree of organisational turbulence and organisational learning. That means that the greater the changes in the external environment of a business organisation, the greater the need for organisational learning. In the absence of organisational learning there will be stagnation and the organisation will not be able to adjust to environmental changes. . According to Senge (1990), knowledge creation and organisational learning can create a new approach of continuous improvement leading to the increase of organisational performance. One of the reasons why organisational learning is important is that

Organisations that have a low level of organisational learning will not be able to adjust to environmental changes which are a consequence of technological innovation. This will invariably limit the ability of the

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organisation to remain competitive and it will lead the organisation to early death. Thus, one of the strategic values of an organisation lies in becoming a "learning organization". These organizations have an enterprise architecture that converts the firm into a place of learning, so the organization can make appropriate approaches to changing environment (Kogut & Zander, 1996; Garcia etal., 2007), cited in *Ramírez, Morale, & Rojas (2011).*

Levels of organisational learning

In every organisation, there are basically three levels of organisational learning:

***The individual level*:** Learning at the individual level entails getting a person cumulative or new ideas and information belonging to his environment, understanding them, interpreting and experimenting them and then, adjusting his behaviour in terms of obtained results using conceptual and cognitive processes (Saadat, & Saadat, 2016).

According to (Hollingshead, (1998) specialisation and distribution of knowledge among organisational members create barriers for them to effectively identify, retrieve and transfer knowledge when in need as cited in (Su, Huang, & Contractor, 2010).

The group level: When individuals share and interact with other individuals what they have learnt at the individual level, it becomes group level learning. Here, individual share their learning with other individual, interprets together, and obtains a group assumption. The essence here is on communication. Reagans, Argote, and Brooks (2005) studied group learning by examining joint-replacement surgery in teaching hospitals. They concluded that "increased experience working together in a team promoted better coordination and teamwork.

Organisational level: When groups come together to share their knowledge they have acquired through the process of communication, these learning are now transformed into an acceptable instructions for all organisational members and will be made assessable to everyone who needs them (Amir Kabiri, 2006). There are three main factors that trigger the study of organisational learning using the organisation as a unit of analysis.

First, is the organisational knowledge memory, which defines the major processes it uses to acquire knowledge (Metcarfe, & Gibbons, 1989). Secondly, in the aspect of technological development, emphasis should be placed on core competences of individuals and groups (Pavitt, 1991; Prahalad, & Hamel, 1990). Finally, there should be routines which operationalise the organisation memories and knowledge bases (Nelson, & Winter, 1982)

Process of organisational learning

Organisational learning involves five stages; from the process of knowledge acquisition to knowledge sharing to knowledge interpretation to knowledge maintenance and finally to knowledge utilization (Huang, 2010).

According to Argyris and Schon (1978, p. 323), “organisational effectiveness must be experienced before one can claim that organisational learning has taken place”

Su, et al, (2010), while citing Rulke, & Galaskiewicz, (2000), warned that “organisations should not

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indiscriminately embrace a centralised structure or reject a decentralised structure of knowledge and learning networks. While centralisation may entail efficiency and convenience for information seeking, decentralisation may facilitate the distribution of critical information" (p. 592)

"Organisational learning is as natural as learning in individuals as they attempt to adjust and survive in an uncertain and competitive world" (Dodgson, 1993, p. 380).

Mechanism of organisational learning

Mechanisms of organisational learning are includes the following elements:

1. Learning Environment
2. Identification of learning and development needs
3. Implementation of learned knowledge in practice
4. Fulfilling of learning and development needs (Riahi 2009)

5. The development of research and development is one of the institutionalized learning mechanisms (Mowery, 1981)

Factors that contribute to organisational learning

1. Corporate strategy: how organisation is structured to learn from mistakes.
2. Resource allocation: exploration and exploitation.
3. Recognition for the employees' motivation for learning.

Hashemi (2006) identified nine main factors that affect organisational learning as follows: systems thinking, team learning, mental models, ideal and vision commons, skill and domination personals, experimenting with new approaches, learn from past experiences, learning from others, and knowledge transfer.

Research has shown that organisation leaders have a very great impact on effective learning. Leaders, who view knowledge as valuable asset, tend to have a positive approach to organisational learning (Appelbaumn & Reichards, 1998). Organisations must, therefore design themselves as laboratories for learning in terms of acquiring, generating, sharing and using knowledge based resources continuously towards innovation and performance enhancement and acquisition, sharing and use of knowledge resources must involve all members of the organization (Khandekar, & Sharma, 2006, p. 688).

Furthermore, it is important that muribond methods of thinking should be reviewed; no wonder, Aryris (1977) advised that for double loop learning to take place it requires that underlying assumptions and norms should be open to objective evaluations. According to him, dilemmas and paradoxes are much more likely to occur in more advanced and successful systems given that deep-seated issues have long been engrained during the early stages of development. Similarly, West and Burnes (2000) maintained that, although organisational learning may be an important factor in building an organisation's competitiveness, it cannot and does not guarantee success on its own.

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Khandekar and Sharma (2006) in their study on organisational learning and performance, found that the organisational learning, which largely gets reflected through HRM activities, has a positive correlation with organisational performance**.**

According to Dunphy and Griffths, (1998) organisational learning provides an important route to performance, success and competitive advantage for the organisations

The Concept of a Learning Organisation

Learning organisations are organisations that are skilled at creating, acquiring and transferring knowledge, and at modifying their behaviour to reflect new knowledge and insights (Garvin, 1993, p. 80; Giesecke, & McNeil, 2004). Learning organisation is a very new concept in the field or management sciences. "Learning organisation is a form of an ideal organisation that promotes and facilitates learning of all its members" (Hussein, Mohamad, Noordin, & Ishak, 2013).

According to Yadav and Agarwal (2016), the concept of learning organisation was introduced by Peter Senge in 1990. According to him, Peter Senge was a senior lecturer of leadership and sustainability at MIT's Sloan School of Management and was also the founding chairman of the Society of Organisational Learning. Senge (1990) defined a learning organisation is an organisation that encourages and facilitates learning in order to continually transform itself to survive and excel in a rapidly changing business environment"

Learning organisations are where learning and work are integrated in an ongoing and systematic manner in order to support continuous individual, group and organisational improvements (Watkins, & Marsick, 1996). The implication of the above definition is that people that work in a learning organisation see learning as a continuous process and learn from virtually everything they do.

Griego, Geroy and Wright (2000) define learning organisation as an organisation that sought for transformation and excellence through interrupted and continuous organisational renewal and gradually mastering the subject matter". The process of creating learning organisations, there is a need to unlearn several uncooperative behaviours that are not favourable to the acquisition of knowledge and embrace new practices which have to do with: Learning Culture, Continuous Experimentation, Network Intimacy, Information Systems, Reward Systems, Human Resource Practices, and Leaders' Mandate (Yadav, & Agarwal, 2016, p. 19).

Characteristics of learning organisation

According to Sery, (2004), as cited in Gilaninia, Rankouh, & Gildeh, 2013, p. 47)

1) In learning organisation information runs smoothly at all levels of the organisation

2) Learning is done simultaneously at four levels of individual, group, intergroup, and organisational level.

3) Learning organisation has bright and consensus visions about the future, growth and development of the organisation and the employees.

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4) Learning organisation has a kind of reflective thinking and insights about people, organisation and management (Sery, 2004)

According to Iles and Sutherland, (2001), learning organisation can be distinguished in terms of organisational structure, organisational culture, information systems, human resources practices, and leadership.

- Organisational structure: Learning organisations have managerial hierarchies that enhance opportunities for employee, career and service user involvement in the organisation.
- Organisational culture: Learning organisations have strong cultures that promote openness, creativity, and experimentation among members. They encourage members to acquire process and share information, nurture innovation and provide the freedom to try new things, to risk failure and to learn from mistakes.
- Information systems: Learning organisations require information systems that improve and support practice and that move beyond those used in traditional organisations where information is generally used for control purposes.
- Human resources practices: People are recognised as the creators and users of organisational learning. Accordingly, human resource management focuses on provision and support of individual learning. Appraisal and reward systems are designed to measure long-term performance and to promote the acquisition and sharing of new skills and knowledge.
- Leadership**:** Learning organisations, like all other form of an ideal organisation, depends heavily on effective leadership. Leaders communicate a plausible vision of the learning organisation, by providing the support and interpersonal helping needed to transform and sustain an organisation growth path.

Another unique way to identify a learning organisation is that managers and employees encourage work related learning, the exchange of information between employees to bring about innovation and continuous organisational improvements (Giesecke, & McNeil, 2004, p. 4)

Furthermore, a learning organisation does not just learn for immediate utilization, but it also encourages anticipatory learning. This is a situation where an individual acquires new knowledge and apply that new knowledge in the performance of his task. Indeed, in a learning organisation, mistakes are not viewed as failures, rather they are viewed as opportunities to learn and improve on organisational outcomes.

"Learning organisation has a superior competitive advantage because they have brand equity which their competitors cannot match, and they attract and retain the best talent" (Wilhelm, 2017, para. 5)

Some studies have emerged linking capabilities as a source of competitive advantage and also accounts for the sustenance of these advantages (Amit, & Schoemaker, 1993). It goes therefore to suggest that since capabilities can only be derived from learning; organisational learning has unquestionably become a source of competitive advantage.

In a learning organisation, the value of continuous learning is espoused, driven and modeled by the

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organisational heads, to the extent that every organisational member knows and is convinced that continuous learning is both a means to an end and an end itself (Garvin, 1993, para. 5)

In a true learning organisation, there is open and unrestricted communication and people at all levels are included in most communications and there is an assumption that every member of the organisation "needs to know" what is happening at every point in time (Wilhelm, 2006)

Further, there is a presumption that senior organisational leaders must show that they are continuously learning by communicating what they are learning as they learn. There is also reward for people that have shown they are indeed learning with both monetary and non monetary reward like recognition, growth jobs, and promotions.

To be a learning organisation provides a competitive advantage: learning organisations are superior competitors, they have brand equity their competitors cannot match, and they attract and retain the best talent

When we consider these features and advantages, virtually all organisations will strive to be one. But, the question remains, how many organisations are really a learning organisation?

Examples of some learning organisations

A look at some organisations in Nigeria based on the above characteristics of a learning organisation, show that most of them are not close to what is called a learning organisation. However, a few of them can be classified as fitting into the description of a learning organisation. Example of such an organisation in Nigeria includes Nigerian Breweries Plc and Guinness Nigeria Plc.

Nigerian Breweries: has continuously improves products and develops new ones, always with the consumers at the center of its focus. It perceives unrecognized marketplace needs and creates new products to fill them. It makes it almost impossible for consumers to choose outside the wide product range. It ensures that all consumer segments are adequately served in terms of product and price variability. It engages all its members on continuous product innovations through extensive research and feedback from consumers. This is a confirmation of Pedler, Burgoyne, and Boydell (1991) postulated a learning organisation as "an organisation that facilitates the learning of all of its members and continuously transforms itself in order to meet its strategic goals" (p. 1)

Guinness Nigeria Plc: It continuously invents and implements new technologies and by recognizing the lifetime value of their customers, it treats them as long-term assets by maintaining and exceeding on customers' expectations. Guinness has not so much expanded its produce base like Nigerian breweries, but it has constantly upheld its uniqueness by continuously learning to provide innovations into the already existing products to ensure that those brands are not lost to competitors. It focuses on personal mastery by continually having a deep, focused and personal vision, channeling energies to courses of action that seem viable, by building patience, and by seeing things objectively, and by not being in a hurry to launch new

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products (Appelbaum, & Goransson, 1997)

Below are some examples of a learning organisation in the United States, according to CLO (2016)

General Electric: Its robust learning center provides learning on a continuous basis by the organisational leaders, as these learning are transferred to other organisational members without restriction. It prides itself in imbibing continuous learning as part of its culture.

Goldman Sachs: It has learning center provides comprehensive learning to a large pool of its managerial staff on a continuous basis and the learning is transferred to other organisational members.

Microsoft**:** Microsoft successfully made the massive shift in mindset from desktop computers to Internet when its marketplace changed. It has been steadfast in terms of continuous learning and improvement of processes.

Honda, and Corning are two other examples of organisations that have imbibed the organisational learning culture. These companies have become adept at translating new knowledge into new ways of behaving. They have actively managed their learning process to ensure that it is continuous and well planned (Garvin, 1993)

Summary and Conclusion

Organisational learning and Learning organisation are two different concepts. Organisational learning is a process that leads to an ideal state of a learning organisation. In fact, all learning organisations have organisational learning as part and parcel of their organisational culture. A learning organisation is one that helps to enhance organisational learning by creating structures, strategic fittings and strategic crafting.

Organisations need to constantly learn so that they will be able to cope with the future challenges that are brought about by dynamic technological changes. At the same time, it must continuously unlearn certain old assumptions that are no longer valuable and in tune. Once a learning organisation is developed, management must ensure that the tempo of learning must not be allowed to stop. In fact, the tempo must be increased on a continuous basis. Most times, when organisations achieve initial success, they tend to stop learning because they feel they have arrived, and that is the main reason why most companies fail after achieving initial success.

When organisations are young, they tend to be fluid, flexible and be willing to learn, but as they achieve initial success and grow, flexibility gives way to rigidity and there is loss of vigor and willingness to learn. It is that initial success that brought failure to them because they feel they have arrived and therefore, they see nothing new to learn. The people in the organisation relax and enjoy their fortune. They have lost environmental sensibilities and this has made them to be blind to new opportunities in the business

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environment. Before they realize what is happening, their competitors have already overtaken them and that marks their downfall.

Learning should be engrained as part of their organisation philosophy and core organisational value and culture. It is only by so doing that organisation will be able to face tomorrow when it actually comes. Furthermore, for effective double loop learning to occur at the organisational level, there is a need for organisational leaders to appreciate the value of learning as a panacea for organisational sustainability. Finally, organisational leaders should make a gradual but holistic shift from their traditional role of figurehead, company spokesman, and resource allocator to a broader cross functional role of encouraging constructive dialogue, experimentation of ideas, which will create an environment capable of facilitating open communication.

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