VOLUME 6 NUMBER 4 Nov 2014
ISSN 2076-9202 (Print)
ISSN 2218-046X (Online)

International Journal of Information, Business and Management

ELITE HALL PUBLISHING HOUSE

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International Journal of Information, Business and Management

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ISSN 2076-9202

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ISSN 2076-9202

International Journal of Information, Business and Management

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Web: http://ijibm.elitehall.com
ISSN 2076-9202 (Print)
ISSN 2218-046X (Online)

JOB SATISFACTION OF THE TEACHING AND NON-TEACHING STAFF OF THE LYCEUM OF THE PHILIPPINES UNIVERSITY - BATANGAS

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ABSTRACT

This paper aimed to identify the level of job satisfaction of the teaching and non-teaching staff of Lyceum of the Philippines University, Batangas City. The descriptive method with Pearson correlation analysis was used in this study. LPU-Batangas have high level of job satisfaction in terms of maintenance/hygiene factors and satisfiers/motivation factors. There is a significant relationship between hygiene and motivation factors based on the level of job satisfaction of teaching and non-teaching staff. Implement and monitor the programs that would promote the growth and development for employees, recognition and awards, the improvement of work itself and the programs that would make employees feel they have achievements.

Keywords: Job Satisfaction, Hygiene Factor, Motivation Factor, Satisfier, Teaching Staff

INTRODUCTION

In the advent of global economy, the importance of human resources development (HRD) in creating and sustaining growth and development has become more pronounced today not only in business communities, but most especially for educational institutions which are considered as the prime producers of human resource force of the country. Human resource management and development (HRMD) has risen to center stage alongside the concerns for the efficient development and utilization of capital, technology, and natural resources. In any country around the world, managers are looking at their people today as the major source of competitive and borderless economy. As we face tougher global competitiveness, educational institutions must recognize that the human resource development must be given the first priority (Javier, 1999).

The effectiveness of any educational institution depends primarily on the competence and commitment of its faculty who are regarded as the heart of the educational process. Certainly, they are the most valuable and indispensable partners of the school in educating the school clientele and

ISSN 2076-9202

as such they truly have a vital role to play in the education of the youth. Equally, the role of the non-teaching staff cannot be downplayed because they render support academic and non academic management and students services which are crucial to the satisfaction and loyalty of the students.

For quality education to become a reality, the teaching and non-teaching staff should be the central focus of all developmental plans and programs. A highly responsive curriculum, a physically well-equipped school and state of the art technology are nothing if the teachers and non-teaching staff themselves do not deliver their maximum potentials and capabilities. Since these employees play a vital role in the delivery of quality services aimed in the provision of quality education, the school management must take steps to increase their job satisfaction.

This study is anchored on the theory of Herzberg (in Javier, 1999). According to Herzberg, there are two sets of factors that influence the behavior of the employees in the organization. The first set of factors is the maintenance or hygiene factors-- the absence of which will cause dissatisfaction. In this particular study, these factors are: compensation, benefits, working condition, interpersonal relations, company policies, supervision and management.
Maintenance or hygiene factors do not necessarily motivate workers in the organization. The presence of these factors helps prevent dissatisfaction of employees. In a psychological sense, these factors are also considered as the extrinsic factors.
On the other hand, the second set of factors is the motivational factors or satisfiers and which are said to be the factors that motivate employees. In this particular study, the motivational factors or satisfiers include achievements, recognition, work itself, responsibility and advancement, supervision, management and commitment.
Job satisfaction is defined as pleasurable or positive emotional reaction to a person's job experiences. People who are satisfied with their works perform efficiently and productively for the company. They possess a greater sense of responsibility and exhibit commitment to contribute something for the success of the business (Cook, 2008). They inspired to work and consider the company as their own business enterprise. This is the reason why there are already a lot of studies that investigate the link between job satisfaction and job performance (Judge, Thoresen, Bono & Patton, 2001). Incentives have a great impact to the employee where improving performance is the great impact of the incentives. It can reduce labor turnover, loyalty to organization and can lead to job satisfaction (Umali et al, 2013).

Managers should provide a system by which job satisfaction of employees could be attained to a comfortable level so that productivity in the organization could well be attained. This implies that management needs to secure information about it in order to have sound information for making decisions that might affect employees' job satisfaction.

Lyceum of the Philippines University-Batangas (LPU-B) a tertiary educational institution located in Kumintang Ibaba, Batangas City, envisions itself to be a recognized University in the Asia Pacific Region in 2022 (Quality Manual, LPU-B, 2012). In line with this vision, LPU-B management focuses in its commitment to sustain the job satisfaction of well- rounded human resource force who are competent, committed, credible and caring. To motivate these employees, there are several human resource management and development programs that are in place to ensure

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that they perform in accordance with the defined standards. One of the approaches utilized is to measure their levels of job satisfaction.

This paper investigated the level of job satisfaction of the teaching and non-teaching staff for the period of Second Semester 2011-2012. The participants of the study are the 183 teaching staff and 288 non - teaching staff. The results of this study can be utilized as basis of the Human Resource Management and Development Office in designing programs that will enhance employee job satisfaction, and consequently, they may be motivated to work harder towards the realization of LPU-Bs vision and mission. Ultimately, the main beneficiaries of this study will be the students because they are the recipients of the services being rendered by these LPU-B employees.

OBJECTIVES OF THE STUDY

This paper aimed to identify the level of job satisfaction of the teaching and non-teaching staff of LPU-B. This study specifically aimed to determine the profile of the teaching and non-teaching staff in terms of age, gender, civil status, length of service, educational attainment; to determine the level of job satisfaction of the teaching and non-teaching staff in terms of maintenance/hygiene factors, satisfiers/motivation factors and to investigate the extent of association between maintenance/hygiene factors and satisfiers/motivation factors.

MATERIALS AND METHOD

The descriptive method with Pearson correlation analysis was used in this study. It described the profile of the respondents in terms of age, gender, civil status, length of service, and educational attainment. It also described the level of job satisfaction of the respondents in terms of the maintenance or hygiene factors and the satisfiers or motivation factors. The source of data is the job satisfaction questionnaire which is self- constructed. Below is the item distribution of Job Satisfaction questionnaire:

Table 1
Item distribution of Job Satisfaction Questionnaire

Area	Items	No. of Items	Percent
Hygiene Factors			
Compensation	8	1	8.33
Benefits	10,11	2	16.67
Working Condition	12,13	2	16.67
Interpersonal Relations	14,15,16,17,18	5	41.67
Company Policies	5,6	2	16.67

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Total		12	100%
Motivation Factors			
Achievement	1,4,15	3	10.71
Recognition	24,25	2	7.14
Work Itself	14,6,7,8,9,11,18,19	8	28.57
Responsibility and Advancement	2,10,13,16,17,22,23	7	25
Supervision	1,2,3,21	4	4.35
Management	4,5,7	3	14.29
Commitment	20	1	3.57
		28	100

Data gathered are organized and processed by the Statistics center of the University. The mean scores were interpreted using the following rating scale.

Table 2
Arbitrary Guide Used to Interpret the Data

Weight	Range	Verbal Interpretation
4	3.50 – 4.00	Very Satisfied / Very High
3	2.50 – 4.49	Satisfied / High
2	1.50 – 2.49	Dissatisfied / Low
1	1.00 – 1.49	Very Dissatisfied / Very Low

RESULTS AND DISCUSSION

Table 3 shows the profile of teaching and non-teaching staff of the LPU-Batangas.

Table 3 Profile of Teaching and Non-Teaching Staff of LPU-Batangas

Profile	**Frequency**	**Percentage**
Age Bracket		
20-30	106	22.50
31-40	141	29.94
41-50	81	17.20
51- 60	43	9.13
61 & Above	7	1.49
No response	93	19.74
Total	417	100
Gender		
Male	124	26.33

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Female	267	56.69
No Response	80	16.98
Civil Status		
Single	126	26.75
Married	263	55.84
No Response	82	17.41
Length of Service		
1 – 4 years	132	28.02
5 – 9 years	107	22.72
10 – 14 years	59	12.53
15 – 19 years	41	8.70
20 – 30 years	37	7.86
31 years and above	4	.85
No response	91	19.32
Educational Attainment		
Associate Degree	9	1.91
Bachelor's Degree	140	29.72
Master's Degree	182	38.64
Doctorate Degree	32	6.79
Vocational Degree	2	.42
No Response	106	22.51

Almost 30 percent or 141 teaching and non-teaching staff belongs to the age bracket of 31-40. It could be interpreted that the employees of this age group are those who are still in their "energetic" years. Eighty one or 17.20 percent belong to the age bracket of 41-50 years old. This is the age bracket which can be considered to be at the "middle age". Forty three employees or 9.13 percent belong to the age bracket of 51-60 or those who are nearing their retirement years, as per the provision of the Employee Manual- where employees can be automatically retired at the age of 60 years old, and later, if their performance is good, they can still be rehired on contractual basis. There are seven employees or 7 percent who are more than 61 years old; this age are those who are considered senior citizens. Meanwhile, 106 employees belong to the age bracket of 20-30 years old, or those who belong to the younger bracket. Ninety three employees or a good 19.74 percent did not specify their age bracket.

Majority or 56.69 percent of the respondent- teaching and non-teaching staff are female. 124 or 26.33 are males, while the rest of the 80 employees or 16.98 percent did not give their answer. Almost 56% or 263 employee- respondents are married; the rest are single or not married (126 or 26.75%). Meanwhile, 82 respondents or 17.41 percent did not reveal their civil status.

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As to the length of service, majority of the respondent- teaching and non-teaching staff with 339 or 72 percent have worked in LPU for more than five years. This is an indication that these employees are already on their tenured or regular status, and as such, they are already enjoying the employee benefits. This finding is also an indication that these employees like to stay longer in LPU. This finding conforms to the records of the HRMD where there is a low turn over rate of the LPU employees. Meanwhile, 132 employees have worked in LPU for less than a year and up to four years of service.

There were 182 or 38.64 percent of the respondent - employees have finished their master's and doctorate degrees. This is an indication that these employees comply with the regulatory requirement of CHED which mandates that full time faculty members should possess relevant master's and doctorate degrees. Almost 30 percent or 140 are bachelor degree holders. This data reveal that these employees need to finish their relevant master's degree, especially if they belong to the teaching staff, so that they can conform with the CHED requirements. Eleven of the employees are either Associate Degree or Vocational degree holders. This is an indication that these employees are those who belong to either janitorial or technical staff level, because one requirement of LPU for hiring of employees to be deployed in offices are those who have finished bachelor degree in related work or field while 106 did not indicate their educational attainment.

Table 4 presents the job satisfaction of respondents in terms of hygiene factors.

Table 4

Level of Job Satisfaction In Terms of Hygiene Factors

Hygiene Factors	WM	VI	Level
Compensation	3.22	Satisfied	High
Benefits	2.88	Satisfied	High
Working Condition	2.97	Satisfied	High
Interpersonal Relations	3.01	Satisfied	High
Company Policies	3.02	Satisfied	High
Composite Mean	**3.02**	**Satisfied**	**High**

V. I. - verbal interpretation; WM – Weighted Mean

It could be gleaned from Table 1 that the level of job satisfaction of the teaching and non-teaching staff is High (3.02). This could be interpreted to mean that these employees are satisfied with the maintenance factors that prevent their job dissatisfaction. This table also reveals that in terms of the compensation, the level of job satisfaction of the teaching and non-teaching staff is also High (3.22). This factor has the highest rating compared with the other factors. This data could mean that these employees are satisfied with the salary they are receiving from the University. As to benefits, the level of job satisfaction of the respondents are also High (2.88), and which could mean

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that they are also satisfied with their benefits. In terms of working condition, the employees rated this as High (2.97). In terms of interpersonal relations, the employees rated this as High (3.01). This could mean that the employees have good working relationships among each other. Meanwhile, the level of job satisfaction of the teaching and non-teaching staff in terms of company policies is also High (3.02), and which could mean that they are also satisfied with the policies of the university. That the level of satisfaction in terms of Hygiene factors is High could be interpreted to mean that the respondent employees are satisfied with the extrinsic factors that they experience in LPU. This finding could also be interpreted as an opportunity for improvement, in such a way that the level of satisfaction could still be elevated into the level of Very High.

Table 5 presents the level of Job Satisfaction of the respondents in terms of Motivation factors.

Table 5
Level of Job Satisfaction in terms of Motivation factors

Motivation Factors	**WM**	**VI**	**Level**
Achievement	3.14	Satisfied	High
Recognition	2.97	Satisfied	High
Work Itself	3.15	Satisfied	High
Responsibility and Advancement	3.10	Satisfied	High
Supervision	3.04	Satisfied	High
Management	3.12	Satisfied	High
Commitment	3.02	Satisfied	High
Composite Mean	**3.08**	**Satisfied**	**High**

Table 3 shows that the computed composite mean in the level of job satisfaction in terms of motivation factors is High (3.08). It is interesting to note that the level of motivation factors is higher compared with the level of hygiene factors. This could mean that the teaching and non-teaching personnel are more satisfied with the motivation factors compared with the hygiene factors. In terms of Achievement, the level of job satisfaction is High (3.14). This could mean that LPU respondent employees are satisfied with the achievement that they experience in the school. The level of job satisfaction in terms of Recognition is also High (2.97). This could be interpreted to mean that the teaching and non-teaching staff members are satisfied with the recognition they receive for their work. The level of job satisfaction in terms of the Responsibility and advancement is also High (3.10). This responsibility and advancement refers to learning and development, and in some cases, with the promotion that they accorded to in the university. This could also mean that the respondent- employees are satisfied with the responsibilities that the school is giving them. In terms of Work itself factor, the level of job satisfaction of the teaching and non-teaching staff is also High (3.15). This could mean that they are satisfied with the work that is being entrusted to them by the school. On the other hand, in terms of Supervision, the employees

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rated this factor as High (3.04) which may indicate that they are satisfied with the degree of supervision being given to them while in terms of Management, the employees rated this also as high (3.12) which could mean that the employees are satisfied with how the university is being managed. Finally, in terms of Commitment factor, the level of job satisfaction of the respondents is also High (3.02). This may be interpreted to mean that they are committed to the attainment of the VMGO of the University through the work assigned to them. That the level of satisfaction in terms of Hygiene factors is High could be interpreted to mean that the respondent-employees are satisfied with the intrinsic factors that they experience in LPU. These results could also be interpreted to mean that there is an opportunity for improvement, in such a way that the level of satisfaction in terms of Motivation factors could still be elevated into the level of Very High.

Extent of relationship between motivation/satisfiers factors and hygiene/maintenance factors

Table 6 describes the extent of relationship between motivation/satisfiers factors and hygiene/maintenance factors.

Table 6

Relationship between Motivation/satisfiers factors & Hygiene/maintenance factors

	Hygiene	Motivation	P-Value	Remarks
Hygiene	1	.979 (**)	.000	Highly Significant
Motivation	.979(**)	1	.000	Highly Significant

***** Correlation is significant at the 0.02 level (2-tailed)***

It could be gleaned from the data that there is a highly significant relationship (p-value = .000) between these two sets of factors in the level of job satisfaction of the respondent-employees of LPU. This is an indication that the higher the level of satisfaction in the motivation factors, the better will be the level of satisfaction in the hygiene factors. With this strong relationship between the two sets of factors of the job satisfaction, it could be interpreted to mean that LPU employees who are highly motivated due to the motivation factors are the ones who are most likely to have no dissatisfaction. This is also an indication that the HRMD office of LPU should provide meaningful programs that could positively the motivation factors of the employees.

CONCLUSION AND RECOMMENDATION

Significant number of employees (43 or 9.13%) belong the age bracket of 51-60; these employees are nearing their retirement age of 60 years old. Seven employees or 1.49 percent are more than 61 years old; this age bracket is considered senior citizens. This is an indication for the top management through the HRMD office to implement the succession planning program to ensure continuity of implementation of the identified strategic plans.

Majority of the LPU employees are female. This is an indication for the HRMD office to create

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programs that will increase the level of satisfaction of these female employees. Majority of the LPU employees are married, which is an indication that majority of them are breadwinners. This is also an indication that the top management should design programs that will improve the present salaries and benefits—this will ensure increasing the level of job satisfaction of these employees from High to Very High.

Almost one-third of the teaching personnel are still in their bachelor's degree level. HR should vigorously pursue the continuing education program of the employees, and require them to finish their master's and doctorate degrees.

As to the level of job satisfaction, both the hygiene/maintenance factors and the motivation/satisfiers factors are in the High level. Although this is already a "good" level, still, there is an indication that the level can be increased from High to Very High, which can be done in the form of improved or better human resource management and development programs, say, in the form of better benefits, better working conditions, training to supervisory levels so their level of supervision can be improved, or better growth and development opportunities for the employees.

The positive association between the hygiene/maintenance factors and the motivation/satisfiers factors is an indication that the top management of LPU should continuously institute programs that would improve the motivation/satisfiers factors, such as the growth and development for employees, recognition and awards, the improvement of work itself and the programs that would make employees feel they have achievements, as improvements in these areas would positively affect the level of job satisfaction in both the hygiene/maintenance and motivation/satisfiers factors.

It is also recommended to implement and monitor the succession planning program of LPU-B. Create more programs that would benefit the female employees. Vigorously monitor the faculty and development program of the institution, particularly the continuing education program (CEP) to ensure that all employees attain master's or doctoral degrees. Conduct a regular research on the job satisfaction of employees every three years, and relate this with the variable job performance.

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ISSN 2076-9202

Application of Electronic Customer Relationship Management (e-CRM) for promoting products and Services in a Local Context: Exploration of a Case

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Abstract

Nowadays, Customer Relationship Management (CRM) is a very important field in the management area. CRM allows the development of products and services by better understanding underlying customer behavior provides a way to handle customer questions and complainers, and provides direct immediate information to sales, marketing, and employees as needed to better serve the customer. However, CRM goes beyond customer focus. Not only CRM builds relationships and uses systems to collect and analyze data, but it also includes the integration of all the activities across the firm, linking these activities to both firm and customer value, extending this integration along the value chain, and developing the capability of integrating these activities across the network of firms that collaborate to generate customer value, while creating shareholder value for the firm. The present paper investigates all the factors that lead to a successful e-CRM , and focuses on those that regard e-CRM in Greece displaying through literature review and data collection research that CRM in Greece has the prospects of growth.

Definition and a general description of CRM

Relationship marketing refers to all marketing activities directed toward establishing, developing and maintaining successful relational exchanges with customers. The modern Customer Relationship Management (CRM) concepts were shaped and influenced by the theories of total quality management and by new technological paradigm (Gummeson, 1997)..There is, however, a perceived lack of clarity in the definition of customer relationship management, although all accepted definitions are sharing approximately the same basic concepts: customer relationships, customer management, marketing strategy, customer retention, personalization (Zineldin, 2000).

Customer Relationship Management (CRM) can be understood as a revolving process during which companies interact with their customers, thereby generating, aggregating, and analyzing customer data, and employing the results for service and marketing activities. There is a growing number of channels by which a company can interact with its customers. These include (1) sales force, including field account management, service, and personal representation; (2) outlets, including retail branches, stores, depots, and kiosks; (3) telephony, including traditional telephone, facsimile, telex, and call centre contact; (4) direct marketing, including direct mail, radio, and traditional television (but excluding e-commerce); (5) e-commerce, including e-mail, the Internet, and interactive digital television; and (6) m-commerce, including mobile

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telephony, short message service and text messaging, wireless application protocol, and 3G mobile services (Payne , A. & Frow, 2005).

CRM automates and centralizes customer contacts, allows the development of products and services by better understanding underlying customer behavior provides a way to handle customer questions and complainers, and provides direct immediate information to sales, marketing, and employees as needed to better serve the customer. However, CRM goes beyond customer focus. Not only CRM builds relationships and uses systems to collect and analyze data, but it also includes the integration of all the activities across the firm, linking these activities to both firm and customer value, extending this integration along the value chain, and developing the capability of integrating these activities across the network of firms that collaborate to generate customer value, while creating shareholder value for the firm (Bannon, 2001).

The entire above are included in Payne's and Frow's (2005) definition of CRM at their article *A Strategic Framework for Customer Relationship Management*. They define CRM as *"a strategic approach that is concerned with creating improved shareholder value through the development of appropriate relationships with key customers and customer segments. CRM unites the potential of relationship marketing strategies and IT to create profitable, long-term relationships with customers and other key stakeholders. CRM provides enhanced opportunities to use data and information to both understand the customers and co-create value with them. This requires a cross-functional integration of processes, people,* CRM is a dominant point of discussion in business - in July 2002, Amazon.com listed 90 current books on CRM. Most companies have or will attempt a CRM implementation at considerable cost - it is estimated that 45 percent of all companies have CRM applications and 37 percent have applications in implementation and planning stages (Leon, 2001). According to a survey conducted by InfoWorld, 77 percent of the business respondents considered CRM critical. The CRM industry is believed to be a ten billion dollar industry growing at a 27 percent annual rate (Apicella, 2001)..

There is currently no rigorous approach to classifying CRM applications on a wide ranging basis which will include criteria such as functionality, company strategy, legacy back office systems and application architecture. Current classification of CRM identifies three groupings (Karimi, 2001):

i. Operational CRM products – for improving customer service, online marketing, automation sales force, etc.

ii. Analytical CRM products – for building data warehouses, improving relationships, analyzing data, etc.

iii. Collaborative CRM products – for building online communities, developing business-to-business customer exchanges, personalizing services, etc.

While classifying CRM applications as collaborative, analytical or operational provides some discrimination, in practice, such discrimination is limited. Most organizations and functions are likely to use more than one CRM application or, otherwise, use one application that has multiple capabilities (Karimi, 2001) *operations, and marketing capabilities that is enabled through information, technology, and applications."*

The problem is that CRM means different things to different people. For some, CRM means direct e-mails. For others, it is mass customization or developing products that fit individual customers' needs.

The evolution of e-CRM and why we have chosen retailing

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The implementation of CRM impacts on a number of functions within an organization including sales, operations, marketing and finance. Also implementing CRM is certain to involve the deployment of new technologies. The deployment of such technologies gives an insight into the rate of growth of CRM application (e-CRM). Millions of dollars are being invested by companies in e-CRM technology alone (Adebanjo, D. 2003).

The internet has created a hypercompetitive situation. Brynjolfsson and Smith explain that *"this has some roots in the creation of a frictionless economy, where transaction costs are low, and customers can float freely from competitor to competitor"*. The Internet has also caused information scarcity to evolve into information democracy, where any node of the Web can, in theory, absorb, use and diffuse information. The result is a reduction in information asymmetry between economic agents (Brynjolfsson & Smith, 2000)..

The nature and rate of adoption of the emerging e-business technologies and strategies will be of considerable interest to managers, who will progressively be looking to improve operating efficiency and effectiveness in marketing networks as well as in communications and distribution channels, which together make up vital supply chains (Zwass, 2003)..

The internet has provided a platform to deliver CRM functions on the Web (e-CRM), thus business moves to the Web and e-CRM will move to center stage. E- CRM is just part of a comprehensive CRM strategy and implementation (Feinberg, 2002). The internet is clearly a retail channel of the future (if not now). If this is the case then retailing serves as a fertile research arena to look at CRM implications on the Internet. E- CRM refers to the marketing activities, tools and techniques, delivered over the Internet - using technologies such as Web sites and e-mail, data-capture, warehousing and mining - with specific aim to locate, build and improve long-term customer relationships to enhance their individual potential**.** Since most companies will be implementing E-CRM advance as they become Web enabled, studying E-CRM Web applications in retailing may shed light on CRM application on other Web initiatives in other industries (Feinberg, 2002)..

Retailers are at the front end of the supply chain and consequently are the "interface" from which consumers make their purchases. This suggests that the retail industry is likely to be ahead of other industries in understanding CRM. We know that 100 percent of the top retailers have retail Web sites with at least some e-CRM features (Feinberg, 2002). Retailing is also the forefront of e-commerce. According to the US Census Bureau, e-retail sales accounted for only 1.2 percent of all retail transactions in 2001. It is clear that e-retailing will continue to grow and become a more significant portion of retail sales that it currently is. The use of retail web sites by consumers for purchase and information gathering suggests that these Web sites will be an essential e-CRM tool in the future (Feinberg 2002).

The shift of consumers to use of the Web for contact is not driven by the fact that companies save money. The swift to Web access is a general evolutionary migration of consumers to the Web for all aspects of retail and business activity because of the Internet becoming more available and consumers gaining more experience and comfort with Web business decisions. Along with consumer attitudes and shopping orientation, there has been significant weight given to price perceptions of consumers, and its impact on the adoption of non-store shopping. This body of work on price perceptions and adoption of shopping environments has produced significantly differing findings (Fenech & O'Cass, 2001). Related to price perceptions, Darian identified five dimensions of convenience for in-home shoppers, including reducing the time spent on shopping, providing flexibility in the timing of shopping, saving physical effort of visiting a

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traditional store, reducing aggravation and providing the opportunities for impulse buying in response to advertisements received while at home (Darian, 1987). When shoppers were asked for the major factor that induced purchases via the World Wide Web, the majority cited convenience.

One of any businesses' primary concerns is the effect of the Internet's efficiency on competition. With the use of Internet customers can compare the products and their prices easier and faster. Alba and Bakos discovered that the relative ease that products can be compared over the Internet would increase the importance of price in a buyer's decision-making process, thus forcing the prices to drop to relatively similar levels especially in low differentiated commodity markets (Alba, 1997; Bakos, 1998).

Some of the advantages of e-CRM for the companies are:

i. Along with saving e-CRM solutions can help companies add to the bottom line. Given the only two percent of Web visitors will actually make a purchase, companies should spend more time tracking why Web visitors abandon their purchase or shopping cart. A company can use e-CRM to identify an Internet niche to increase online purchases and reduce abandoned purchases (Scullin, Fjermestad & Romano Jr., 2004).

ii. When a company has a highly customized product it requires extreme care and focus when discussing the product specifications and taking a customer order. Paper orders can become misplaced and information can be omitted. Moving the ordering process to an online system will give the customer and customer service representatives a better chance of succeeding (Scullin, Fjermestad & Romano Jr., 2004).

The e-CRM is thus allowing sales representatives to view customer information from anywhere and has freed up customer service representatives to focus on obtaining new customers (Scullin, Fjermestad & Romano Jr., 2004).

However, Fenech and O' Cass, in their article "Internet users' adoption of Web retailing: user and product dimensions", have high lightened some problems that e-retailing is facing – trust being the most dominant one. Even with the necessary technical infrastructure for e-commerce being in place, the essential component of user trust appears to be lacking. Factors that invoke the trust building process such as supplier size, salesperson's expertise, power, confidence and likeability are not clearly seen or experienced by the Web buyer. More influential to a potential buyer than input from sales from a sales clerk may be the ability to be able to inspect the items in store (Fenech & O' Cass, 2001).

Internet based CRM has three general areas:

1. Presales information (corporate product);
2. E-commerce services; and
3. Post sales support.

As discussed in Dotun Adebanjo's article (Adebanjo, 2003), *organizations that adopt e-CRM solutions would expect that the applications improve their operational effectiveness and therefore deliver value to the organization. Value can be gained in a number of ways including:*

Reducing the cost of contacting customers – by making customer details readily available, customer contact personnel have better opportunities to resolve customer enquiries in less time, thereby freeing them for other productive work.

Transferring some responsibility to the customer reduces administrative and operational costs for the organization and, therefore, increases the value that an e-CRM solution will deliver to the organization.

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Integration of e-CRM applications with back-office systems such as production, finance and supply chains can improve workflow and, consequently, the efficiency of the organization, thereby delivering cost savings.

E-CRM applications have the potential to improve sales by customer profiling, automated campaign management, e-mail marketing, etc., thereby improving the bottom line for the organization.

Improving the overall interaction with customers would lead to better service and improve customer satisfaction and loyalty and ultimately customer lifetime value.

Smart selection and speedy/efficient implementation of e-CRM solutions require a combination of skills and competencies (technical, operational, cultural, and organizational, etc.) and may require a team-based approach. While this may present few difficulties for medium and large organizations, smaller organizations may be disadvantaged, although their application requirements are likely to be less complex. Irrespective of the type of organization, an understanding of the influencing factors and their likely impact is important in the selection of e-CRM solutions (Adebanjo, 2003). A company can increase the profitability by building a strong brand name and by enhancing customers' long term long term loyalty. The procedures of customer service must adapt to this new marketing channel and its challenges, where the customers' roles has evolved from being the target to being a partner (Novo, 2001a).

E-Service Quality, Customer Satisfaction, Costumer Loyalty

1. E-service quality

Service quality is defined as "a perceived judgment, resulting from an evaluation process where customers compare their expectations with the service they perceive to have received". It is also suggested that service quality issues could be split into technical quality (what is done) and functional quality (how it is done). It is further declared that the quality of a service is depended on 2 variables: expected service and perceived service, and that any previous experience with a service could influence the expectations of the consumer, whereas the perceived service is the result of the consumers' perception of the service itself (Gronroos, 1984).Following on from the above definition, service quality has also been described as a formal attitude, related but not equivalent to satisfaction that results from the comparison of expectations of performance. Similarly, Parasuraman et.al (1988) defined service quality as "*the degree of discrepancy between customers normative expectations for the service and perceptions of the service performance*" (Parasuraman et.al, 1988).

A good operational example of a standardized framework for understating service quality is SERVQUAL, an instrument developed by Parasuraman et.al. Parasuraman sought to determine common dimensions of service delivery begging with focus group interviews of consumers. The researchers discovered 10 general dimensions which they labeled:

1. Tangibles
2. Reliability

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3. Responsiveness
4. Competence
5. Courtesy
6. Credibility
7. Security
8. Access
9. Communications
10. Understanding

Later investigations by the same group of researchers showed that some of the 10 dimensions where correlated; hence refinements where made until the instruments was composed of the five higher order dimensions which subsumed the previous ten. These five dimensions are tangibles, reliability, responsiveness, assurance and empathy (Parasuraman et.al, 1988).

The e-service quality has to be adapted to the specific needs of target customers, taking into consideration the competitive pressures, as well as the company recourses and capabilities, in order to maximize the company's profitability (Gurau, 2003). To achieve this, the company needs:

To use a predictive model that integrates customer's satisfaction, customer's profitability, the competitive conditions of the market, and company's capabilities, in order to identify the optimum level of e-service quality, required by each market segment, and

To build around this conceptual model a CRM system capable to provide the necessary information, procedures and strategy for designing, implementing and the required level of e- service quality on a long-term basis.

The theoretical models have been built around the complex interaction of three main conceptual elements: service quality, technology and customer relationship management (CRM), all considered in the online market context (Gurau, 2003).

An optimum level of e-service quality will determine customer satisfaction, which in turn will increase customer loyalty and company's profitability.

One of the major problems of the academic studies related with e-service quality and CRM systems is the limited consideration of market factors that shape the company's strategic possibilities. In many papers, the firm is presented as a separate organization, insulated from competitive market forces, having unlimited amounts of internal resources. In these conditions the main question focuses on organizing and exploiting these resources in order to maximise the quality of customer experience. The existing models need therefore to be expanded in order to include the influence of market conditions and factors. Since many of these factors are extensively analysed in the practioners' literature, the challenge is to create an organic integration between the academic and professional strands of research (Gurau, 2003).

2. Customer satisfaction

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Customer Satisfaction influences loyalty positively and is an antecedent of loyalty. For many years customer satisfaction has been a major goal of business organizations, since it has been deemed to affect customer retention and companies' market share. Traditionally, satisfied customers have been thought of as less price sensitive, less influenced by competitors, buying additional products and/or services staying loyal longer. Oliver defines customer satisfaction as the "the customer's sense that consumption provides outcomes against a standard of pleasure versus displeasure" (Oliver, 1993). Satisfaction with e-tailers, like satisfaction with traditional retailers, is not derived solely from the customer's satisfaction with the product purchased (Balabanis et al., 2006) The dominant characteristics of e-store satisfaction are convenience, site design and financial security, traditional store satisfaction when separated from product satisfaction includes satisfaction with the individual salespersons, store image and building satisfaction should remain a priority of e-tailers (Balabanis et al., 2006). The acquisition of successful customers is successful when:

PS > PSC

PS = perceived satisfaction offered by the company e-service offer

PSC = perceived satisfaction of competitors' e-service offers

Gurau argued that online convenience merchandising, site design, and financial security are the main determinants of e-satisfaction (Gurau , 2003).

The literature suggests that satisfaction is related to loyalty. In general, loyalty necessitates satisfaction, but satisfaction does not always lead to loyalty. It appears that switching barriers and consumer characteristics like convenience and motivation can moderate the satisfaction-loyalty relationship. In line with the above arguments, we argue that goal-oriented shoppers - who have relatively high switching barriers as they lack time to search for alternatives and are motivated by an efficient and predictable transaction - will become loyal to an e-retailer once they are satisfied. On the contrary, experiential shoppers, who have more time to search for alternatives and actually enjoy experiencing novelty, might not remain loyal to the e-retailer even when they are satisfied (Anderson & Srinivasan, 2003).Two additional issues that need to be clarified when researching customer satisfaction in services is whether satisfaction is conceptualized as facet (attribute-specific) or as overall (aggregate); and whether it is viewed as transaction-specific (encounter satisfaction) or as cumulative (satisfaction over time) (Anderson & Srinivasan, 2003).

3. Customer loyalty

Loyalty is defined as "a deeply held commitment to re-buy or re-patronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts are having the potential to cause switching behaviour" (Oliver, 1999). In summary, e-loyalty represents a customer's favourable attitude toward the e-retailer, which results in repeat buying behaviour.

High rates of customer retention and increasing profitability from long-time committed customers reduce the drain on margins caused by expensive new customer acquisition. The result is a virtuous circle, an economic model in which efficiencies improve over time, and future revenue flows are assured against

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competitive attack. Reichheld claim that, if retailers do not retain absolute focus on what they can offer to keep the customers coming back to them, they will lose them quickly. Where, in the past, customer loyalty was just one weapon to use against competitors, today it has become essential to survival (Reichheld et. al., 2000).

Moreover, Reichheld argued that, loyalty programs with economic incentives lead to greater customer retention. Loyalty creates increased profit through enhanced revenues, reduced costs to acquire customers, lower customer-price sensitivity, and decreased costs to serve customers familiar with the a firm's service delivery system (Reichheld et. al., 2000).

In a more comprehensive model, Gommans and his colleagues (Gommans et.al, 2001) identified five broad categories of differentiators that affect e-loyalty: value proposition, brand building, trust & security, customer service and website & technology.

Similarly, Smith's model indicated that web site usability, features and benefits, purchase process, service, support, dialogue and relationships are the most important differentiators that affect e-satisfaction and subsequently e- loyalty.

In contrast, to the previous conceptual studies, Srinivasan et al provided empirical evidence that eight key online retail differentiation strategies (dubbed the 8Cs) influence e-loyalty:

(1) *Customisation* - tailoring the web environment to the customer
(2) *Contact interactivity* - the ability to interact dynamically with the customer
(3) *Cultivation* - the extent to which the e-retailer provides relevant information and incentives
(4) *Care* - the attention paid to pre and post purchase activities
(5) *Community* - the social environment facilitated by the e-tailer
(6) *Choice*- the degree of choice offered
(7) *Character* - the creativity of the website

All of the above factors, except convenience, were found to affect e-loyalty.

Despite the ease with which comparisons can be made online, evidence suggests that online shoppers are involved in less comparison shopping and tend to switch suppliers less often than do brick and mortar shoppers (Feinberg, 2002).Indeed, while some shop bot users are price sensitive, others remain attached to branded retailers and retailers with whom they have previous experience (Smith, 2003). So while the physical search costs have been all but eliminated by intelligent comparison agents, significant cognitive switching barriers still exist in the online shopping environment.

Leading e-commerce executives are concluding that the shift of business onto the Internet renders the loyalty principle more powerful than ever (Reichheld et. al., 2000). Three basic truths are driving this conclusion:

a. As the Internet reduced the entry costs for retailers and pure play e-retailers flooded the market, costs for online customer acquisition skyrocketed.

b. While high customer numbers help to offset fixed costs, they are no guarantee of long-term profits if you don't build loyalty with those buyers.

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Most importantly, profitable customers actually prefer to be loyal. There are plenty of bargain hunters who will scour the Web for the best deal. They are the same people who cut coupons and scout for discounts at shopping centres. They are not the ones who generate profits for retailers. The profitable customers are those who value the convenience of Internet shopping and appreciate the enhanced functionality websites can provide, but who tend to consolidate their purchases in a sector with one online retailer and consider trust, not price, as the most important criterion for vendor selection. They bookmark their favourite sites, return to them often and use them for information and entertainment as well as multiplicity of transactions. Retailers are starting to a. understand that this second group represents their bread and butter and that they must find ways of targeting and retaining them, b. furthermore, the evidence that the loyalty rule still applies is clear in the strategies of e-commerce leaders – Dell, eBay – whose focus is on the delivery of a superior customer experience that will motivate customers to return to interact again. Their business models are driven by one factor above all others: customer retention. (Reichheld et. al., 2000).

Customer Retention and Customer Share Development

Customer share is defined as the ratio of a customer's purchases of a particular category of products or services from supplier X to the customer's total purchases of that category of products or services from all suppliers.

Moreover, Souitaris and Balabanis, suggested that the online shoppers can be categorised into two key benefit segments, goal-oriented and experiential, as well as a third segment of mixed orientation. In addition, they argued that e-tailer differentiation strategies based on convenience and customer care can increase levels of satisfaction when targeting the goal-oriented shoppers segment. Differentiation based on value for money and product quality can increase loyalty when confined to the goal- oriented shopper segment. Satisfaction as an intermediate objective leads to higher levels of loyalty in the goal-oriented shoppers segment than in the experiential shopper segment. As a result, differentiation based on convenience and customer care can influence indirectly (i.e., mediated by satisfaction) the loyalty of the goal-oriented shopper segment. In retailing, satisfaction and loyalty was found to be significantly higher compared to the other service settings, however, commitment was lower, although not statistically significant (Souitaris & Balabanis, 2007).

Anton and Postmus have identified 25 factors that combine to be an index of e-CRM, which they have been further divided into (TABLE 1), (Anton & Postmus, 1999):

Contact and information, general e-CRM features,

E- commerce features and

Post sales support features

TABLE 1 (Anton & Postmus, 1999)

Contact and information, general e-CRM features	**E-commerce features**	**Post-sales support features**
Site customization	Online purchasing	FAQs

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Alternative Channels	Product information online	Problem solving
Local search engine	Customization possibilities	Complaining ability
Membership	Purchase conditions	Spare parts
Mailing list	Preview product	
Site tour	Links	
Site map		
Introduction for first-time users		
Chat		
Electronic bulletin board		

To supplement these 25 factors Feinberg (2002) reviewed the professional literature and identified 16 additional e-CRM features that might be present on a retail Web site (TABLE 2).

TABLE 2 (Feinberg 2002)

Affinity program – affiliations with philanthropic agencies or organizations.	Product highlights – benefits of particular products/ services highlighted.	Request for catalog.	Quick order ability – three click order
Ease of check out – subjective rating of ability to check out on an "ease" scale of 1(easy) - 4(difficult).	Ability to track order status.	Gift certificate purchase.	Store locator.
On-sale area – highlighted place on open Web page highlighting sale item(s).	Member benefits – description of benefits of shopping or belonging to site.	Order – ability to place an order within three clicks.	Speed of download page – less than 15 seconds was considered fast.
Account information.	Customer service page.	Company history/ profile.	Posted privacy policy.

The e-CRM attributes that proved to have significant relationship with customer satisfaction are: mailing list, quick order ability, gift certificate purchase, affinity program and your account information (Feinberg 2002).

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Souitaris and Balabanis have proven that e-satisfaction does not necessary lead to e-loyalty and thus, further differentiation is needed (Souitaris & Balabanis, 2007).

Souitaris and Balabanis empirically confirmed the recommendations for online shoppers by dividing them successfully into goal oriented and experiential, as well as a third group of mixed orientation (Souitaris & Balabanis, 2006).

Moreover, they proved that different differentiation strategies are needed for an increase in loyalty for each group of shoppers. They found that there are different variables that increase customer loyalty and retention for each shoppers category. More specifically they found that in order to increase the satisfaction of the goal-oriented shoppers, e-retailers should base their differentiation strategies on convenience and customer care that indirectly will increase loyalty. For increasing the loyalty of the same group they should focus their strategies on value for money and product quality. Thus, satisfaction can lead to increase of loyalty for this group as an intermediate objective.

Moving on to the experiential segment, product assortment and customization can increase customer satisfaction. Loyalty, on the other hand can increase through differentiation on website character. Finally, as they predicted, satisfaction does not lead to loyalty for this market segment (Souitaris & Balabanis, 2007).

Based on Souitaris' and Balabanis' research, we are going to do a survey for Greece with the intention to identify the differentiation strategies that can lead to customer loyalty and customer retention in the e-retailing sector. We have chosen the most famous Greek e-retail business in electronics, E-shop.gr (www.e-shop.gr).

Internet connections and retail companies in Greece (2002-2007)

Internet connections in Greece are on the increase since 2000. More specifically, the penetration rate of the internet connections has increased 24,4% (33,5%-9,1%) for the period 2000-2006 as seen in TABLE 3.

TABLE 3

Year	Users	Population	% Pen.	Usage Source
2000	**1,000,000**	**10,964,017**	**9.1%**	**ITU**
2006	**3,800,000**	**11,338,624**	**33.5%**	**Comp. Int. Almanac**

Moving on to the broadband connections, the figure below (FIGURE 1) shows the increase of the broadband connections in Greece since it was first launched in 2000 The graph starts from July 2002, when broadband connection was launched in the Greek telecommunications market. Until the year 2005 the increase was relatively low, just under 1% of population (100,000 connections), whereas from 2005 and later there was a significant increase with the connections reaching just under 500,000 - almost 5% of the population – in the beginning 2007.

FIGURE 1

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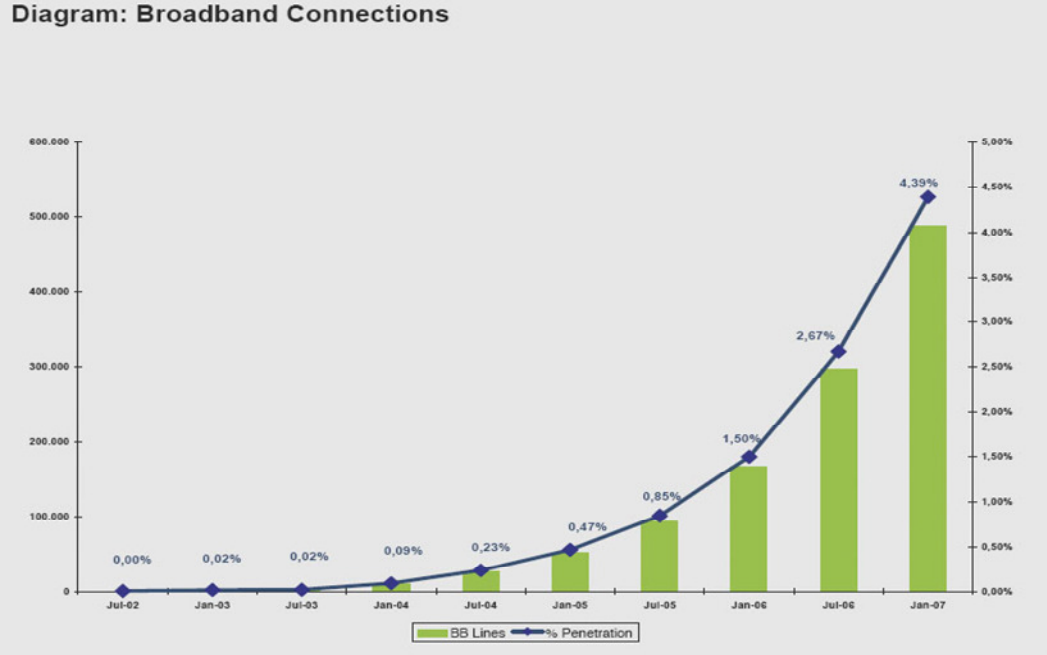
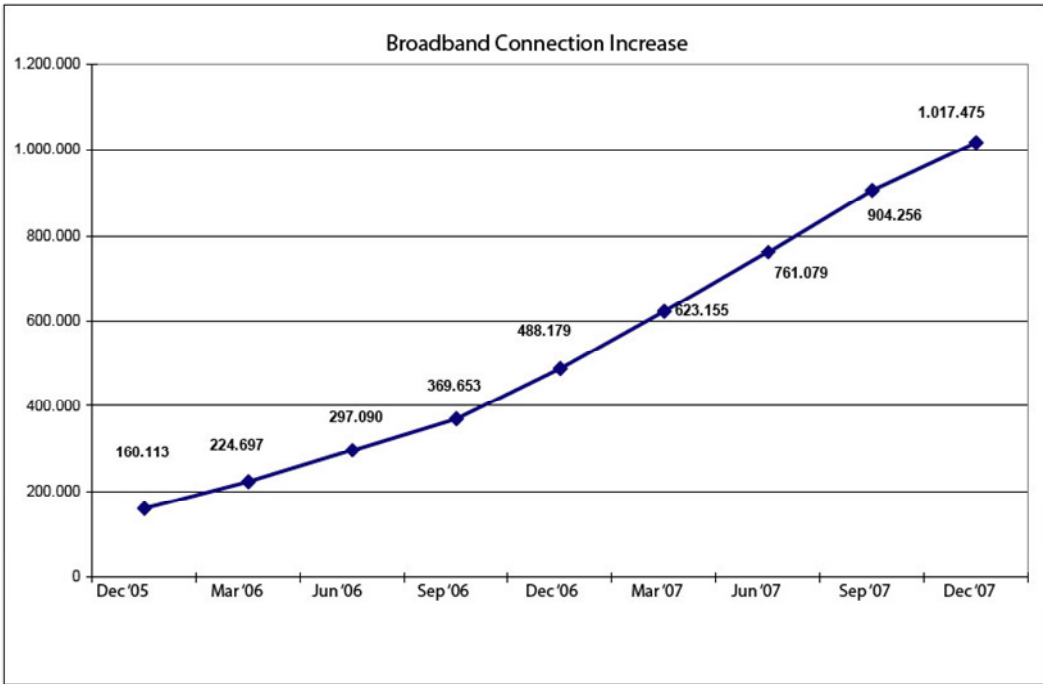


So, the year 2005 was when the broadband connections started increasing significantly in Greece and as shown in the graph below (FIGURE 2). In the end of 2006 the broadband connections were just under 500,000 and in the following year (2007) ended with more than 1,000,000 active connections (10% of the population) according to a report by Hellenic Telecommunications and Post Commission.Thus, it is evident that Greek internet users are on the increase and along with the high broadband penetration the last years there are more ambitious e-business opportunities for ambitious entrepreneurs.

FIGURE 2



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The competition for the small to medium-sized enterprises of the Greek retail industry is becoming more and more stifling. The continuous arrival of powerful players internationally, who are constantly investing capital for their growth in the Greek market has changed the scene permanently. From Ikea, Fnac, Media Markt up to Leroy Merlin and H&M that hardly some days ago opened their first shop and the expected entry of Aldi, the landscape has now altered once and for all. Indicative of the prevailing climate is the fact that only the 25% of Individual, Unlimited Partnership and Limited Partnership companies of retail trade declare increase of sales, according to the elements of Annual Report of the National Confederation of Greek Trade.

There are 5 different categories of the Greek retail industry: I) the general retail sector, II) the food-drink and tobacco retail sector, III) the clothing-shoes and cosmetics retail sector, IV) the domestic appliances sector and V) the office equipment and technology retail sector. In the general retail sector there are 193 joint-stock companies and limited liability companies. Their annual sales are 9.15 billion euros and the annual profits reach the 236, 47 million euros. The smallest section of the Greek retail industry is the one of food-drink and tobacco. There are 63 companies with and annual margin of 102, 86 million euros and earnings before taxes of 604.000 euros. In the clothing-shoes and cosmetics retail sector there are 505 enterprises with 88 million euros earnings before taxes. In the domestic appliances sector we can find 295 companies. The sales of the sector reach the level of 1, 4 billion euros but here we can find 102, 6 million euros losses. Approximately 505 companies are in the office equipment and technology retail sector with 1, 7 billion euros earnings and 85, 7 million euros profit.

About E-shop.gr (the first e-CRM company in Greece)

The company is very well known as one of the biggest and most innovative e-retailers with 45 branches throughout Greece. The company sells products over the Internet and the phone, but also has physical presence as a catalogue store. Since 1998 - that the company was established – it has demonstrated remarkable growth, by reaching a turnover of 73 million euros and net profit of 2.2 million euros for the year 2007. In the first quarter of 2008 the company has reached a turnover of 50.9 m euros , having an increase of 58% of last year's first quarter (32.2 m euros) E-shop.gr has recently achieved horizontal integration by adding music downloads service on its site and offering services of an online music store**.**

Moreover, in 2007 e-shop.gr started co-operating with the system certification institute of TUV in Greece, TUV **Hellas**. With this strategic move, E-shop.gr intends to upgrade and certify its production procedures according to the international standards. The same year e-shop.gr also achieved to become a Microsoft Gold Certified Partner.

Finally, the readers of the most important Greek electronics and pc magazines voted the company as the e-retailer of the year 2007, by offering to customers services that are based on convenience and lower pricing of the products.

Conclusion

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Based on the data through the investigation for the e-shop.gr and after taking into consideration all the factors that lead to a successful e-CRM ,e-CRM on Greece has the prospects of growth since most of Greek e-retailers are in the early stage of implementing electronic customer relationship management tools and adopting differentiation strategies. (Balabanis)

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ISSN 2076-9202

The mediating role of employee engagement in relationship of internal branding and brand experience: Case of service organizations of Dera Ghazi Khan

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Abstract

The study examines the relationships among internal branding, employee engagement and brand experience. 99 employees and 139 customers of service organizations of Dera Ghazi Khan was surveyed to measure internal branding and employee engagement, and brand experience respectively. The positive relationships were observed between internal branding and brand experience, internal branding and employee engagement, and employee engagement and brand experience. in addition the mediating role of employee engagement between the relationship of internal branding and brand experience is also confirmed.

Introduction

The success of a service brand is largely discussed as a result of effective customer experience delivery by the service providers who present themselves as “brand ambassadors”. The experiences occur as the customers come into relationship with the company, that is, when they interact with the company’s products, services or brands (Thupae, 2010;Brakus, Schmitt, &Zarantonello,2009). The favorable positive customer experiencesare needed by the organizations to constantly attain customers and more beneficially repeat customers in order to sustain in a competitive market place (Downey, 2010; Roast and Silva-Rojas, 2007). Today’s competitive business environment requires companies to “brand” the experiences rather than just involving in simple transactions (Thibodeau and Ringer, 2007), that is, to deliver differentiatedexperience that conforms to the company’s brand promise with the customers, meets their expectations and creates value for them (MacLaverty, McQuillan and Oddie, 2007; Roast and Silva-Rojas, 2007). Customers’ experience with the brand is elaborated as “subjective,internal consumer responses (sensations, feelings, and cognitions)and

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behavioral responses evoked by brand-relatedstimuli that are part of a brand's design and identity, packaging,communications, and environments"(Brakus, Schmitt, &Zarantonello,2009).McCall &Bigham (2011) define brand experience as "any of the interactions customers have with either the specific company or its products or services". A positive brand experience is a way to stay ahead in intense competition (King and Grace, 2005).

Giving thought to the value creating customer brand experience moves attention towards the ways to create this experience. The champions of today do this through internal branding which makes employees to "live the brand" internally(Foster, Punjaisri, Cheng, 2010;MacLaverty, McQuillan and Oddie, 2007;Mitchell, 2002)and engage them in making the brand experience delivery possible(Kumar and Swetha, 2011; Rights Management, 2007). Baldoni, (2004) explains internal branding simply aslinking corporate brand to theorganization's culture and values and then linking these values and culture to employees'values in order to achieve individual and organizational goals. Like organization's external brand presents its identity, image and aspirations to the customers; its internal identity (culture and values), image (vision and mission) and aspirations (what it will do) are presented as a brand to the employees (Baldoni, 2004). Some other researchers define internal branding as "the set of strategic processes that align and empoweremployees todeliver the appropriate customer experience in a consistent fashion"(Goom, MacLaverty, McQuillan and Oddie, 2008).Internal branding literature show thatalthough the brand is a customer experience concept (MacLaverty, McQuillan and Oddie, 2007), its effective management requires to coordinate it with employee experience, that is, delivering a brand promise to employees before delivering it to the customers (Azizi,Ghytasivand,Fakharmanesh, 2012;Foster, Punjaisri and Cheng, 2010;Punjaisri and Evanschitzky andWilson, 2009). Internal branding serves as the communications to the employees that what has been promised to the customers (Aziz et al., 2012; Baldoni, 2004; Mitchell, 2002). It results in a culture of shared vision which aligns all the areas of the organization in brand commitment (King and Grace, 2005)and ensuresemployees' personal beliefs and values correspond to the brand values (Roast and Silva-Rojas, 2007).

Employee engagement, as defined by Right Management (2006), is"every person in the organization understanding and being committed to the success of the business strategy, and that this goes more than just simple job satisfaction and incorporates aspects of commitment, pride and advocacy about the organization's products and brand" (cited byAbraham, 2012).This engagement can be driven through successfully embarking upon internal branding (Aylesworth-Spink, 2009; Mitchell, 2002)as it motivates employees by making them understand the company's vision and strategy from their own perspective (Oakner, 2005).Internal branding gives employees a clear direction of their work and makes them believe on organization's efforts of satisfying both employees and customers, resulting in their commitment to the organization (Punjaisri,Wilson and Evanschitzky, 2009;Mitchell, 2002). It stays true to another definition of employee engagement, that is, "the combination of commitment and line of sight" (Wyatt, 2008).Employee engagement is powerfully linked to a range of success factors including customer experience which ultimately leads to customer loyalty and customer

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retention, and organization's financial success (Kumar and Swetha, 2011;Rights Management, 2009).

From the perspective of service organizations, the experiences occur when customers interact with the service brand at each service encounter (Hulte´n, 2011;Punjaisri,Wilson and Evanschitzky, 2009). Internal branding keeps the employees market oriented and keeps them engaged in value creation through differentiated service processes. The service employees are perceived by the customers asrepresentatives of service brand which requires an organization to align service providers' attitudes and behaviors with brand's values and organization's own values (internal brand)in order to deliver promise to the customer at each service encounter (Punjaisri,Wilson and Evanschitzky, 2009).

The study focuses on finding out how service organizations can engage employees in creating positive customer experience with its brand through the implementation of internal branding. In delivering service brand the customers become the co-producers of the service process and create value for themselves (Hulte´n, 2011). The alignment of values becomes more important in service context and employees serve as a critical link between both organization and customers in developing value creating processes. It calls for employees to have knowledge of values of both organization and customers in order to be committed in creating differentiated experiences. In this study we have following objectives:

i. To study the relationships among internal branding, employee engagement and brand experience in service organizations of Pakistan.
ii. To understand how internal branding can be used by Pakistani service brands in delivering positive customer experience.

By following the research objectives different questions have to be answered:

i. What role internal branding and employee engagement play in creating positive brand experience?
ii. Which determinant of internal branding has most influence on brand experience?

Literature Review

This section provides an understanding of the relationships discussed above through a review of literature. The study focuses on firms' efforts in creating positive customer experiences through engaging employees through the implementation of internal branding. So we start with reviewing literature on brand experience.

Brand Experience

A study articulate "If you don't do customer experience management, you will go out of business"(Customer Experience Maturity Monitor, 2009). Experiences occur when consumers search for, acquire, anduse products and services of the firm, and when they interact with its brand (Jo ˇsko Brakus et al, 2009). From a service perspective, customer experience is defined as "the outcome of customers' interactions withthe firm, including the interaction with the staff, self-service

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technologies, and the service environment" (Sirapracha and Tocquer, 2012). Hulte´n (2011) has indicated this experience same as the brand, that is, customer's feelings and thoughts about the service, including all types of resources utilized in service delivery. A brand is anything which represents the firm's uniqueness, creates an image in customers' minds and gives value to them (Sirapracha and Tocquer, 2012; Thibodeau and Ringer, 2007;Jevnaker, Ingjerd Straand, 2005). A simple definition of brand is given by BrandWerks Group (2007), that is, "a brand is a distinguishing identity and promise which benefits customers." So, branded service delivery – a combination of employee actions, product quality and environment – is a key tocreating unique and own able customer experiences (Thibodeau et al, 2007).

In this study, we assume the value-creating service experience and brand experience as the same because of the value of service emerging as brand image (Hulte´n, 2011). It is explored that customers' perception of the brand is influenced by the delivery of service experience (Sirapracha and Tocquer, 2012). According to Rae and Waterson (2005) "a customer experience does not require only good quality and consistency; rather it requires *orchestration* across the businessmodel based on customer-centric brand vision, empathetic research and optimized IT Systems." They further indicate experience building as a sensorial activity in which five human senses (see, hear, smell, tasteand feeling) are engaged. Hulte´n (2011), in his brand experience research, also focused on the human mind and senses enabling managers to identify emotional/psychological connections in differentiating anddistinguishing a brand's identity and values to customers. The five human senses have significant influence in creating multi-sensory brand-experience central to branding, as an outcome of value creation and value-generating processes (Hulte´n, 2011). In this context, brand experience can be also defined as "subjective,internal consumer responses (sensations, feelings, and cognitions)and behavioral responses evoked by brand-relatedstimuli that are part of a brand's design and identity, packaging,communications, and environments in which service is delivered"(Jo ˇsko Brakus et al.,2009). A positive experience creates differentiation, fosters satisfaction and loyalty, and for which customers will pay premium prices (Jo ˇsko Brakus et al., 2009;Thibodeauet al, 2007;and Rae et al., 2005).

A negative brand experience can occur when a consumer has an unsatisfactory experience during an encounter with the brand and this can include a disconfirmation of consumer expectations (Thupae, 2010). Negative customer experience can be the result of lack of cooperation across organization in which employees are less aware of brand promise and what's to be delivered (Hunsaker, 2009). According to Thupae (2010), a negative brand experience can also occur at the bottom of pyramid, that is, in a market which is less focused by the managers. He explores that customers at bottom of pyramid can also have expectations from the brand and which may not be fulfilled due to less care and treatment by the personnel. Companies require paying more attention towards creating favorable outcomes of their interaction with the customers in order to positively influence brand perception (Thupae, 2010;Customer Experience Maturity Monitor, 2009;Hunsaker, 2009). Various researchers have suggested different ways to create positive customer experience. Thibodeau et al. (2007) have

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focused on creating a culture of collaboration in which brand strategy and service strategy are linked and employee behavior is aligned with customer focus. They identified co-creation research, brand story and customer journey mapping as three effective tools to create a branded service delivery. In addition, they analyzed five characteristics of branded service program which include service credo, service delivery tactics, branded behavior training, reinforcement and metrics.

Hunsaker (2009) focuses on improving customer experience through superior employee engagement. He suggests five keys to strengthen employee engagement in order to improve customer experience. These include systems thinking, change management, internal branding, continual improvement practices and sustaining the momentum. The survey done by Customer Experience Maturity Monitor (2009) suggests, for improvement, building strong relationship with the customers is more important than transaction and consistency in experience is required through working with front-line staff. The study also suggests that firms should identify unique customers and customize brand on the bases of needs rather than by their names.

Employee Engagement

Companies are required to create engageable moments for the employees to positively impact their attitudes which will result in high levels of engagement which is considered crucial in today's business challenge of "doing more with less" (Wyatt, 2008; Right Management, 2006). Employee attitude is considered as critically linked with efficiency and productivity which has resulted in the emergence of concepts like employee commitment and Organizational Citizenship Behavior (OCB). Managers now focus more on keeping their employees more engaged in their jobs (Markos andSridevi, 2010).According to Truss *et al* (2006) employee engagement simply refers to "passion for work", a psychological state which is seen toencompass the three dimensions of engagement discussed byKahn (1990), and captures the common theme running through all the definitions of employee engagement (cited by Kumar and Swetha, 2011). Engaged employees are unavoidable as they are productive, active and connected.Rashid,Asad and Ashraf (2011) identified that Cindy(2008) defines employee engagement as "a condition of employee emotional and intellectual pledge to a group or an organization creating conduct that will assist accomplish an organization'spromise to customer to ensure the improvement in business results." Performance of engaged employees is linked with customer experience (Right Management, 2006) which is now considered as ultimate decider of business success (Rae and Waterson, 2005). Companies require implementing strategic programs and policies to strengthen employee engagement (Bhatla, 2011). Development Dimensions International (DDI, 2005) states, as cited by Markoset al. (2010), that a manager must do five things to create a highlyengaged workforce, which are also identified by Rasheed et al. 2011. They are:

- Align efforts with strategy
- Empower
- Promote and encourage teamwork and collaboration
- Help people grow and develop

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- Provide support and recognition where appropriate

A model provided by Aon Hewitt (2011) evaluates both the engagement and organizational benefits.

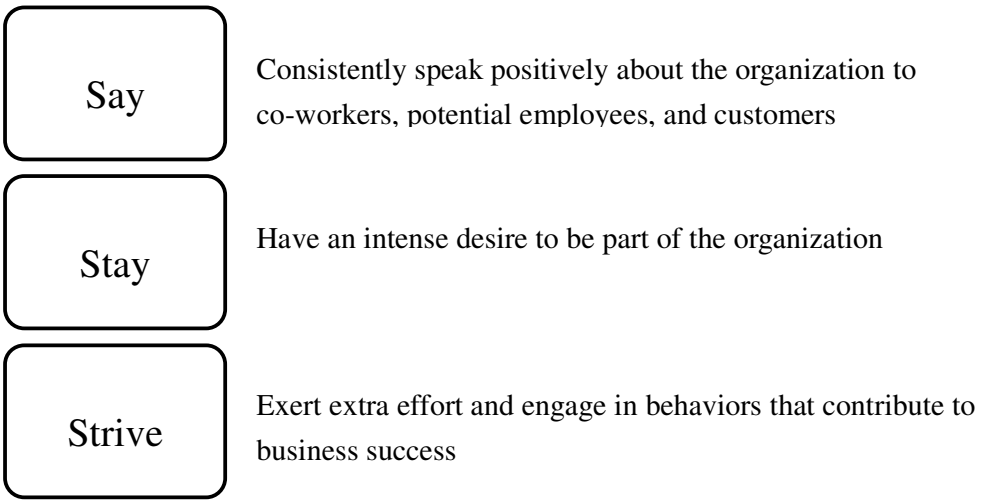

Figure 1: Aon Hewitt's Model of Engagement

Employee engagement is driven through the inter-relationships of organization's culture, strategy execution, leadership ability, structure and processes, and it influences the customer experience (Padmakumar andPrabhakar, 2011;Right Management, 2006). Employee engagement is critical to any organization that wants to create value for and retain its employees (Bhatla, 2011). The Watson Wyatt (2008)has proved a link between employee engagement, customer loyalty, and profitability. Employees need to be identified with the company which is a critical part of employee engagement (Bhatla, 2011). According to Sridevi (2010) full engagement is obtained by maximum Job satisfaction and maximum job contribution. Organizational performance can be judged by distinguishes between job satisfaction and engagement by competing only engagement (Sridevi 2010).

Internal branding

The internal branding literature provides knowledge about how companies do branding internally towards employees in order to qualify them to deliver positive customer experience externally. Recently, internal branding is highly discussed in the studies of marketing. It is a part of internal marketing which aligns the responsibility of both marketing and HR managers, and is used to target the firm's internal market: its employees (Speak, 2009; Mahnert, 2005; Mitchell, 2002). According to Dennis (1995) internal marketing is a strategic management approach which attracts,develops, motivates, and maintains employees by providing work products satisfying employees'needs (cited by Azizi,Ghytasivand,Fakharmanesh, 2012). Internal marketing facilitates corporate strategy by making employees understand the organization's goals and objectives through internal branding (Mahnert, 2005). Internal branding is viewed as a way to make organizations' internal stakeholders

to “live the brand” before presenting it to the customers. After all, from the employee engagement literature, we have come to know that they are the employees who deliver the services to the customers. So, it becomes obvious to make them able to understand what they have to do on the encounters (Scheys and Baert, 2007). In line with this understanding are the employees’ own values as well as the organization’s values which are also important to take into account in efforts of branding (Punjaisri, Wilson, Evanschitzky, 2009; Scheys, Ann andBaert, Herman, 2007). In simple words, company’s brand promise is need to be adjusted with the organization’s and employees’ objectives. As companies have to care for the customers, they should care for the employees to draw them in the center of brand delivery process (Shaari, Sallehand Hussin, 2011). We can refer these efforts of serving employees as “internal branding” as Morton (2006) conceptualize it “as a kind of communications and training to the employees to inspire them to become brand advocates with the customers”. The internal brand can also be described as a promise made with the employees; just as external brand is described as a promise made with the customers. Some researchers state “Internal branding involves communication of the values of the corporate brand to the internal stakeholders with the goal that their perceived image of the corporate brand is in line with the organizations long term objectives” (Jevnaker, 2004).

Internal branding is sometimes confused with employer branding, integrated branding or inclusive/holistic branding and organizational culture.Leberecht (2004) indicates all these concepts having same essential idea, either the need for employees to “live the brand” or “corporate image as perceived byits associates and potential hires”. Foster, Punjaisri, Cheng (2010) have taken internal branding as towards customer-facing staff and employer branding as towards the potential employees. Baldoni, (2004) explains culture of the organization as what employees think about it that is what they perceive from it or which creates an image in employees’ minds. All of the above definitions of internal branding give the same view of its purpose, that is, to gain competitive advantage through people by making a successful corporate brand (Foster, Punjaisri, Cheng, 2010; Scheys andBaert, 2007). Internal branding results in many beneficial outcomes, such as,brand identification, brandcommitment, brand loyalty and brand-supporting behaviors (Punjaisri, Wilson, Evanschitzky, 2009).

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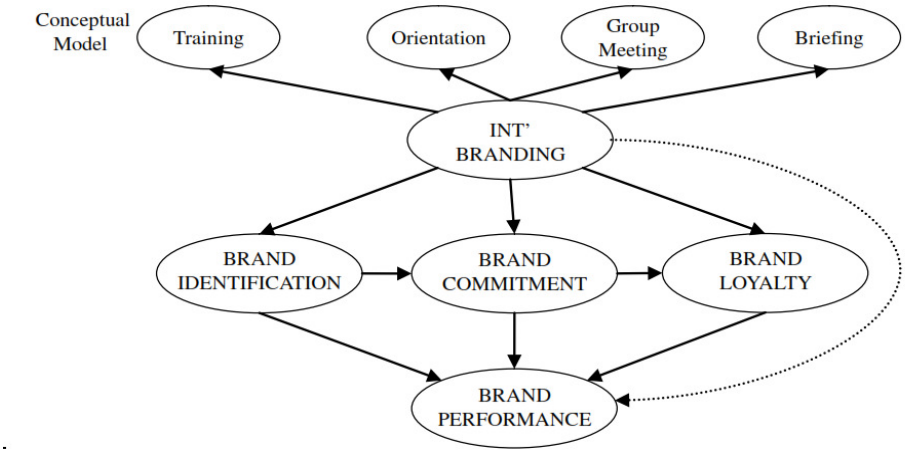

Figure 2: Punjaisri et el. (2009) framework for internal branding

Shaari, Salleh and Hussin (2011) identified two types of brand-consistent behavior: in-role brand behavior and extra-role brand behavior. They further explain "in-role brand behavior is meeting prescribed brand roles while Burmann et al. (2008) termed this as brand compliance and extra-role brand behavior refers to employees' willingness to take extra miles on behalf of the organization's brand which they conceptualized as brand citizenship behavior."According to Burmann & Zeplin (2005) brand citizenship behavior refers to "the employees' voluntary basis to project a number of generic employees' behaviors that enhance the brand identity", that is to be engaged in extra-role brand behaviorto exceed the formal responsibilities (Shaari et al., 2011). Malmberg (2008) identified the ways of internal branding contribution in corporate brand building. He found 5 Cs as core elements of internal branding including clarity, commitment, culture, communication and compensation.

According to Tosti and Stotz (2001), internal branding is a process of "aligning an organization around a brand" (cited by Ann et al., 2007). This alignment allows organizations to be customer focus as well as employee focus. In this research we will take internal branding as a holistic branding which aligns the values of organizations and all internal and external stakeholders giving employees the direction about what has to be delivered and engaging them in creating favorable customer experience.

Conceptual Framework

The Right Management's Organizational Effectiveness Framework suggests that employee engagement is driven through the inter-relationships of organization's culture, strategy execution, leadership ability, structure and processes, and it impacts customer experience. The internal branding literature suggests aligning the values of organization's brand with the employees' values hence creating a culture in which employees are more customer-oriented. In addition internal branding is viewed as a facilitator for strategy execution. It also drives the employees' brand

supporting behavior and making them more engaged in the delivery of company's brand promise with the customers on the bases of their perception about company's branding efforts, both internal and external. On the bases of these findings we propose that internal branding strengthens the relationship of employee engagement with customer experience.

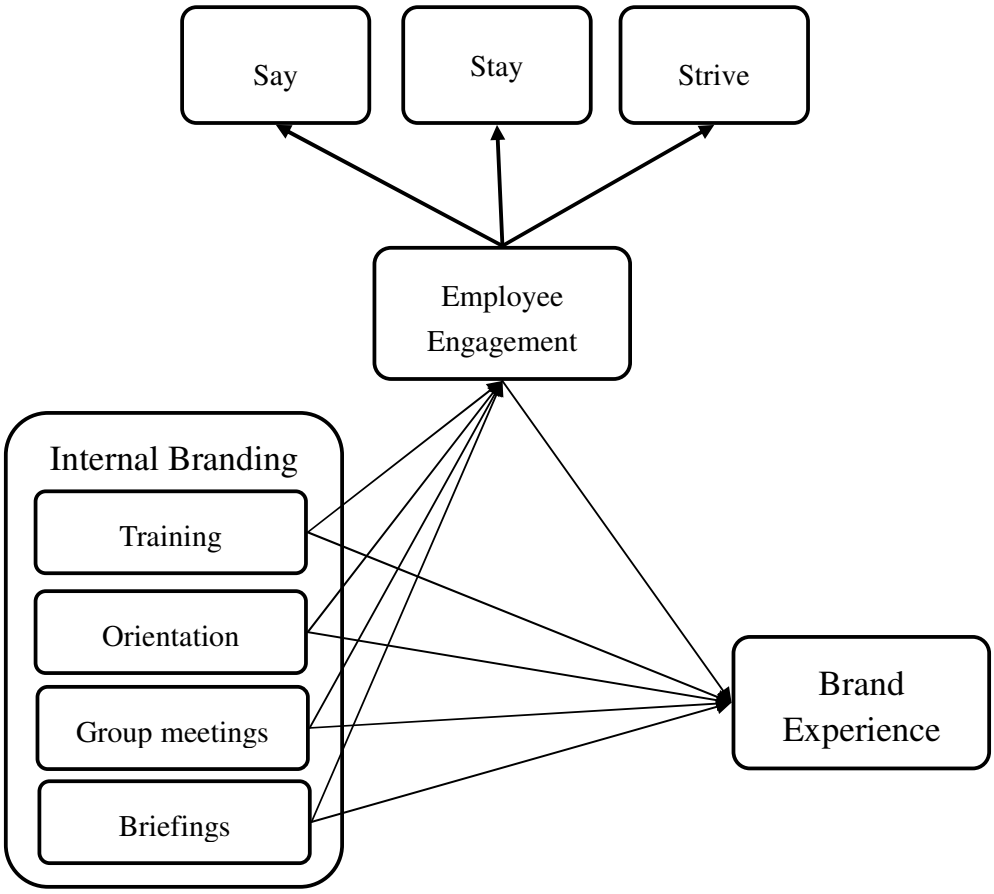

Figure 3: A conceptual framework

Hypotheses

On the basis of above proposed conceptual framework, we have developed following hypotheses:

H1. Internal branding has a positive relationship with brand experience.

H2. Internal branding has a positive relationship with employee engagement.

H3. Employee engagement has a significant positive relationship with brand experience.

H4. Employee engagement plays a mediating role in the relationship of internal branding and brand experience.

Methodology

The study attempts to examine the relationships among internal branding, employee engagement, and

brand experience. For this purpose, our target population is service organizations of Pakistan. The sample which we have selected includes the employees and customers of service organizations of Dera Ghazi Khan including banks, university campuses, hotels, and hospitals. The data was collected by distributing questionnaire among employees and customers. The questionnaire for measuring internal branding was adopted from the study made by Punjaisri et el. (2009). That internal branding questionnaire includes 10 items which measure four determinants of internal branding: training, orientation, group meeting, and briefings. Employee engagement was measured through Aon Hewitt employee engagement questionnaire. Data for measuring brand experience was collected through brand experience questionnaire developed by Jo ˇsko Brakus et al. (2009) which includes 12 items measuring four determinants of brand experience: sensory, affective, behavioral and intellectual. Internal branding and employee engagement questionnaire was distributed among employees and the brand experience questionnaire was distributed among customers.All the items were measured using 5-point likert scale ranging from 1= Strongly Disagree to 5= Strongly Agree. Total of 100 employees and 119 customers were surveyed.

DATA ANALYSIS:

As earlier mentioned that data was collected from employees and customers both. The detailed demographics of employees and customers are given below. After the descriptive analysis reliability analysis was performed in order to check the consistency of the instrument

No.	**Demographics of respondents**			
Frequency				**Percent %**
1	Name of Organization	National Bank of Pakistan	27	26.2
		UBL	18	17.4

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		Allied Bank Limited	19	18.4
		Bank Al-Habib	22	21.3
		Soneri Bank Limited	17	16.5
2	Qualification	Bachelors	24	23.3
		Masters	65	63.3
		MS/MPhil	12	11.6
		Doctoral	2	0.19
3	Gender	Male	76	73.7
		Female	27	22.3
4	Age	20-30	29	28.15
		30-40	55	53.3
		40-50	19	18.4

Data Analysis& Results

The collected data was analyzed through linear regression by using SPSS software. Results of testing four hypotheses are given below.

Testing H1: *Internal branding has a positive relationship with brand experience.*

The relationship of each of the four determinants of internal branding with the brand experience was examined. The results are shown in the Table 1 and Table 2.

Table 1
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.172[a]	.030	-.012	.49480

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a. Predictors: (Constant), Briefings, Orientation, Training, Group meeting

Table 2

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
Training	.049	.103	.049	.477	.634
Orientation	.043	.091	.050	.471	.639
Group meeting	-.145	.095	-.161	-1.531	.129
Briefings	-.040	.082	-.049	-.484	.630

a. Dependent Variable: Brand Experience

The results show the positive relationship of internal branding with the brand experience. The lower value of R (.172) shows the relationship between both variables. Among all the determinants of internal branding, training and orientation show positive relationship with brand experience, and group meeting and briefings show negative relationship with brand experience. The larger significance values show the determinants of internal branding do not explain the variation in the brand experience.

Testing H2:*Internal branding has a positive relationship with employee engagement.*

This hypothesis expects that there is positive relationship between internal branding and employee engagement. The results show the positive relationship between both variables. Training show significant positive relationship between internal branding and employee engagement. The other determinants show high values of significance which determine that these determinants do not explain variation in employee engagement.

Table 3

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.455[a]	.207	.173	.45466

a. Predictors: (Constant), Briefings, Orientation, Training, Group meeting

ISSN 2076-9202

Table 4

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.044	.497		6.119	.000
	Training	.359	.095	.351	3.799	.000
	Orientation	-.107	.084	-.122	-1.280	.204
	Group meeting	-.124	.087	-.135	-1.418	.159
	Briefings	-.145	.076	-.176	-1.915	.058

a. Dependent Variable: Employee Engagement

Testing H3:*Employeeengagement has a positive relationship with brand experience.*

According to this hypotheses employee engagement has positive relationship with brand experience. The data analysis results show this relationship at significance level .066.

Table 5

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.185[a]	.034	.024	.48588

a. Predictors: (Constant), Employee Engagement

Table 6

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	Employee Engagement	.182	.098	.185	1.856	.066

a. Dependent Variable: Brand Experience

Testing H4:*Employee engagement plays a mediating role in the relationship of internal branding and brand experience*

This hypothesis expects that employee engagement plays a mediating role between internal branding and brand experience. The results show the mediating role of employee engagement in relationship of internal branding and brand experience. The larger significance values in all the relationships examined show that no variable explains variation in brand experience.

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Table 7

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.172[a]	.030	-.012	.49480
2	.231[b]	.053	.003	.49128

a. Predictors: (Constant), Briefings, Orientation, Training, Group meeting, Employee engagement

Table 8

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.413	.541		4.458	.000
	Training	.049	.103	.049	.477	.634
	Orientation	.043	.091	.050	.471	.639
	Group meeting	-.145	.095	-.161	-1.531	.129
	Briefings	-.040	.082	-.049	-.484	.630
2	(Constant)	1.893	.636		2.979	.004
	Training	-.012	.110	-.012	-.112	.911
	Orientation	.061	.091	.071	.671	.504
	Group meeting	-.124	.095	-.138	-1.304	.195
	Briefings	-.015	.083	-.019	-.181	.857
	Employee Engagement	.171	.111	.174	1.533	.129

a. Dependent Variable: Brand Experience

Conclusion

The study has concluded that there are positive relationships among internal branding, employee engagement and brand experience. The significance is not observed which show the need to improve internal branding practices in service organizations of Dera Ghazi Khan in order to increase employee engagement level and to improve brand experience of the customers.

Limitations & Recommendations

The study has examined the relationships only in service organizations of Dera Ghazi khan. The further studies should examine these relationships in manufacturing firms in Dera Ghazi Khan and in other cities of Pakistan. In addition, we suggest to study brand experience in relationship with customer response in order to examine the effectiveness of internal branding practices in service

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organizations of Pakistan.

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ISSN 2076-9202

BASIS FOR THE DESIGN AND IMPLEMENTATION OF THE QUALITY SYSTEM IN CAD - CAM TEXTILE PRODUCTION

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[2] "Textile - logistic center in Macedonia"

Abstract

In this paper, the need to design and implement a system of total quality management (TQM) in the "Textile - logistics center" deals with service activity in the textile industry in Macedonia, is being elaborated and confirmed. Quality should be seek not only within at the production process and products, but also in all segments of the business processes, even in the employees' manner behavior.

Based on the analysis we have conducted of the existing quality system, an appropriate methodology has been designed for each feature of TQM philosophy. In order to design the quality system we have applied the QC-CE-Pyramid model according to which the system should be realized through the Deming's circle (PDCA), as well as the Ishikava approach (i.e. who, what, when, where), which fits the pyramid hierarchy of the company. Through the QC-CE quality model, the obligations and responsibilities of all employees are been defined. Thus, rules of conduct have been established, as well as good interpersonal relationships.

The application of the methods and techniques for faultless operations has provided both greater efficiency and effectiveness in the company. The benefits from the use of the methods and techniques resulted in meeting the needs of the customers, strengthening the company's place at the market, employees' satisfaction, as well as improvement of the community.

Key words: quality, TQM philosophy, QC-CE model, Pareto diagram, Ishikava approach.

Introduction

At a time of great economic turbulence and change, any company that wants to survive, be stable and continuously improve the business processes needs to build its own quality system (Evans, 2005). The effects of the changes in the environment of the company will trigger changes in its technology and production, as well as application of total quality management, by acquiring knowledge, skills and provision of knowledge-based development (Van der Wiele and Brown, 1997). The application of the TQM (Total Quality Management) strategy in a company means

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improving quality by examining their business processes by defining, designing and optimization of the cost of quality (Dale et al., 2000). The model quality system can be presented by "the house of quality" (Mitreva, 2011), Fig. 1.

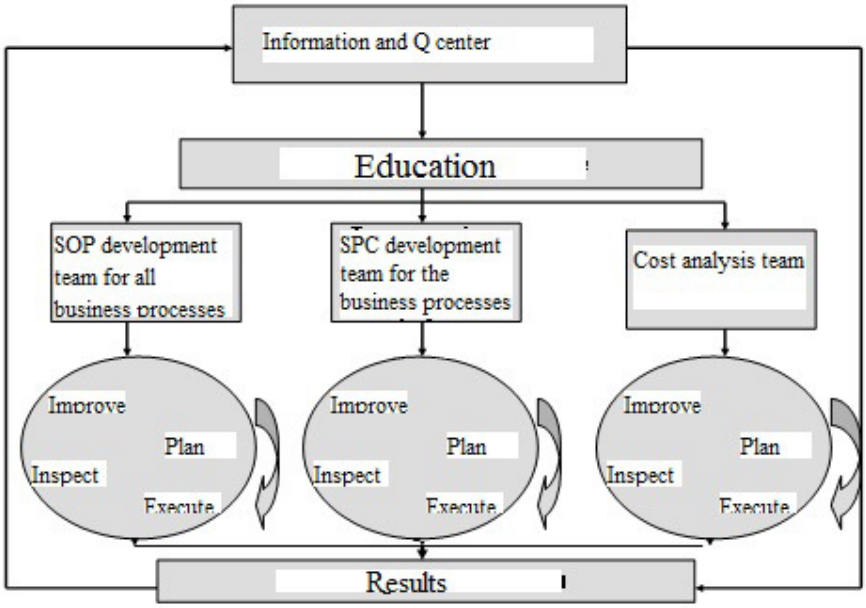

Fig. 1: Integrated methodology for designing and implementation of the TQM system in the company

At the core of "the house of quality" are the measuring results, evaluating, analyzing and comparing the quality or lack of quality. Metrology is the basis for measuring the quality system. Measurement in production processes must be present at all production stages because it is the only way we will know the level of our quality. The measurement starts with the input of raw materials, continued measurement of semifinished products, and ends by measuring the properties of finished products. Moreover, the time of the technological process, the time of the production process, and the standard productivity of the worker are all measured.

One of the pillars of "the house of quality" is **standardization**. The internal standardization of all phases of work, construction, procurement, production and quality control are of fundamental importance. The standards are the language of raw materials, products and processes, operations and organization quality. By using the standards, working order and proper communication among employees is achieved.

Daily practice of employees using various **methods and techniques of non-defect operation** ensures stability of the processes and detection, as well as prevention of defects in the workplace. In order to achieve good quality, quality education and training for the staff is necessary. The purpose of education is to build knowledge and awareness of the employees to perform their tasks more efficiency. The training is carried out according to the needs of the staff, compliance with their qualifications. In order to achieve and enhance the quality, **a motivation** is needed. It is necessary to develop awareness among employees that everybody is responsible for the quality.

Each company is required to **optimize its costs**. Costs directly affect the formation of the price of

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the product. If costs are optimized, it may improve the company's reserves. Practice has shown that the errors and their corrections are costly for industry. Therefore, the non-defect operations are preferred by the management. **Management** is the roof of "the house of quality" and it needs to lead and protect the company.

The success of the business processes today cannot be imagined without the use of **IT computer systems** (Mitreva, et al., 2013). The computer systems by its hardware and software content are the basis for rapid transmission of information for implementation of business processes. They are always connected with the answers of the questions *what, who, how, where, when*, and also related to the question *who* is responsible for completing the work in the enterprise. Through them, getting data for the development of standardization, non-defect production, cost analysis, which are basic pillars of the system with total quality management (TQM). Today, these data is stored in organized forms and packages (database), which are computerized, searchable and useable at any time, for any working position, in order to achieve efficient operation. The interconnection of business processes of the enterprise network information systems means a complete quality prioritization.

1. The need to design a quality system in Macedonian textile companies

According to expert analysis, the textile industry is an important economic factor in the Macedonian economy because 30 percent of the value of total exports are being created by this very industry and also by the fact that it employs more than 22 000 people.

Apparel companies in Macedonia are mostly dealing with loan production and basic values are seeking fast and quality delivery of the orders and thereby taking into account the cost and meeting the requirements of the customers (Mitreva, et al., 2012). Thus, Macedonian apparel does not require anything other than effectiveness and efficiency, i.e. rapid preparation and production of the work order. The implementation of these activities is necessary to define business processes and determine the values of the parameters and variables of the system.

The opening of the "Textile - logistic center in Macedonia" is an important step in helping the Macedonian textile production in the direction of following the world trends, meet deadlines and cost optimization. The main activity of the center is producing a prototype, making cutting strips, plotting and automatic cutting. The creation of this center is supported by the U.S. Agency for International Development (USAID) and a private company from Shtip. The Center was created with the intention to offer small and medium textile enterprises in Macedonia new types of services through the option of using the latest technology and software in the fields of design and production support of computer systems.

The activities of the computer support center for the apparel companies is realized through CAD (Computer Aided Design) - CAM (Computer Aided Manufacturing) service as a necessary link to effective production.

2. Basis for the design and implementation of the quality system in CAD - CAM textile production

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For the efficient operation of the quality system introduced by ISO 9000:2008 in the "Textile - logistics center", in order to access certain information such as plans and methodology for their implementation, the standard operating procedures (SOP) are required for all business processes, rules of operation, regulations, textile standards, matrix of duties and responsibilities, records for quality control of data, proposals for corrective actions, etc. Therefore, it is necessary to design a good information system (Deming 1986; Juran 1988; Feigenbaum 1991; Crosby 1979 and Ishikawa 1982).

The company had an information system introduced before the TQM system and it works as follows. The service carried out by the "Textile - logistic center" is a CAD - CAM service. For this service you need a high tech equipment of software packages (systems), digitizers, plotters, and computer cutting machine (cutter).

In order to fit with the new trends, the textile - logistic center is necessary to continuously enhance the business processes for CAD - CAM production. The Center began working with one computer station, a plotter, a digitizer and a cutter. As the needs of the market and the company grew steadily, it was modernized. Today, the company has seven computer stations and three plotters for high speed printing, generating new staff, and conduct training for new skills for independent work. In this way, the employees have a direct access to information, that each of them is a receiver, provider, and recipient. Also, there is a daily flow of knowledge and information.

This information system is constructed and provides high quality data management, but the problem is that the information do not come in time, **but are delayed and have a reduced ability to intervene during the business process.** In order to shorten the time of the transfer of information and increase efficiency in operations, a system of total quality management should be introduced (Mitreva, et al., 2013).

3. Analysis of the current state of the “Textile - logistic center"

The current situation in the Textile - logistic center analyzed through the four pillars of the house of quality: internal standardization, methods and techniques for providing quality, education and motivation and cost analysis of quality. The current situation is analyzed through the criteria for the European Quality Award: leadership, policy and strategy, management of staff, resources, processes, customer satisfaction / users, employee satisfaction, impact on society, business results. Through these criteria the current standing was evaluated, presuming that the company was competing for the European Quality Award (European Foundation for Quality Management – EFQM).

Based on the detailed analysis of the current situation, the "age" was determined, i.e. the development of the Textile - logistic center in the pillars of the house of quality (the young and poor system towards mature and developed system, and vice versa), Table 1.

The deviations of the subsystems of the TQM system symptoms through the "health" of the quality system were considered and the conclusion was the following, Table 1:

Table 1. *Developmental stages of the TQM in the "Textile - logistic center" on the pillars of the "house of quality"*

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House of quality	Development stages in the Textile - logistic center				
		Beginner	Intermediate	Upper-intermediate	Advanced
	Internal standardization			✦	
	Methods and techniques for Q		✦		
	Education		✦		
	Motivation			✦	
	Costs			✦	
	Measurement, evaluation and analysis		✦		

Based upon the results of the survey, it was found that the "Textile - logistic center" cares about the quality of products / services through established quality system. But, an insufficient attention is given to the continuous education and training of employees to acquire new skills and there are poor investments in innovation, while the work in a team is considered a return to the past. The company pays attention to employees, customers, suppliers and the community, but has a weak application of statistical process control (SPC) a state found in most of the Macedonian textile companies resulting in many errors, delays and complaints. Analyses have shown that the existing information system provides good quality of data management. Yet, the problem is that the information does not come in time, but is delayed and there is a reduced ability to intervene in time within the business process. Based on the results it was concluded that the "Textile - logistic center" is moving things in the right direction in terms of other Macedonian companies , but to be the center of "world class" it is necessary to design and implement a system for total quality management.

3.1. Designing a system of total quality management in CAD - CAM textile production

The introduction of the TQM strategy in an enterprise requires a proper methodology for each function. Starting from this basis, we analyzed the system established in the textile center with corrections and amendments to it through the QC-CE-Pyramid model approach, improving its efficiency and effectiveness.

The design of the quality system has applied the QC-CE-Pyramid model (Mitreva and Filiposki, 2012), according to which the system should be processed through the Deming's circle (PDCA) and the Ishikava approach: *whom, what, where, who* is responsible in the pyramid hierarchy of the company, *Figure 2.*

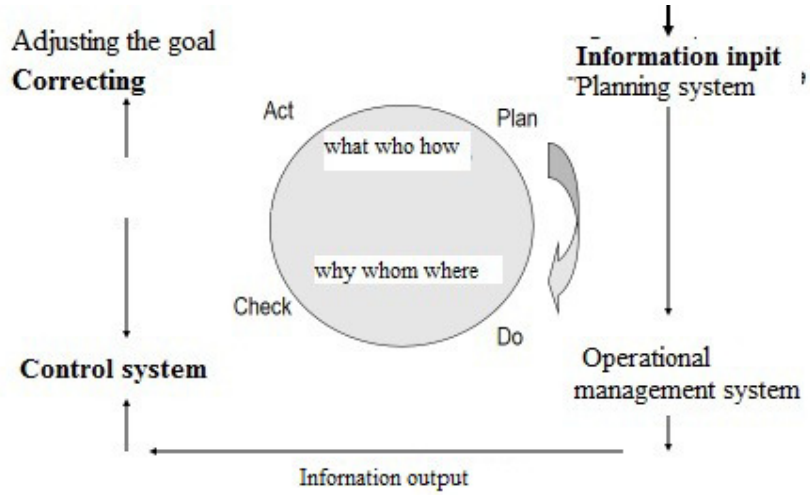

Fig. 2: Use of the QC-CE-Pyramid model in building information systems for quality

Through the QC-CE quality model (Mitreva and Filiposki, 2012), the obligations and responsibilities of all employees are defined. In that way, rules of conduct and good interpersonal relationships are achieved. Through this model, the standardization of all business processes across the enterprise is being achieved, via standard operating procedures in the form of current cards. The standard operating procedure begins with planned activities and baseline inputs; continues whit the activities of the business process, and each stage receives an output information that is input for the next stage. In the end, the business process ends with information - the result. This achieves vertical and horizontal connectivity between employees according to the structure of the pyramid. Thus, ensuring quality in the company, followed by the information in accordance with standard operating procedures.

The circle closes with correcting and he answers the questions *what, whom, where, when, who* provides information with complete supporting documentation with specified quality, obligations and responsibilities. In order to achieve an effective quality system, it should be both defined and well documented, *Figure 3*.

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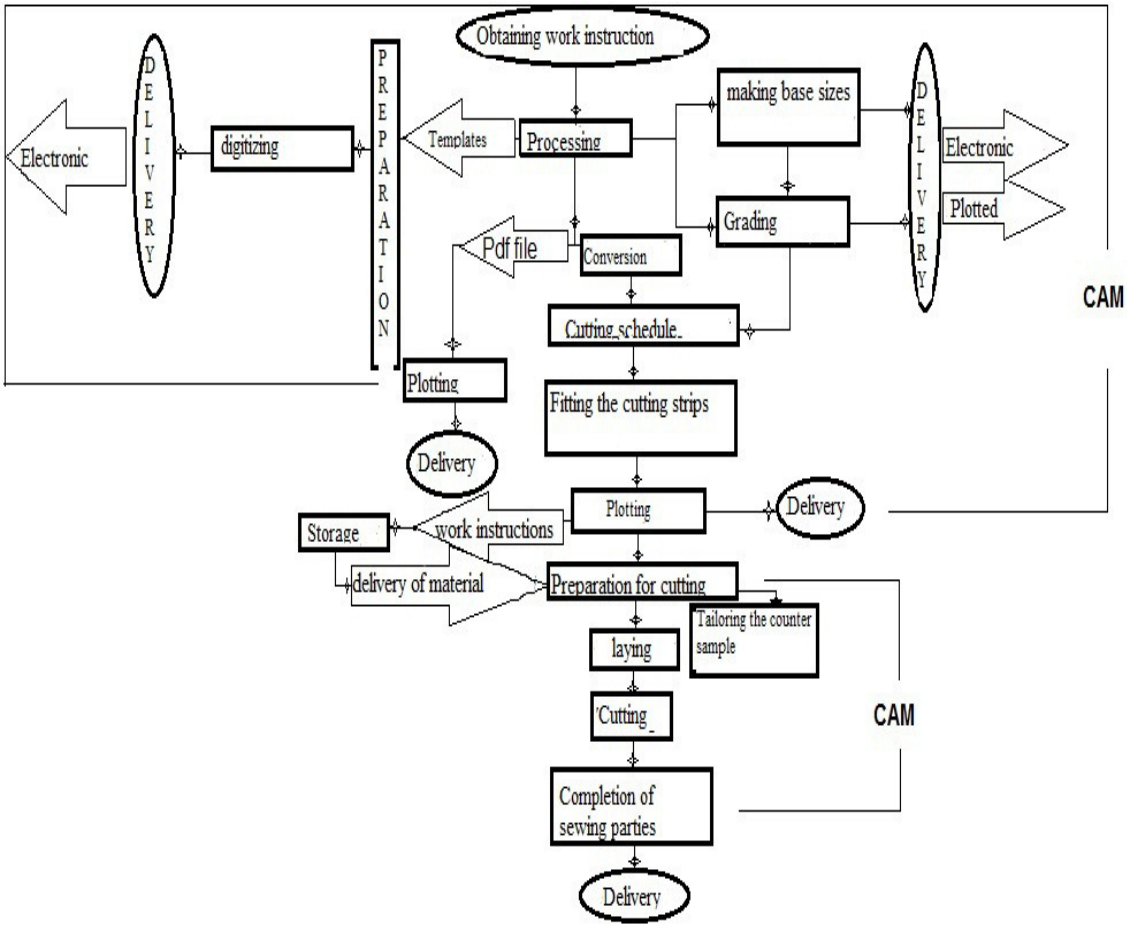

Fig. 3: A flow chard of standard operating procedure in CAD - CAM textile production

Because the quality system defines the obligations and responsibilities of all employees through this mode of transmission of information it can provide complete care for quality.

The design of standard operating procedures must apply appropriate methodology methods and techniques of statistical process control, as well as non-defect production methodology for optimizing the costs. These methodologies are offered as support for the top management, acquired for displaying the results of the implementation of methods and techniques in this company, as well as involvement and commitment of every employee. The most important segment in the preparation of templates is their development with great accuracy. Therefore, constant measuring and evaluating is necessary for controlling the plotters with their frequent calibration and performance test - plotting (as daily operational procedure). The company implemented part of the methods and techniques for non-defect operations such as Check cards, Map of trend, Pareto approach and Ishikava method in some of the business processes (Dale and Lascelles, 2007). The measurements and analysis found irregularities regarding the accuracy of patterns, time of production, quality and time of delivery, so a "sample room" was projected, in order to improve the quality of making patterns, which lead to other benefits and have also increased the reliability of the designers in their work (from paper to real piece of clothing).

Using the Ishikava diagram for analysis we see what is the critical place for reasons of errors in the produced templates at the "Textile logistics center", Fig. 4.

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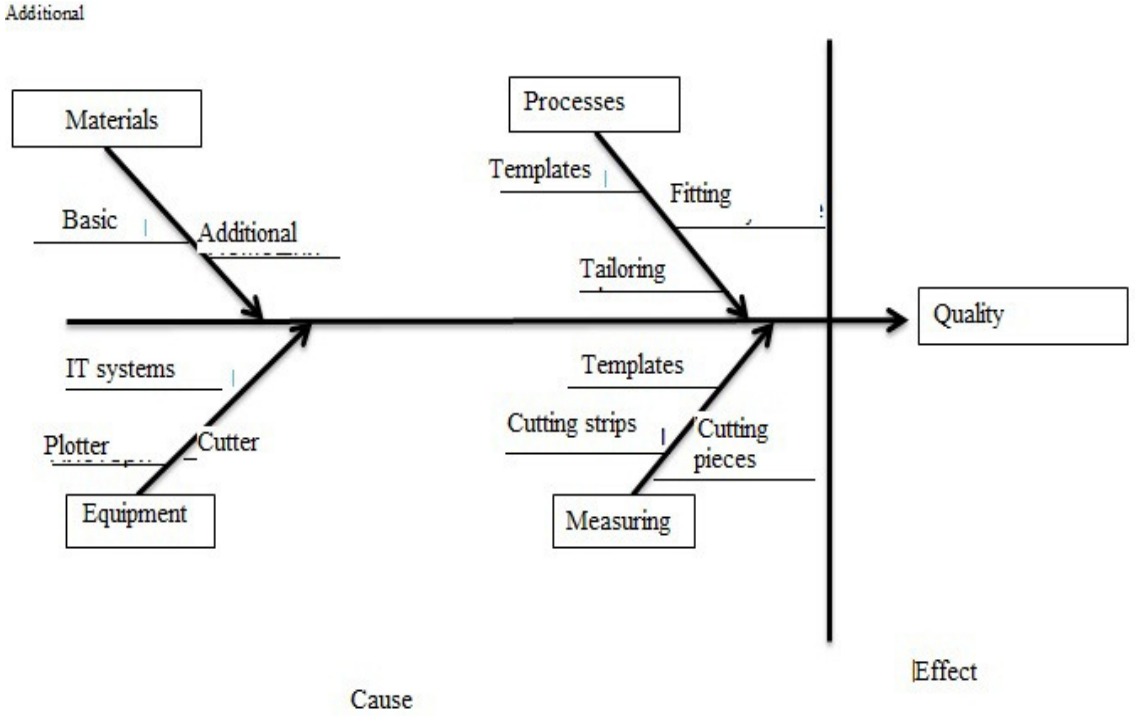

Fig. 4: Application of the CE diagram for determining the causes of errors of the produced templates

By analyzing the CE diagram the emphasis is put on the "process" or places where you need to make changes to improve the characteristics of quality through design control system in all key stages. To avoid even the smallest errors on the quality of the piece, a "sample room" (room for sewing samples) has been created. This section sews a sample in the presence of the modeler to perform measurement and evaluation, and all that is missing or is defective will be repaired.

The application of methods and techniques for non-defect production will help avoid the possibility of fault to slip within the apparel companies, where the order is released for full production (Feigenbaum, 1991). In this way, the released sample can be delivered in the apparel company as a prototype, after which they will prepare the work order.

Conclusion

Analysis of the application of the TQM strategy showed that the implementation of the methodology for total quality management increased the effectiveness and efficiency of the center. Textile companies that use the services of the center have reduced the time needed for the preparation of work orders by 20 %, increased utilization of fabrics by 5 %, and increase of the productivity by 50 %.

The service center helped achieving a quick and effective response to market demands and the textile enterprises significantly reduced the production costs and time of production.

The creation of the "Textile - logistic center" is of great importance for Macedonia viewed from a marketing perspective because it creates conditions for increasing competitiveness of the Macedonian textile manufacturers in the global market.

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This center builds partnerships with Macedonian Apparel in preparatory activities for making models and optimization of business processes. In this way, the traditional models of the development of business processes were measured for errors, omissions and complaints, while in the center the proactive work is applied with the application of high technology and software packages that offer great accuracy in the preparation of templates.

The application of methods and techniques for non-defect work in this center contributes for greater efficiency and effectiveness in the company (Chepujnoska, 2009). The benefits of their application in practice led to meeting the needs of the customers, strengthening the company's place in the market, employee satisfaction and improvement of the community. The daily practice of every employee does not only include control of the work, but employees are trained to act proactively, to be improved and not be burdened with error detection only.

For successful implementation of the TQM strategy, l**earning new approaches to quality** is necessary (Senge, 1990). Given the structure of employees (highly - educated and engineers), investment in new technology, new operating systems with new converters, ongoing training and information on new developments in the world is necessary in order to be compatible with the requirements of the customers. In this way a high level of development in terms of providing quality at optimum cost, maintenance and conquering the market, as well as making a recognizable brand are being achieved.

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ISSN 2076-9202

Organizational Culture among Teaching Employees of Lyceum of the Philippines University-Batangas: Basis of Enhancement

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ABSTRACT

Successful organizations know that to excel in today's competitive business they must develop, shape and retain talented and productive human resources. Employees and employers are two faces of the same coin. They complement each other, and if both are commendable, they turn out to be what a company greatly needs: the first- class human assets.

This study aimed to propose an enhancement based on the organizational culture among teaching employees of the Lyceum of the Philippines University- Batangas. Specifically, it identified the organizational culture of teaching personnel and its relationship with demographic profile variables- age, civil status, gender, educational attainment, length of service, and monthly salary. The descriptive- correlation method was utilized in the conduct of the study.

The study revealed that the teaching employees are predominantly female, are equipped with Masters' degree, with an average teaching experience of nine years and are highly satisfied with their teaching assignments or jobs. The employees expressed strong agreement with university practices such as setting clear goals, encouraging innovation for organizational effectiveness and continuous improvement through a quality management system supported by management.

Keywords: Organizational Culture, Filipino Teaching Employees, LPU

1. INTRODUCTION

Every company has an organizational culture, and depending on its strength, the organizational culture may have an important impact on the members of organization, their values and behaviour. The organizational culture can be one of the most important factors in whether a large corporation succeeds or fails, but it is also one of the hardest things to change about a company since by its very definition organizational culture is

ISSN 2076-9202

shared throughout the entire company. This is why success tends to breed success while a sinking company is so hard to turn around, even if huge changes are made at the top.

Organizational culture has been an important theme in management and business research for the past few decades due to its potential to affect a range of organizationally and individually desired outcomes such as commitment, loyalty, turnover intent, and satisfaction (Chow, 2001).

Culture surrounds the work environment at all times. It is a powerful element that shapes the work enjoyment, work relationships and work processes. Culture is especially influenced by the organization's founder, executives, and other managerial staff because of their role in decision making and strategic direction (Heathfield, 2008). Serrat (2009) describes organizational culture as comprising the attitudes, experiences, beliefs, and values of the organization, acquired through social learning, that control the way individuals and groups in the organization interact with one another and with parties outside it. Organizations that have a strong culture try to perpetuate that culture by selecting individuals who already share the culture and by socializing new members so that they accept these norms and values (Werner & De Simone, 2009).

As stated in the study of Shah (2007) people are constantly surrounded by culture. It forms the background (often invisible) of our work-lives, coloring everything in an organization. Organizational culture is the collection of norms, values, beliefs, expectations, assumptions, and philosophy of the people within it.
This culture guides the way individuals and groups in an organization interact with one another and with parties outside it. It is the premier competitive advantage of high-performance organizations. Sadly, for others, organizational culture is the most difficult attribute to change: it outlives founders, leaders, managers, products, services, and well-nigh the rest. It is best improved by organizational learning for change.

In the past few years, a large number of Filipino workers have left the Philippines to work abroad. An employee who is underpaid, overworked and unappreciated would want to leave and work abroad especially the teachers. Most human resource managers are confronted with the scarcity of human capital. So, in this challenging work sphere, it is a huge challenge for the top management to provide job satisfaction and formulate the organizational culture that makes them able to retain their skillful employees, give them motivation and to control the employees' turnover rate. By attaining an effective human resource development program, quality of organization in terms of culture should be observed as motivator for employees to stay in their current job as well as the job satisfaction of every employee. A supportive work culture will help grow employee professionally and boost employee satisfaction.

The present study was designed to investigate the organizational culture among the teaching employees of Lyceum of the Philippines University- Batangas. With the abovementioned discussions, the researcher believes that it is very important for the teaching employees to be properly motivated to keep them with strong organizational culture in their job.

2. OBJECTIVES OF THE STUDY

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This study aimed to determine the level of organizational culture among the teaching employees of the Lyceum of the Philippines University- Batangas during the academic year 2010-2011. Specifically it aimed to describe the demographic profile of the respondents in terms of age, civil status, gender, educational attainment, length of service in LPU-Batangas, and monthly Salary; to determine the organizational culture of LPU – Batangas with regards to the following dimensions: employee participation, goal clarity, management style, working relationship and organizational commitment; to determine if there is any significant relationship between the demographic Profile and Organizational Culture; and to propose strategies that could improve the human resource development program for the benefit of both the company and the employees.

3. METHOD

3.1 Research Design

The descriptive- correlation method was utilized in the conduct of the study. This study aimed to provide a description of relationships among the following variables: demographic profile and organizational culture of the teaching personnel of the Lyceum of the Philippines University- Batangas. The descriptive correlation method provides essential knowledge about the concepts used in the study as well as their relationship with each other. Thus, this method is deemed appropriate to the present study since this involved assessment of prevailing conditions.

3.2 Participants

The respondents of the study include 104 regular teaching employees from Lyceum of the Philippines University- Batangas who have worked in the institution for at least three years and with satisfactory teaching performance. The researcher opted to choose the regular employees since they will be better equipped to describe the LPU work experience as well as its culture. Ninety- four or 90 percent of 104 regular teaching employees accomplished the questionnaires.

3.3 Instruments

To measure the concepts relevant in the study, the researcher reviewed questionnaires from on-line sources and modified the versions of instruments used by other studies and collated these to have an instrument appropriate for her study. The instrument is a modified version from on-line sources and also the determinants survey of Javier (2000) and Castillo (2009). These were used to gather data needed for the study on organizational culture of the teaching employees of the Lyceum of the Philippines University-Batangas. The draft of the questionnaire was presented to the office of the Human Resource Management and Development and to the Vice President for Academic and Research. The questionnaire was given to the regular academic employees of LPU-Batangas. To validate the content and the presentation of the questionnaires, after which, these were given to the adviser for comments and suggestions. Suggestions were incorporated before the final draft was printed.

The questionnaire has three parts. Part I is the self-made questionnaire that determines the demographic

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characteristics of the respondents such as age, civil status, gender, educational attainment, length of service and monthly salary. Part II was a modified questionnaire from the study of Javier (2002) and Castillo (2009) and from on-line sources. Part II is the organizational culture rating in terms of employee participation, goal clarity, management style, working relationship and organizational commitment of the teaching employees of LPU-Batangas.

3.4 Procedure

The following steps were undertaken in gathering the data to answer the question in the study. A letter of request to conduct the study was sent to the office of the Human Resource Management. Questionnaires were distributed to the participants of the study to gather information on their profile. The researcher personally distributed the questionnaire during employee break. Retrieval was done two weeks after the distribution of the questionnaire.

3.5 Data Analysis

The data were encoded, tallied and computed using SPSS version 17, and the following statistical measures were applied to analyze the data: Frequency Distribution was used to determine the demographic profile of the respondents in terms of age, gender, highest educational attainment, length of stay and salary range; Weighted Mean was used to determine the respondents' organizational culture; Eta^2 was used to know the significant relationship between the demographic profile and the organizational culture; and Slovin's Formula was used to determine the sample size.

4. RESULTS AND DISCUSSION

Table 1. Distribution of the Respondents' Demographic Profile (N = 94)

Profile Variables	Frequency	Percentage (%)
Age		
26-30 years old	6	6.38
31-35 years old	18	19.15
36-40 years old	32	34.04
41-45 years old	16	17.02
46 years old and above	22	23.40
Gender		
Male	25	26.60
Female	69	73.40
Highest Educational Attainment		
With MA degree	50	53.20
With Doctoral units	26	27.70
With Doctoral Degree	18	19.10
Length of Stay		

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3-5 years	18	19.10
6-8 years	31	33.00
9 years and above	45	47.90
Salary Range		
11, 000- 15, 000	2	2.10
16, 000- 20, 000	13	13.80
21, 000- 25, 000	34	36.20
26, 000- 30, 000	23	24.50
31, 000 and above	22	23.40

Table 1 presents the demographic profile of the respondents. In terms of age, most of them fall on the age bracket of 36 to 40 years old which comprise of 34.04 percent of the respondents. It was followed by 46 years old and above with 22 out of 94 respondents, or 23.40 percent. The least among the age group was 26 to 30 years old with 6.38 percent only. This shows that the respondents are in the middle of their career.

The number of years spent in an organization is an age-related variable that has a relationship to job satisfaction. It can predict the affective response to work or the positive feelings toward work. (Okpara, 2004)

With regards to gender, majority are females which obtained a frequency of 69 or 73.40 percent while males consist only of 26.60 percent. This signifies that more women are attracted to work in an educational institution. This affirms the study of Javier (2000) that female employees outnumber the male employees in the educational institution.

As to their highest educational attainment, MA degree holders obtained the highest percentage of 53.20 percent while those who have doctoral units comprise of 26 or 28% percent and the rest of the respondents which is, 19 percent have already doctoral degree. It shows that the teaching employees in LPU obtained their Master's degrees. It is noted that, Master's degree is a prerequisite for regularization of teachers. This indicates the need of LPU-Batangas to strengthen its faculty to give emphasis on the post graduate studies.

Previous researches have shown that as the level of academic qualification increases, the level of job satisfaction enjoyed by an individual also increases and the respondents' education background is of substantial importance in affecting job satisfaction (Metle, 2001). Studies also show that as the level of academic qualification increases, the level of job satisfaction enjoyed by an individual also increases and the respondents' education background is of substantial importance in affecting job satisfaction. The results of the study revealed that satisfaction level increases with an increase in the level of education and the difference is significant. It was revealed that standardized education has significant effect on job satisfaction. Thus the level of education of an academician positively affects his/her job satisfaction is accepted (Sharma & Jyoti, 2009).

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It must be distinguished that LPU-Batangas is an ISO certified institution. As predetermined in the manual of hiring employees, for teaching employees, the ISO qualification standard requires them to hire teachers who possess the Masters degree.

In the modern world, the importance of highly specialized scientific and technical education is well recognized. But a broad education is also important in the university level in developing countries. In the context of higher education system, satisfying demand from employees for an increasingly sophisticated and rewarding education and training is needed to run a modern society and contribute to its further advancement (Toffler, 2000)

According to the length of stay, 45 out of 94 respondents have 9 or more years in LPU. Thirty three percent have 6-8 years of stay while 18 respondents have 3-5 years of teaching in LPU. The reason for this is that a teaching employee to be regularized must be in the university for three consecutive years as a full time teacher and must be a Master Degree holder with satisfactory teaching performance.

The data on salary range reveals that two of the respondents fall on the bracket salary Php11,000-15000, which is 2.1 percent of the respondents, thirteen (13) or 13.8 percent of the respondents have salaries ranging from Php16,000 to 20000, thirty four (34) of the employees, 36.2 percent belongs to the salary bracket of Php21,000-25,000, twenty three (23) or 24.5 percent of the respondents indicated their salaries is in the range of Php26,000-30,000, while twenty-two (22), 23 percent of the respondents belong to the salary bracket of Php31,000.

Even though salary is very important to employees, employers on the other hand, believe their sense of responsibility, dedication to work and demands of their jobs as significant factors in shaping one's compensation. Higher pay raises accomplishment by raising the effort, which is in terms of the efficiency wage theory; better paid teachers are likely to work harder in order to increase the chances of retaining their more valuable jobs. Thus, pay structure is potentially an important incentive-tool in the hands of the education policy makers including those of the Lyceum of the Philippines- Batangas.

Table 2. Organizational Culture of LPU with Regards to Employee Participation

Employee Participation	WM	VI	Rank
1. Immediate superior at all levels have the opportunity to participate in this process of setting goals and objectives.	3.52	Strongly Agree	2
2. The communication between management and yourself is adequate.	3.32	Agree	6
3. Key management devotes adequate time in advanced dynamic planning and involve subordinate in the process.	3.44	Agree	3

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4. Employees have opportunities to clarify changing roles and relationships.	3.43	Agree	4
5. Employees are encouraged to participate in community extension programs.	3.67	Strongly Agree	1
6. Employees are given chances to be involved in recreational activities.	3.35	Agree	5
Composite Mean	**3.45**	**Agree**	

Table 2 describes the organizational culture of LPU with regards to employee participation. It can be gleaned from the data that the respondents agree regarding their participation and involvement in the different processes and activities.

As seen from the table, employees strongly agree that they are encouraged to participate in community extension programs and that their immediate superior at all levels have the opportunity to participate in the process of setting goals and objectives with respective weighted mean of 3.67 and 3.52. This indicates that LPU-Batangas gives full support to various school programs such as community extension, Gawad Kalinga Housing Project.

Other items rated agree but lowest were the employees being given opportunities to clarify changing roles and relationships (3.43), employees being given chances to be involved in recreational activities (3.35) and the adequate communication between management and themselves (3.32).

The findings are indicative of the efforts of the employees to work as a team to accomplish the goal of the institution. In other words they consider everyone in the work force as important in the success of the institution. Employees agreed on the sense of involvement in the various recreational activities as well as in the annual celebration of LPU's anniversary where deserving employees are recognized and honored for their service, commitment and outstanding performance.

Table 3 describes the organizational culture of LPU with regards to goal clarity. It can be gleaned from the data that the respondents agree regarding the LPU goal clarity.

Table 3. Organizational Culture of LPU with Regards to Goal Clarity

Goal Clarity	WM	VI	Rank
1. There are organizational objectives and targets.	3.68	Strongly Agree	1
2. Company's leadership has a clear vision of the future	3.61	Strongly Agree	3
3. There is an understanding of the direction and goals of the company.	3.62	Strongly Agree	2
4. Teaching employees understand how the company's strategy differentiates from the competition.	3.45	Agree	5
5. Company leadership has made changes that are positive for the	3.50	Strongly Agree	4

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company.			
6. Company is responding to the important external issues.	3.40	Agree	6
7. Company is responding to the important internal issues.	3.23	Agree	8
8. Company has made changes which are positive for the employees.	3.38	Agree	7
Composite Mean	**3.48**	**Agree**	

Among the items mentioned, the availability of organizational objectives and targets ranked first with a weighted mean value of 3.68, followed by the understanding of the direction and goals of the company (3.62) company's leadership has a clear vision of the future (3.61). On the other hand, company is responding to the important internal issues ranked the last with weighted mean value of 3.23.

People must have in mind a clear picture of any end or goal they are to achieve. If this picture does not exist, they cannot tell if they are making progress or when they have completed the task or assignment, let alone if it has been completed properly. The time a manager spends in developing, communicating and clarifying the goals or ends to be achieved is time well spent. Goal theory proposes that difficult goals require employees to focus on the problem, increase their sense of goal importance, and encourage them to persist and work harder to achieve the goals. Studies of employee motivation have suggested the benefits of combining goal theory with cognitive theories of motivation to better understand the effect of difficult goals (Locke & Latham, 2004; Wright, 2003).

By focusing on the results, these show that employees of LPU-Batangas are aware on their organizational objectives and targets. This can be supported by the numbers of accreditation being passed by the university.

Table 4 describes the organizational culture of LPU with regards to management style. It can be gleaned from the data that the respondents agree regarding the management style.

Table 4. Organizational Culture of LPU with Regards to Management Style

Management Style	WM	VI	Rank
1. There is continuous, planned organizational review and renewal of management commitment to objectives.	3.62	Strongly Agree	1
2. There is coordination and cooperation in and among the organizational work units.	3.44	Agree	7
3. There is a high productivity or quality standards required in the organization.	3.48	Agree	6
4. Management encourages human resource development.	3.55	Strongly Agree	2.5
5. There is equal employment opportunity and affirmative action for every employee.	3.35	Agree	11
6. Management promotes creative thinkers and innovative performers.	3.50	Strongly Agree	4.5

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7. Management seeks suggestions or ideas from employees and the public.	3.38	Agree	8.5
8. Management is willing to consider innovations proposed to increase organizational effectiveness.	3.50	Strongly Agree	4.5
9. Management confronts conflict directly and settling disagreements rather than avoiding or ignoring it.	3.38	Agree	8.5
10. Ensures that ideas generated within the team are appropriately assessed and followed through to implementation.	3.37	Agree	10
11. Management conducts meaningful and productive meetings.	3.55	Strongly Agree	2.5
Composite Mean	**3.47**	**Agree**	

At present, the Lyceum of the Philippines University- Batangas, followed and communicate to all leaders, which include Vice Presidents, Deans and Department Heads the leadership brand which stands what a leader of LPU is. Results show that teaching employees strongly agree on the planned organizational review and renewal of management commitment to objectives. The reason for this is because leaders of LPU are willing to put in far greater effort beyond the required standards to help the university to become successful and effective. They display a passion for execution and a sense of urgency in the accomplishment of tasks. In addition, everyone takes pride in LPU and shares this with others inside and outside LPU.

Studies suggest that management style affects organizational innovation. The traits theory posits that entrepreneurs are the ones primarily responsible for initiating changes and novelties in the society. The explanation offered is that entrepreneurs possess certain traits such as risk-propensity and ambitiousness that induce them to strive for better and greater things. Entrepreneurs are held responsible too for educating the society on the need for new ways of life and solutions to life's problems (Idris, 2009).

Table 5 shows organizational culture of LPU with regards to working relationship. It can be gleaned from the data that the respondents agree regarding the working relationship.

Table 5. Organizational Culture of LPU with Regards to Working Relationship

Working Relationship	WM	VI	Rank
1. The atmosphere and interpersonal relations in respective department are friendly and cooperative.	3.45	Agree	3.5
2. The members encourage one another's best efforts reinforcing successful behavior.	3.43	Agree	6.5
3. The members maintain adequate standards of performance.	3.45	Agree	3.5
4. The group communicates satisfactorily with other colleges.	3.33	Agree	12
5. The group is open and ready for organizational changes.	3.44	Agree	5
6. The members generally demonstrate pride in themselves and in their work.	3.47	Agree	2
7. The members provide group input and participate in the management	3.35	Agree	11

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process as appropriate.			
8. The group has a record of consistent accomplishment in the organization.	3.48	Agree	1
9. The members in the work group generally exercise responsibility and achievement.	3.41	Agree	9
10. The members work effectively as a team.	3.41	Agree	9
11. The group communicates well within the college.	3.41	Agree	9
12. The group actively seeks to utilize the skills and abilities of its members.	3.43	Agree	6.5
Composite Mean	**3.42**	**Agree**	

Among the items, the employees agree on the consistency of accomplishment in the organization (3.48), the members generally demonstrate pride in themselves and in their work (3.47), the atmosphere and interpersonal relations in respective department are friendly and cooperative and the members maintain adequate standards of performance (3.45).

On the other hand, though agreed by respondents but ranked lowest are; the members in the work group generally exercise responsibility and achievement, the members work effectively as a team, the group communicates well within the college, which tied for rank 9, (3.41), the members provide group input and participate in the management process as appropriate, and the group communicates satisfactorily with other colleges ranked last with weighted mean value of 3.33.

Table 6. Organizational Culture of LPU with Regards to Organizational Commitment

Organizational Commitment	WM	VI	Rank
1. Employee is willing to put in a great deal of effort beyond what is normally expected in order to help this organization to be successful.	3.48	Agree	4
2. This organization really inspires the very best in the way of job performance.	3.49	Agree	3
3. Employee really cares about the fate of the organization.	3.51	Strongly Agree	2
4. Organization demonstrates commitment to providing satisfactory service to the students.	3.47	Agree	5.5
5. Employee finds that his/her values and the organization values are very similar.	3.47	Agree	5.5
6. Employee is extremely glad that he/she chose the organization to work for others he/she was considering before.	3.45	Agree	7
7. Employee is proud to tell others that he/she is part of this organization.	3.59	Strongly Agree	1
Composite Mean	**3.49**	**Agree**	

Meanwhile, table 6 describes organizational culture of LPU with regards to organizational commitment. It

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can be gleaned from the data that the respondents agree regarding the organizational commitment.

Among the items, employee is proud to tell others that he/she is part of this organization ranked the first with the weighed mean value of 3.59 followed by employee really cares about the fate of the organization and this organization really inspires the very best in the way of job performance with 3.51 and 3.49 respectively. On the other hand, employee is extremely glad that he/she chose the organization to work for others he/she was considering before, was ranked the last with 3.45.

As conducted by Nehmeh, (2009), organizational commitment is highly valuable. Studies have highlighted that commitment has a great impact on the successful performance of an organization. This is because a highly committed employee will identify with the goals and values of the organization, has a stronger desire to belong to the organization and is willing to display greater organizational citizenship behavior like willingness to go over and beyond their required job duties. And if human resources are said to be an organization‘s greatest assets, then committed human resources should be regarded as an organization’s competitive advantage.

Table 7 shows the summary of organizational culture factors as a result from the study. This give details that among the factors, organizational commitment is the factor most agreed by the regular teaching employees of LPU-Batangas with a composite mean of 3.49. Next is the goal clarity which has a composite mean of 3.48. Though interpreted as “agreed” by the teaching employees, still, the working relationship among the employees is in the last rank (3.42).

Table 7. Summary of Organizational Culture Factors

Dimensions	Composite Mean	Verbal Interpretation	Rank
1. Employee Participation	3.45	Agree	4
2. Goal Clarity	3.48	Agree	2
3. Management Style	3.47	Agree	3
4. Working Relationship	3.42	Agree	5
5. Organizational Commitment	3.49	Agree	1
Composite Mean	**3.46**	**Agree**	

With the results, the work of Nehmeh, (2009) best supports the present study explaining that in the organization, organizational commitment is highly valuable. This is because a highly committed employee will identify with the goals and values of the organization, has a stronger desire to belong to the organization and is willing to display greater organizational citizenship behavior like willingness to go over and beyond their required job duties. And if human resources are said to be an organization‘s greatest assets, then committed human resources should be regarded as an organization’s competitive advantage.

Relationship between Demographic Profile and Organizational Culture

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Only salary range shows significant relationship on organizational commitment because they obtained eta -value shows moderate positive correlation and the resulted p-value is less than 0.05 level of significance, thus the null hypothesis under this variable is rejected which implies that there is a relationship exists. It shows also that the respondents' organizational commitment is affected by their monthly salary.

Salary measures achievement and recognition and contributes to job satisfaction. Faculty's salary measures not only status and equity in the workplace but also affects faculty's morale positively or negatively (Laden and Hagedorn, 2000).

Table 19. Proposed strategies for Organizational Culture of Teaching Employees

Areas of Job Satisfaction	Objective	Program/ Activities	Responsible	Timetable
1. Employee Participation	To enhance the openness of atmosphere in the organization	Circulate performance monitoring reports to all staff	Human Resource Director, Deans of respective Department	June SY 2011-2012
2. Goal Clarity	To promote awareness of the University's goals and objectives.	Encourage active participation in the formulation and the achievement of the University's VMGO by conducting regular meetings and updates.	Human Resource Director, Deans of respective Department	June SY 2011-2012
3. Management Style	To foster a 'can do' culture which takes account of changing circumstances while recognizing that existing priorities may need to be adjusted to keep workload pressures within reasonable bounds.	Enhancement of improved communication between management and the employees wherein the organizational change and other forms of information could be discussed or disseminated.	Human Resource Director, Deans of respective Department	June SY 2011-2012
4. Working Relationship	To enhance the camaraderie among the teaching employees.	Provision of programs that will enhance the comradeship of all	Human Resource Director, Deans of respective Department	June SY 2011-2012

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		employees to prevent the existence of parochial attitude of departments or work groups.		
5. Organizational Commitment	To retain employees and maintain loyalty with the institution.	Equip employees with thorough training and experiences, giving them enough exposures to actual leadership training and giving them incentives in the process. Provide employees with motivations and any other form of encouragement to let them feel that their opinions and sincere actions towards the organization really count.	Human Resource Director, Deans of respective Department	June SY 2011-2012

CONCLUSIONS

The respondents are in the middle of their career. The study signifies that more women are attracted to work in educational institution. In terms of highest educational attainment, LPU-Batangas is strengthening its faculty to give emphasis on the post graduate studies. Teaching employees of LPU-Batangas are mostly willing to stay in Lyceum and be regularized to be able to achieve benefits from the institution. Lastly, pay structure is potentially an important incentive-tool in the hands of the education policy makers of the Lyceum of the Philippines- Batangas. The teaching employees agree to the current organizational culture of the Lyceum of the Philippines University- Batangas.

The length of stay is essential in achieving higher compensation and benefits for employees. Meanwhile

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salary range is an indication for the commitment of teaching employees in the institution. Proposed strategies to enhance organizational culture was formulated.

RECOMMENDATION

LPU may continuously review its policies and programs in order to be competitive with other universities specifically on employees' recognition and salary structure. The institution must continue to review its policies and programs on personnel to address the findings and to make corrective actions in the areas that need improvement.

The school may still improve its overall management effectiveness and focus on the "people aspect" as this serves as the key towards shaping positive attitude or positive organizational behavior. The Management Committee of the University (ManCom) may address the findings on teaching personnel's interpersonal relationship and their participation in formulating and achieving organizational goals and objectives.

In order to generalize findings of this research, future researches may be done by other members of the academic community explaining other variables such as the non- tenured teaching employees to focus on improving measurement and feedback mechanisms in the jobs that could positively influence job satisfaction and perception of organizational culture by employees.

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ISSN 2076-9202

The Effect of Quality Management on Business Performance: Case of Tunisian Firms

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Abstract— **Quality must be at the service of the performance of the company and its future depends on its ability to generate added value in organizations. So that the question arises as to what extent the certification contributes to the achievement of efficiency and increased business performance objectives? Several previous studies have sought to understand the link between certification and business performance in order to locate the utility of implementing a quality system in an organization. This research presents the results of an exploratory study of a sample of Tunisian companies ISO certified within the same sector of activity. It appears a consistency in the comparison of theoretical and empirical results concerning the contingent nature of certification and its effect on business performance.**

Keywords— **Certification, performance, strategy, quality, ISO, resource theory, agency theory.**

INTRODUCTION

For some years the quality has become a subject on which management is based to drive a change in the business (Lamb, 1995). Juran (1983) states that if the 20th century was the one of productivity, the 21st century will be the one of the quality. In fact, the quality management has developed in various industries for companies which have any size or organizational form (B. Froman 1986 MJ Gava 1996 Gorgueu A., R. Mathieu 1996). Indeed, not only the nature of the business linkage motivates the adoption of a quality assurance model, but there are other logical basis of this adoption (B. Baudry 1995; Messeghem K. 1999b; Renault S. 2000).

The question posed in this research is whether the enterprise certification, besides the quality approach that it implements in an organization, affects the performance of the company. Thus, the aim of this paper is to appreciate the effects of this approach on the performance of the company. This study will include a first section that analyzes previous studies implementing ISO certification and its location in the company, a second section dealing with the emergence of ISO repository in the sphere of management and a third section which will treat the impact of ISO certification on business performance. The following sections present respectively the methodology, analysis and interpretation of results and conclusion.

LITERATURE REVIEW

In the early years of the emergence of quality, the focus was placed on quality circles (Barra, 1988), quality control and quality assurance (Ishikawa, 1991). In the late 1980s and early 1990s, the quality has acquired a broader meaning. Indeed, the definition of quality and its management have become dependent on customer demand and satisfaction (Deming, 1986). Since 2000, quality has often been called the « Lean Six Sigma " of improvement of management process (Thomsett , 2005). Recently, the concept has become synonymous with «New Gold Standard " that was often used and applied in the service sector and hospitality (Michelli, 2008). Since the 1990s, the total quality management (TQM) began to spread beyond the private sector to the public sector (Carr and Littman , 1993). Academic research focused on public productivity has also increased significantly during this period and assumes that the TQM practices are indeed applicable to government services (Milakovich , 1990).

Finally, there is no consensus on a definition of quality (Wicks, 2009). Quality has different meanings in different institutions, public or private, depending on the specificities of firms and the point of view of managers. Whatever the definition of quality, different approaches to quality have been implemented by organizations. Moreover, in practice, many institutions recognize that TQM is a philosophy to improve performance quality .

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Different theories explain the need to use standardization or certification as the agency theory that shows that such actions reduce uncertainty between partners in an organization (Jensen and Meckling, 1976). Indeed, customers and any other service having relations with an organization will claim the maximum of information that will allow them to make decisions and have an idea about the quality of management of the company.

Resource theory whose goal is to identify the factors that underlie the competitive advantage of companies, provides a rich framework for capturing choices in the field of strategic management since the first proposals of Wernerfelt (1984) and statement of basic principles of this theory by Barney (1991). The central objective of this approach is to explain long-term performance differences in terms of efficacy based on the conditions of competition. Under this approach, the development of the company depends not only on its external position but internal resources available including the ability to combine advantageously these resources. In this sense, the process of identification, operation and combining resources wisely is able to ensure the success of the company.

Similarly, contingency theory initiated by Lawrence and Lorsch (1967) provides that the standardization process is a means by which to ensure better organization of work and that eventually leads to improved performance of the business. To this end, this research aims to determine the factors that motivate an organization to adopt a quality approach and then identify the effect of certification on business performance.

ISO STANDARDS : A GLOBAL REFERENCE OF QUALITY

ISO reference covers all areas and is available to all businesses. ISO standards define the terms of a system of quality management for the running, the evaluation and the development of the company (AFNOR 1996). With these standards all institutions have the necessary guidelines and tools that make their products and services constantly in tune with what their clients want and the quality continues to improve. Indeed, international standards help firms to optimize operations and increase sales, improve quality, provide cost savings and strengthen customer satisfaction. These standards also facilitate access to new markets by helping managers to eliminate trade barriers and allowing them to increase market share and gain competitive advantages. Managers will be able to reduce the negative effects of their industries on the environment by respecting ISO standards.

Thus, organizations adopt the ISO system to differentiate itselves from the competition and improve their image or competitiveness (Simmons and White 1999 Segrestin 1997). This voluntary approach of ISO certification is often triggered under the leadership of the company's partners. In this case, companies opt for quality management in order to maintain a defensible market position and meet their influential partners. However, this ISO certification must fit within a quality improvement in the business. In this sense , several studies have been conducted and showed that ISO 9000 certification has a positive economically effects for small and medium enterprises (Venkatshwara and Renuka , 2006) (McAdam and McKeown , 1999) (Simmons and White, 1999) (Quazi and Padibjo 1998) (Terziovski et al. , 1997) (Wenmoth and Dobbin , 1994) and (McTeer and Dale, 1994). They also stated that through implementation and development of its own management quality system, the company will generate savings and improve its human performance, organizational, technical and economic ones. In addition, Thomas (2009), Chow Chawa et al , (2003), (Barnes, 2000) , Badri et al (1995) examined the benefits of an ISO 9000 certification for small and medium enterprises in terms of performance.

They showed that certification leads to better overall financial performance. However, they noted that the implementation of a quality approach has some problems related to the establishment of adequate monitoring programs, monitoring procedures implemented and the necessary checks of the new management system.

EFFECT OF ISO CERTIFICATION ON THE PERFORMANCE OF FIRMS

Quality has quickly become a discriminating factor in the market as the price was considered previously (Harris and McCaffer 1993). Some authors have argued that the quality approach provides a unique approach to improving organizational efficiency. In fact, the management quality system reflects how people and organizations actually are proceeding (Wruck and Jensen, 1994). In the literature, several studies have analyzed the impact of certification for firms on both financial earnings (Corbett et al , 2005; Chow- Chua et al 2003) and companies' performance (Han et al 2007; Terziovshi et al , 2003; Corbett et al , 2002; Mann and Kehoe , 1994). In the latter case, the authors confirmed that firms with ISO certification were characterized by higher productivity, reduced costs, increased quality (Elmuti 1996) and improved market share. Flynn, Schroeder and Sakakibara (1995), Abdel- Razek and Refaat (1998), Choi and Eboch (1998), Das and al. (2000), Ahire and Dreyfus (2000) have indicated that the quality approach has a positive impact on the performance of the company. Other studies by Wilson and Collier (2000) and Sousa and Voss (2002) highlight the role of organizational context in the relationship between quality practice and performance.

In this sense, Rust et al . (2002) tested the impact of the type of process quality on the level of performance. They observed the growth of sales related to a quality system oriented to customer, the variation in costs related to the

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optimization of internal processes and the combination of sales and costs based on a quality approach linking customer and optimization of internal processes. The authors have shown that companies that adopt a quality approach whose objective is the maximization of sales through customer satisfaction are more successful than those who adopt an approach based on cost reduction or the combination of both above objectives. Simmons and White (1999) conducted a research on American and Canadian companies in the electrical / electronic field in which they compare performance of certified and non certified companies. They showed that there is no difference in operating performance for the two groups of companies.

Corbett and al. (2005) studied the impact of ISO 9000 certification on the financial performance of listed companies in three American economic sectors, over a period of 10 years (1988-1997). The authors stated that certification leads to an improvement of financial performance for firms that had a comparable level of economic performance before starting ISO programs. They observed whether the cost of products sold measured by the percentage of sales was improved after certification, that is to say if it has decreased compared to the control group. They concluded, for this purpose, that the non-certified firms have a substantial deterioration in its productivities, while certified companies have generally avoided such phenomena of decline.

METHODOLOGY

The sample for this research consists of 51 Tunisian companies ISO certified. The total number of companies that have implemented a quality system is 801 companies. The sample could not be expanded due to the high number of non-respondents. Selected companies are in the same industry namely industry. This choice allows us to compare the performance of companies operating in similar conditions. The year 2010 is the date that the results of this study relate. The data for this research were collected through a questionnaire distributed to managers of quality in selected companies.

ANALYSIS OF RESULTS

This study, like previous research revalues the notion of international certification standards. Indeed, responses to questionnaires have confirmed that certification is an information vector transmitted on the market to improve trade between the company and its partners in order to facilitate access to new markets, to differentiate and gain a competitive advantage in order to increase the value of the company. Certification is no longer considered a marketable branding in the market but it has its own advantages. Trying to look for the characteristics of firms that opt for certification, the results of the investigation have argued that being a membership in a group or a subsidiary of a parent company influence the choice implementation of a quality approach. The following figure reflects this conclusion.

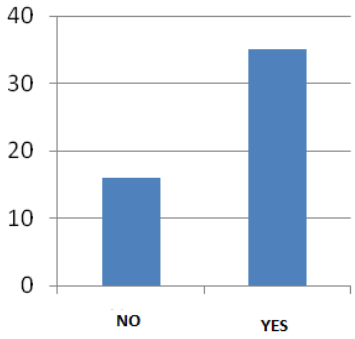

Fig. 1 The membership of the certified company to a group

Although belonging to a group is a decisive factor in the choice of certification by managers of Tunisian companies, respondents mostly said that the fact that this group is foreign does not influence the orientations of the company under the quality management. These statements are likely to support the theoretical assertions which note high awareness of the importance and benefits of the certification from the leaders. This idea is reflected through the following figure.

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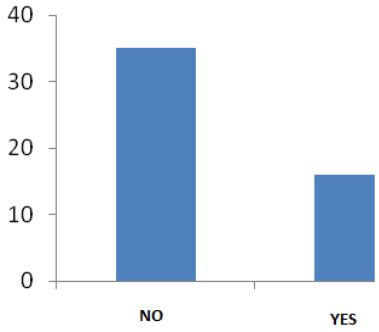

Fig. 2 The membership of the certified company to a foreign group

The contributions of certification may not be well mentioned that further to the integration of quality management in a strategic company. Certification is inserted today across all objectives and it ensures the company a market value. Respondents to the questionnaire (about 62%) as responsible of the quality or manager of the corporation strongly agree that certification requires a strategic element in the company. The figure below details the opinions of respondents on this point.

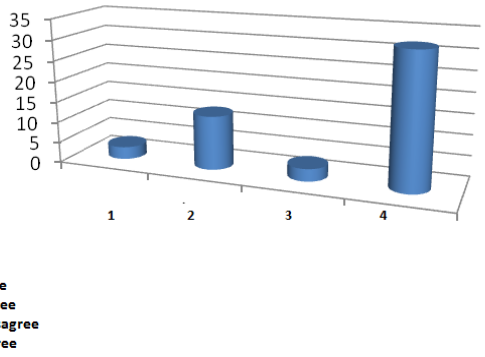

Fig. 3 The quality system is strategic in the company

Also by asking about the achievements and contributions of a corporate certification, respondents said that through the implementation of a quality approach, the company was able to improve its profitability and differentiate with respect its competitors. These affirmations join the theoretical foundations raised focusing on improving business performance at all levels (financial, organizational) and achievement of a competitive advantage in the market through a system of management quality. The following figures detail the responses collected about the effect of certification.

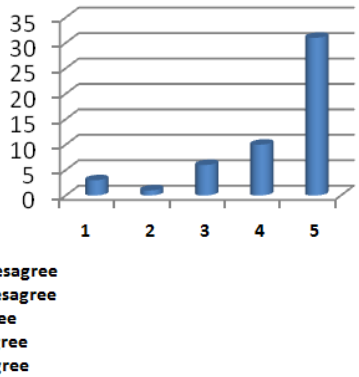

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Fig. 4 The quality system contributes to the profitability of the company

Indeed display a certificate or guarantee supports the maintenance and retention of customer relationships and even more. In fact, it allows the commercial development of the company and it also favors the attraction of new clients and access to new markets. Certification could also be considered in response to a requirement of a client in a logical constraint. However, the implementation of an ISO certification in a company can not in itself constitute a sustainable competitive advantage. In this sense, organization is encouraged to provide various differentiation strategies, develop new systems and competitive products and having other resources, more difficult to imitate.

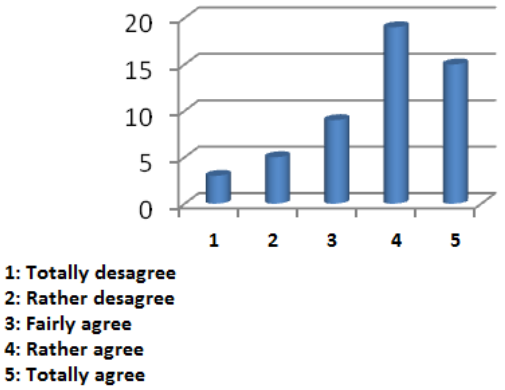

Fig. 5 The quality system allows differentiation from competitors

CONCLUSIONS

The relationship between certification and performance of organizations is determinant in decision -making for a commitment to a quality approach. Several studies have validated the existence of a positive and significant relationship between motivation to get certified and the effect of certification on business performance (Terziovski et al , 2003; Jones et al , 1997 . Singels et al . 2001). The decision to get certification or not depends on various internal and external factors related to the company. Depending on these factors, the impact of certification on the performance differs. In conclusion, in this study and in respect of earlier affirmations, certification seems to acquire considerable importance in the context of industrial. It essentially allows firms to increase its performance. This quality system although its implementation is voluntary and not imposed by any structure, it develops for companies external rather than internal profits.

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ISSN 2076-9202

Information Sharing and Information Quality at a Chocolate Firm

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Abstract

The largest premium chocolate manufacturer has B2B and B2C customers. It implemented the Enterprise Resource Planning (ERP) as its centralised database in 1999. It is a practical application for inventory management**.**

This case study focuses on value adding to the supply chain via information sharing and information quality. Several information-sharing issues have been identified. They include lack of understanding of ERP's potential, IT skill gap, resistance caused by legacy of previous systems and a disorganisation in transportation.

Theories examined in this report focus on information quality and information sharing. Although certain information is considered to be confidential and commercially sensitive, recent research in management underlines the benefits of sharing business intelligence. The main tools are concepts that recognise collaborative planning, forecasting, and replenishment to develop a mutual interest for partners and customers.

Implementation of the theories requires time. However, time is not at disposition. The necessity to implement a strategy with immediate result can offer a consensus between short-term and long-term necessities.

Recommendations include the creation of a training department. The purpose of this is to encourage a collaborative planning approach amongst all participants of supply chain. It is of utmost importance for this firm to monitor its performance, and surface problems to the board's attention as soon as possible.

In conclusion, this firm's has several areas of concern, such ass dis-organisation in transportation and training of employees. On the other hand, it is in its early stage of collaborative planning and a wonderful product.

Introduction

This report focuses on value adding to the supply chain via information sharing and information quality. Information is one of the most significant factors for a business to gain competitive advantage by improving communication and processes to produce quality goods and services**.**

This case study examines the operation of Chocolate company subsequent to its implementation of the Enterprise Resource Planning (ERP) system in 1999. Specific problems are identified and solutions are recommended for process improvement to add value to the supply chain.

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Background

The chocolate firm was established in 1900 in Pennsylvania. Its client base is B2B and B2C. Its head office and distribution centre are located in Philadelphia and Chicago, prime manufacture is in Guadalajara, Mexico 7. Supply of raw materials does not pose a lead-time problem, however, transportation from the Guadalajara factory to Chicago distribution centre and transit bottleneck have contributed to lead time.

This firm has implemented the Enterprise Resource Planning (ERP) as its centralised database in 1999.

Problem Identification

A number of information sharing and information quality issues have been identified:

Lack of understanding of ERP's potential

Many researchers have suggested that information sharing can substantially improve overall supply chain performance(Scott & R, 1991)(bowersox & closs, 1996)(Closs & A, 1998)(Shapiro, 2001).Management does not understand how ERP can potentially assist this firm in maintaining quality information and information sharing, e.g. sales orders, inventory control, delivery and forecasting demand. Such information sharing can improve transaction efficiency and reduce information delay along supply chain, create value so participants can gain competitive advantage(Handfield & Jr, 1999).

IT Skill Gap

The impact of not understanding ERP's potential was compounded by inadequate training provided prior to implementation. Employees are unable to use ERP confidently and data entry errors affect information quality to ensure information flow and forecasting accuracy.

Legacy of Previous Systems And Experience Cause Resistance

There is a legacy and negative experience with previous systems implemented. Although some employees embrace ERP's implementation and actively use the software, others have resisted this change. The IT skill gap has also contributed to the resistance in using the software. Therefore, information sharing is ineffective as supply chain management (SCM) depends on what, when, how and with whom information is shared (Chizzo 1998;)(Finch, 2006)(Holmberg, 2000)

Parallel Ordering System.

Some employees use a parallel ordering system of fax, phone, and email. This firm is unable to analyse the ordering history in the system to forecast demand accurately (Finch, 2006). The parallel ordering system undermines the quality of information sharing, particularly in aspects of accuracy, timeliness, adequacy, and proper information formatting(Gustin & Daugherty, 1995)(Closs & Goldsby, 1997)(Monzcka & Petersen, 1998)(Moberg & Cutler, 2002).

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Appendix A indicates significant problems in information flow and forecast accuracy, particularly in the areas of warehousing, distribution and customer services. Task 2 in Appendix B indicates employee resistance in using the ERP software and parallel ordering system are the major causes of delays in the supply chain. As a result, this firm is incapable of generating value in providing quality customer services. Poor customer services can become a product loser that will repel this firm's customers(Finch, 2006).

Excessive Transportation Lead-Time

This firm has 138-day lead-time. The sharing of information and co-ordination of strategies among firms in a supply chain can both reduce total logistics costs and enhance value delivered to the customer(Cooper & Ellram, 1997) (Brewer and Speh 2000). Good information sharing is important for creating effective collaboration or strategic alliances (Dyer & Singh, 1998)(Handfield & Jr, 1999)(Henriott, 1999)(Mariotti, 1999). Supply chain partnership as a relationship between two independent members in supply channels, such as customers and manufacturers, or manufacturers and suppliers, through increased levels of information sharing, can achieve specific objectives and benefits in terms of reductions in total costs and inventories(Yu & Yan, 2001). In this organisation case, it can build relationship with transportation providers, raw material suppliers, B2B, and B2C customers for collaborative planning, forecasting, and replenishment(Finch, 2006).(Novack & Langley, 1995) (Jones 1998).

Theory

Quality Management

Quality management is used to break down barriers between departments. Capacity of suppliers should be used to their potential. The most frequently used framework for guiding improvement is Shewhart's Plan, Do, Check, Act (PDCA) cycle(Finch, 2006).

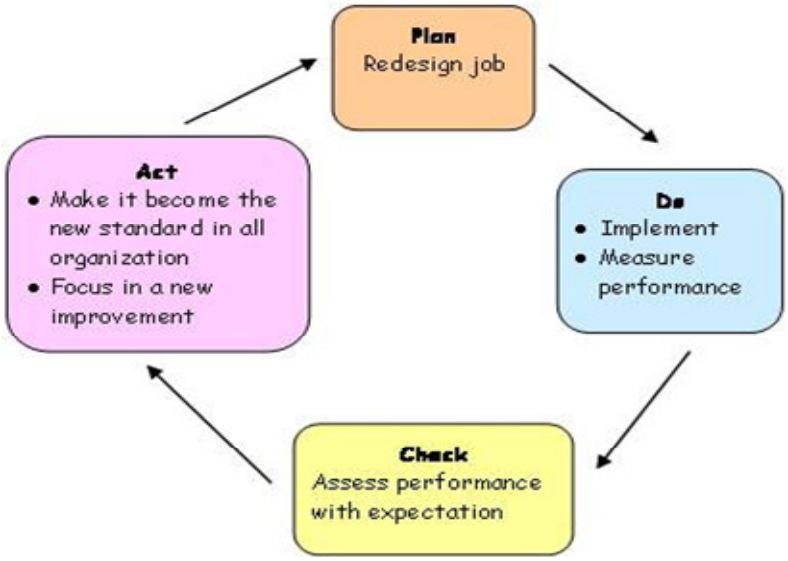

Figure 1. Plan, Do, Act, Check

What is Quality Management?

For inventories: Quality management is matching production to demand in a short period. High level of standardisation and shorter delivery period reduce holding costs. Relationship with suppliers is primordial to the level that they work like a single entity. Its disadvantage is that any external events can stop production, especially when production is matching demand of the next half days. This organization appears to have adopted this theory. However, the failure is internal rather than not being able to develop and maintain a relationship with suppliers.

For capacities: Quality management means all processes are redesigned to eliminate unnecessary steps in production. Equipment configuration is arranged around the most efficient flow of production. Procedures are standardised for training purpose to eliminate errors from deviation. With the help of automation, this process will maintain a constant quality of production. Its disadvantage is that the equipment has limited flexibility when changes in process occur. It also has to accommodate a maintenance schedule outside peak production. This firm redesigned its processes when it implemented the ERP system in 1999. However, it has failed to communicate the redesign to ERP users and update their job descriptions to reflect the new requirements.

For facilities: Organisational setting is likely to approve small independent production with limited interference with other production. This will reduce handling damage and processing error during shipping. This firm has put this theory in practice successfully with no complaint of inventory stock out.

For employees: Quality management empowers employees to control their environment and take responsibility of their work. This allows them to correct error directly to the source. They can become multi-skilled in all procedures; that subsequently generates value for employee and employer. In this company case, this is the area of incompetence in ERP users and coordination of transportation.

Quality management is responsible for driving improvement and self-education programs. This is to ensure that employees have the adequate skills to perform their task, or just to keep up-to-date with technology. This is a failure of this company's management; it is noticeable in several areas of the company that employees do not have the sufficient capability to work competently to generate value in the supply chain.

Business Intelligence

Information Quality

This theory is applicable to this firm; its incorrect data is not the only cause of error. Analysis suitability and data interpretation (Appendix B refers) are more likely to affect the accuracy of

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forecasting. Information is distributed in several formats to meet each purpose. This will reduce the risk of inadequate reading and understanding. Collection of information is not only about the "customer". It is a two-way communication; customers can have information from the supplier like capacities and technology at their disposition. Converters could use the same principle to adjust their performance to the supplier demand.

Harmonisation of data may enhance the quality of information. To eliminate the risk of data corruption, business intelligence will benefit by disconnecting this process from in-house providers. A separate business entity would reduce the risk of forecast bias and conduct a neutral analysis. Relevance and accessibility should result in obtaining the right information from the right person at the right time. This setting will also provide a constant flow of up-to-date information.

Information Sharing

As a general practice, this firm shares information internally only. However, in recent months, it has begun to think whether this is in the best interest of the supply chain.

Information sharing requires a relationship that is well established. Trust is a common objective of partners. They must share forecast information of their performance with other general information of where and what the business focus is. This forms the foundation of building a trading relationship for becoming a preferred supplier. Information sharing is a long-term investment that requires a large amount of resources, particularly capital. It also has the purpose to inform investors of future profits. Its most significant strength is reducing error of corporate group thinking or coalition, by sharing corporate views with a wider perspective even outside the industry. Corporate guidance needs to encourage acceptance of other opinion of in the supply chain. As a new way of doing business, despite the perception of many organisations that, disclosure of information represents a loss of power(Berry & Towill, 1994).

Collaborative Planning Forecasting and Replenishment

This new collaborative approach intends to improve relationship by planning processes and sharing information. Information flow does not occur from A to B and subsequently to C, but instead A provides information to B and C at the same time. This has the advantage of bringing forward forecast difference to members in an early stage. A supplier is not seen as a separate entity; in contrast it is a member of an entity. This collaboration does not focus on what is needed, but rather only, on how information is supplied. The benefit is to have a component that fits into an assembly line without any adjustment. This synchronisation not only affects the physical product but also the forecast approach that uses the same data(Finch, 2006). It is the first application that this firm has made in collaborative planning, not in totality, just enough for demonstrate an interest.

Quality of Tools Utilised

Detecting cause of transportation, the following tools are used:

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"Process flow chart" is demonstrated in the task table shown on top of Appendix B(Finch, 2006). This is the first step to identify problem areas. The "Cause and effect chart" is used to give a wider picture of the relationship between the causes identified and its resulting impact (Appendix D). The top part of the diagram has no identified problem; it is the graph in black(Finch, 2006). The second part of the graph in multi colour shows the transportation problem. In the last graph, the areas in red represent the stake of workforce, customer, and shareholders. A "Pareto chart"(Finch, 2006). is used to identify error of entry data, which is not the only problem (bottom bar chart in Appendix B refers). Lastly, Appendix E contains a few timeliness formulae to numbering waiting period of customer ordering.

Process Improvement

Transportation is a major area needing improvement. This company does not have transport problems to bring raw materials to the factory. However, the rail network surrounding Chicago is saturated and becomes a bottleneck. B2B relationship with one of the rail operators, Armstrack, is working satisfactorily.

This company and its supply chain trading partners are currently negotiating to establish an alternative transport route in Edwardsville, 450km away from the railway bottleneck. It is close to the highway circuit. This new arrangement should eliminate the merchandise in transit into the bottleneck.

The second area of improvement is to reduce lead-times delivery to customers. A new distribution centre is under construction, using the same configurations as three other warehouses (fact). This will be in operation in May 2008. Warehousing distribution is in a short drive to the consumer. The Chicago warehouse will distribute the city areas only.

Thirdly, transportation will use tracking system software to complement the existing ERP system to follow the physical merchandise movement. From converter to manufacturer, and manufacturer to distribution centres. Both softwares should be used to monitor its performance, identify problems, and remove barriers for a smooth flow of merchandise.

Finally, the parallel ordering system can be removed only by creating a choc within the company. This helps this firm identify and select employees to use ERP, and develop a synergy around the technology.

All those improvements require time to reach their potential. However, the financial loss of US$1.5 billion is significant. This firm needs a quick solution to the following associated problems as below:

B2B requires more than one delivery per month. Two weeks' delay for B2C is already a sale lost.

The existing factory is in operation, sited in the middle of its geographical market share. A percentage of its capacities could used to handle small batch orders to reduce the maximum

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lead-time to two or three days for both B2B and B2C. This configuration can be set in a U-shape operating cycle format(Finch, 2006).

Implementation

Two approaches are recommended to restore stock market performance. Until the implemented program is functioning effectively and the quick temporary measures can cease.

Quick Temporary Fix

A survey to identify the current skills level and knowledge of the ERP users (see Appendix B) indicates younger employees have higher awareness to embrace the technology. Therefore, these people are more likely to accept a 6-month offer to develop their skills in a peer-help workshop to support in areas where ERP is not performing well. They will provide mentoring and coaching to their local colleagues. Secondly, proficient ERP users can provide accurate information to the factory for prompt delivery.

Program Implementation (Long-Term)

Transportation of finished products suffers long delivery; therefore, stocking products closer to the customer will be desirable. The Chicago warehouse has reached its maximum capacity. This has caused the whole system to move into a turbulent path. The new warehouse in Edwardsville will rectify this issue. Some employees have already completed training to manage the new installation in both software systems (ERP and tracking systems).

Partial use of the system will not motivate employees to embrace the change. The temporary quick fix will still leave a huge gap in the knowledge. Providing in-house training or organising training with an external training provider to overview, narrow the full potential of ERP's.

Collaboration with the rail transporters is already at an early stage of Collaborative Planning Forecasting and Replenishment (CPFR). It is good practice to show mutual benefit to other supply chain participants. However, top-level negotiation is time consuming. It is possible that implementation will take a decade to reach its full collaboration.

Recommendation

A problem affects the HSY index in the stock market. It is recommended that the temporary solutions act as compensations to the current situation until program implementation is operational.

The first area is to deliver as fast as possible by using all available derivatives to get around problems. B2B and B2C can use part of the US plant to produce small batches to offer good customer service.

Secondly, it is recommended to create a department that oversees all training that the organisation needs to ensure employees stay abreast with the changing workplace environment.

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Thirdly, this firm should develop a collaborative partnership with all suppliers, by using the transportation problem to show both partners using the CPFR approach can benefit from strategic alliances.

Finally, this firm should create a department with the function to monitor overall performance, to report to the board at an early stage of the nature of problems arising. Adjusting solutions may prove to cause inconvenience and affect employee, however, this disadvantage will be outweighed by the reduction of risk that the problem may cause major disturbance to this firm's core business.

Conclusion

This report examines a number of operational issues this firm's faces regarding information sharing and information quality, such as realising ERP's potential, ERP literacy, resistance caused by a legacy of previous systems, use of a parallel ordering system and excessive transportation lead-time. Various theories are covered in identifying and addressing these issues. Suggested solutions include reducing transport lead-time, and improving ERP user competency. Building strategic alliances along the supply chain are recommended to improve information sharing, information quality, efficiency, effectiveness, to add value at the supply chain.

This firm's CEO commented, "It is hard to get people to change the ways they work so that the system will function correctly." This highlights the importance of change management to achieve the desired human behaviour for a business to succeed. Such changes require long-term commitment of all levels of the business and along its supply chain. Implementing changes is costly; management must ensure the benefits outweigh the costs before making decisions to change.

Appendices

Appendix A: Current Process Evaluation Research

	Warehouse	**Transport**	**Distribution**	**Order Taken**	**Customer Services**
Communication Network	Error	Good	Good	Good	Error
Information Flow	Error	Good	Error	Good	Error
Forecast Accuracy	Error	Good	Error	N/A	Error
Stock Level	High	N/A	High	N/A	N/A
Delivery	Good	Good	Error	N/A	Error
ERP System	Good	Error	Good	Error	Good

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Data Error

Major problem areas identified:

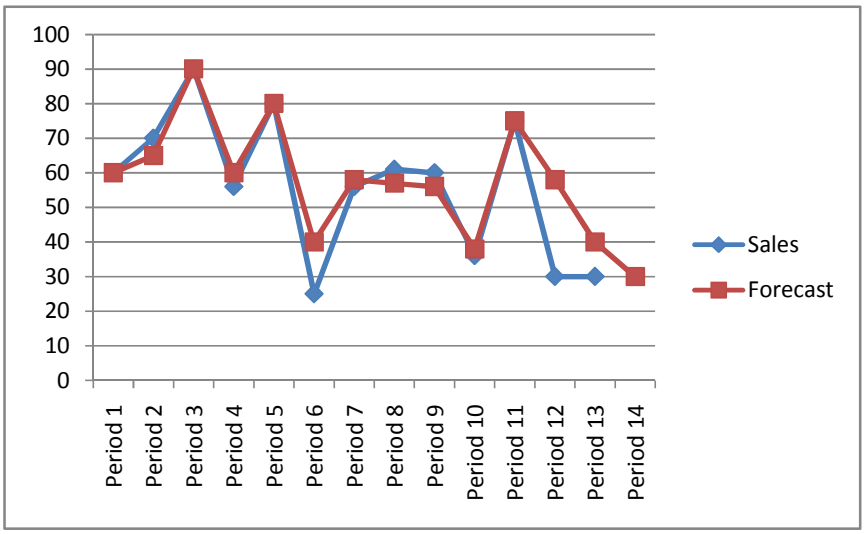
- Information flow
- Forecast accuracy
- Customer services

These problems are linked to the utilisation awareness displayed in the Pareto chart in Appendix B. Age group 20-30 is performing above average in all six areas examined.

Appendix B: Employee Resistance Causes Delay

Entry into the system cause of inaccuracy

ID	Task	Start	End	Time	Completion	Late	Slack
1	Process Order	7 September	7 September	10 min	100 %	0	0
2	Entry Into System	7 September	7 September	7 min	0 %	41	20
3	Check Availability	7 September	7 September	1 min	100 %	0	0
4	Confirm Delivery	7 September	7 September	3 min	100 %	0	0
5	Transmit Information	7 September	7 September	3 min	50 %	41	0



Accurate Data

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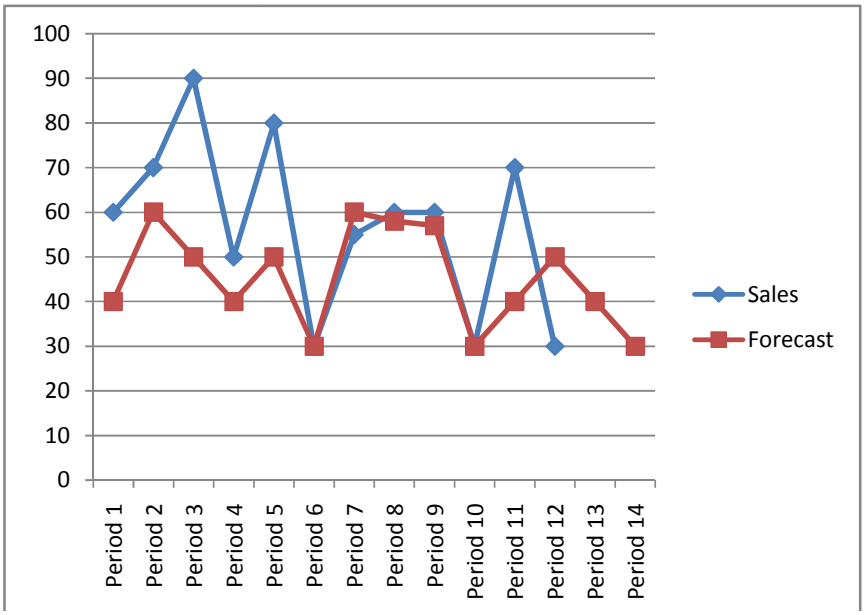
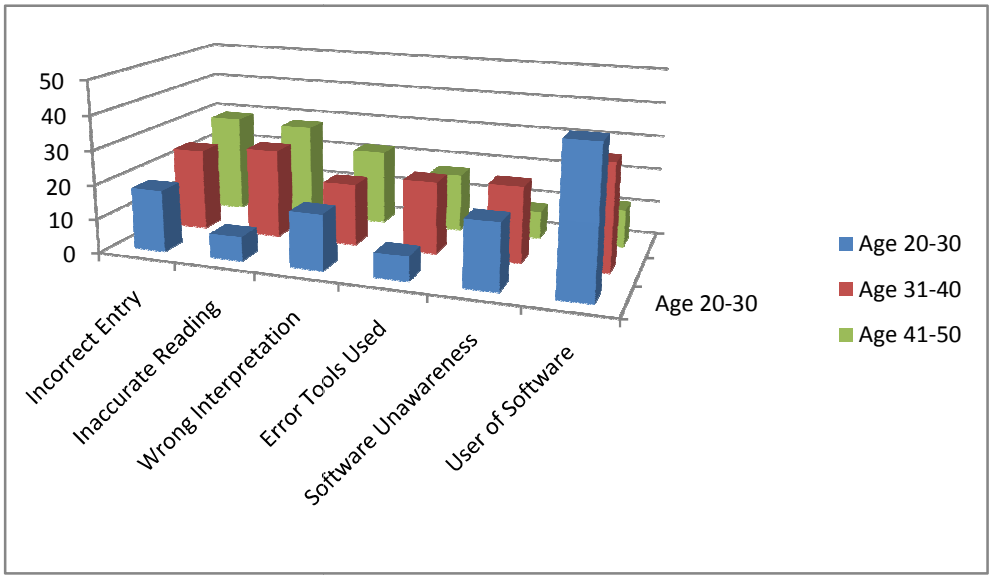


Incomplete Data

Evaluation of error for using the system



ERP Utilisation Awareness

awareness

	Incorrect Entry	Inaccurate Reading	Wrong Interpretation	Error Tools Used	Software Unawareness	User of Software
Age 20-30	18	7	16	7	19	42
Age 31-40	24	26	18	21	22	31

Age 41-50	29	28	22	17	8	11
Average	**24.66**	**20.33**	**18.66**	**15**	**16.33**	**28**

Appendix C: SAP Enterprise Resource Planning

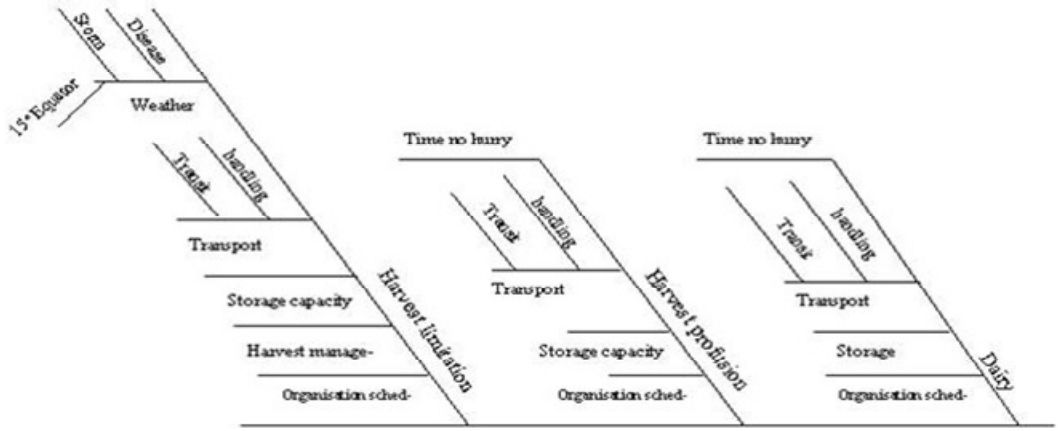
Hershey's implemented SAP in 1999 at a cost of $112 million. Over view of software capacities are:

Naxtor Stock Inventory Tracking Software

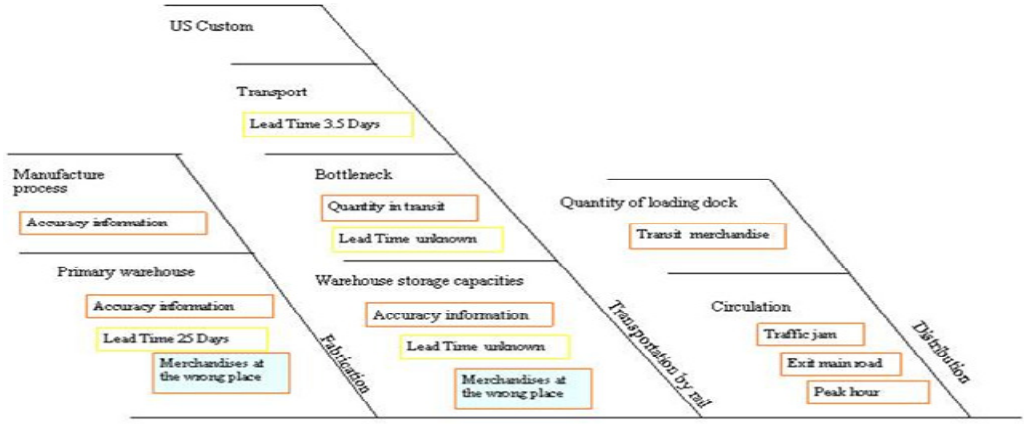
This software works in complement to ERP, the tracking system software follows the physical merchandise. It provides the basic functions for warehouse operations, including physical inventory, shipping, receiving, and picking, as well as management features such as queries reporting and barcode labelling. It retrieves and stores information in the centralised database as the server; cuts the risk of data synchronization errors and provides accurate inventory information. Warehouse staff can find items quickly and easily.

Appendix D: Transportation delay

No major delay in bringing raw materials to the manufacturer. With the exception of cacao, first point of transportation that suffers from natural pressures on resource.

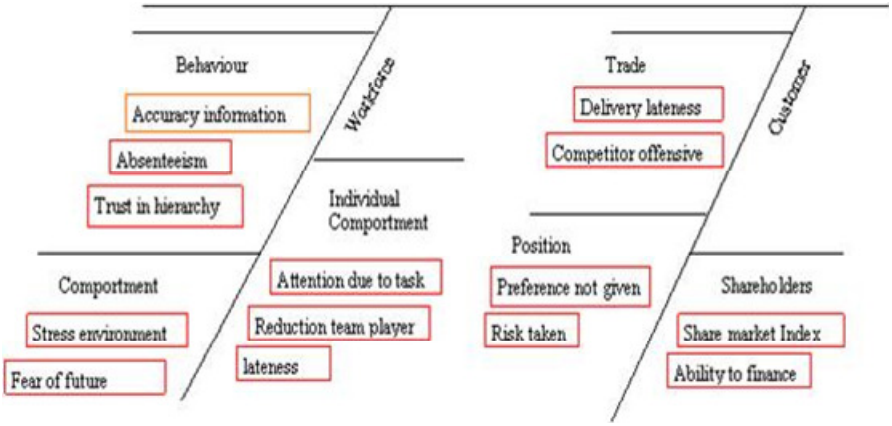


Lead time not only causes delay in delivery but also creates a stress inside the company



Top part: **lead time transportation to customer**

Bottom part: **Negative influence on workforce & customer**



Appendix E: Ordering times formulae

Ordering service perform well. At the exception of waiting for be serve

6 hour arrival, 7.5 hour serve

$$L = \frac{\lambda}{\mu - \lambda} = \frac{6}{7.5 - 6} = 0.3214\ customer\ per\ hour$$

$$L = Average\ people\ wait\ in\ queue\ per\ hour$$

$$L_q = \frac{\lambda^2}{\mu(\mu - \lambda)} = \frac{0.1033}{7.5(7.5 - 0.3214)} = 0.0019 \approx 1\ customer$$

$$L_q = Average\ people\ number\ waiting\ to\ be\ served$$

$$W = \frac{1}{\mu - \lambda} = \frac{L}{\lambda} = \frac{1}{7.5 - 0.3214} = 0.1393/0.0167 = 8.20\ minutes$$

$$W = Average\ time\ between\ in\ and\ out$$

$$W_q = \frac{\lambda}{\mu(\mu - \lambda)} = \frac{0.3214}{7.5(7.5 - 0.3214)} = 0.006/0.0167 = 21\ seconds$$

$$W_q = Average\ time\ waiting\ in\ lines$$

$$P_o = \left(1 - \frac{\lambda}{\mu}\right) = \left(1 - \frac{0.3214}{7.5}\right) = 0.95 = 0.05\%$$

$$P_o = Probability\ that\ the\ customer\ service\ is\ not\ busy$$

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ISSN 2076-9202

PERFORMANCE MEASUREMENT AND MANAGEMENT SYSTEM – INTER COMPANY CASE STUDY APPROACH - TAMILNADU , INDIA

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ABSTRACT

The field of performance measurement and management (PMM) is well filled with frameworks, models and guidelines addressing what to measure and how to design a performance measurement system (PMS). However, what has been less examined so far is how to ensure that PM evolve in tandem with their environments. Further, the few approaches available today are prescriptive and outlines how or what practitioners should do in order to manage change in their PM. Thus, a gap exists in understanding how organisations manage change in their PM in practice. Thus, the purpose of this paper is to outline and compare the approaches of three case companies for managing PM change. In order to fulfil the purpose of the paper, the data presented has been collected through the deployment of case studies. The choice of case studies as means for data collection stems from the possibility of an in-depth and holistic examination of the formulated phenomenon. All three case companies belong to the same company-group that operates within the transportation industry. The industrial footprint of the company is global with operations and sales spread out over the world. The findings suggest that all three companies have processes in place for managing change in PM. However, the approaches differ in design and context. Furthermore, employee involvement seemed to be the biggest challenge for all three companies.This paper makes a contribution both through describing how three companies manage PM change and through elaborating on the underlying factors affecting functionality.

Keywords: Performance measurement, Performance measurement systems, Performance management

1 INTRODUCTION

Performance measures (PM) are used in organisations for a wide array of reasons: to gauge performance (Slack et al., 2004), direct behaviour and improve motivation (Spitzer, 2007), continuously improve processes (Cross and Lynch, 1992), enhance productivity (Bernolak, 1997), identify areas of attention, improve communication, increase accountability (Waggoner et al., 1999), implement strategy (Kaplan and Norton, 2001), support goal achievement (Tapinos et al., 2005) and provide information on strategy implementation (Neely, 1999). Regardless of the reason to why PM are deployed, it is widely recognised in the literature that PM need to be aligned with the strategic

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priorities, as well as the internal and external environments of the organisation (Neely et al., 1996; Bourne et al., 2000; Bititci et al., 2001; McAdam and Bailie, 2002; Hass et al., 2005; Lima et al., 2009). However, as these strategies and business environments are dynamic in nature (Simons, 1995), organisations need to ensure that they are capable of managing change in their PM (Bititci et al., 2000; Kennerley et al., 2003). Sticking to your PM for too long has been described by Likierman (2009) as one of the five traps of performance measurement.

The field of performance measurement and management (PMM) is well filled with frameworks, models and guidelines addressing what to measure and how to design a performance measurement system (PMS) (Paranjape et al., 2006), most notably the Balanced Scorecard (Kaplan and Norton, 1992). However, what has been less examined so far, is how to ensure that PM evolve in tandem with their environments (Kennerley and Neely 2003). Barrows and Neely (2012) argue that contemporary methods do not adequately address the challenges associated with managing performance in an increasingly turbulent business environment. Further, the few approaches available today are prescriptive and outlines how or what practitioners should do in order to manage change in their PM. None of the approaches take a descriptive stance and outlines how organisations take on the challenge today. Thus, a gap exists in understanding how organisations manage change in their PM in practice (Bourne, 2008). This gap is further amplified by the fact that only a few organisations have procedures in place to manage the change of their PM (Neely, 1999; Bititci et al., 2002).

With this background in mind, the purpose of this paper is to outline and compare the approaches of three case companies for managing PM change. The motive for the paper is to bridge the knowledge gap, by contributing to the understanding of how PM change is managed in practice and assist in the development of adequate theoretical models by shedding light on the problems encountered in practice. The paper is divided into six sections. The following section presents the theoretical background. The third section outlines the methodological approach and presents the case studies. This is followed by a presentation of the empirical findings. The succeeding section then contrasts the empirical and theoretical findings through a cross-case analysis. The sixth section summarises the findings and discusses the necessities of a future research agenda, highlights the contributions and underlines the limitations of the conducted research.

2 THEORETICAL BACKGROUND

Even though change in PM, in contrast to design of PM, remains an under-researched area, several academics have addressed the topic over the last decade. The progress made so far is presented in this section.

Neely et al. (2002b) argue that a process needs to be in place in order to ensure that temporary PM are abolished and indispensable PM are fine-tuned continuously. For this purpose, an audit with 10 questions is provided within their Performance Prism framework. Kennerley and Neely (2002; 2003) list a process that that reviews, modifies and deploys PM as one of four critical factors in their framework for keeping PMS up to date. Neely et al. (2002a) argue that PMS are often allowed to expand to the extent that they become unmanageable and thus a PM review process needs to be in

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place. It is underlined that the understanding of the process evolves over time. Medori and Steeple (2000) concurs and lists periodic maintenance as the last step in their framework for auditing and enhancing PMS. They argue that a periodical PMS review is required as PM relevant at one particular moment in time may become redundant at another point. Meekings (2005) has developed a set of requirements for a functional review process, including a defined structure, connection throughout the organisation, deliver value and PM change management. Kaplan and Norton (2005; 2008) argue that two parameters are needed for managing PM change, a clearly defined and recurring process, and the establishment of an entity responsible for its management and success. Bourne et al. (2000) support and develop earlier findings by arguing that four processes need to be in place to review targets of current measures, review current measures, develop new measures and to challenge the strategy. Bititci et al. (2000) highlights in their dynamics PMS model that a PM review mechanism is needed which uses the performance information provided by the internal and external monitors. Further, a deployment system is also required in order to revise objectives and priorities to business units, processes, and activities using performance measures are required. Besides the review process, the role of organisational culture is emphasised in the literature. Waggoner et al. (1999) underline the impact that organisational culture can have on PMS evolution. They argue that a culture, which discourages risk taking and innovation, can block steps that are essential for successfully changing a
PMS. Kennerley and Neely (2002; 2003) concur and underline the need of a culture within the organisation that ensures that the value of measurement, and the importance of maintaining relevant and appropriate PM are appreciated (Table 1). Salloum and Wiktorsson (2011) argue that in order to realise a dynamic PMS, a culture is needed that encourages organisational involvement, openness, information sharing, and resource availability. Farris et al. (2011) identified two critical factors for a supportive organisational culture in their investigation of the PM review process: employee empowerment (including focus on teamwork, ownership of problems, participation and entrepreneurship) and a focus on continuous improvement.

Table 1: Barriers and enablers for culture (Kennerley et al., 2003

S.No	Cultural Barriers to Measures Evolution	**Cultural Enablers of Measures Evolution**
1	Management inertia towards measures due to other priorities	Senior management sponsorship
2	Ad hoc approach to measuremen	Consistent communication of multidimensional performance to staff
3	Measures not aligned to strateg	Open and honest application of measures
4	Actions not aligned to measure	No blame / No game environment
5	Lack of management concern for non-investor stakeholders	Integration and alignment of reward systems

Further, the role of management is another factor that is recurring in the literature. Waggoner et al. (1999) highlight the impact and importance of management from several perspectives; top-level

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support, internal influence, process, and transformational issues. Spitzer (2007) concurs and underlines that PM change has to be driven by the leader, from the top of the organisation. Kennerley and Neely (2002; 2003) argue that management commitment and training are two factors needed in order to facilitate PMS evolution. Further, Kennerley et al. (2003) highlight the risk of management inertia towards PM as a barrier for evolution. In an empirical study conducted at a large manufacturing unit, it was concluded that management commitment, style, competence, and politics are factors that have a high impact on the dynamic abilities of a PMS (Salloum and Wiktorsson, 2011). Kennerley and Neely (2002; 2003) further stress the availability of flexible information technology to enable the collection, analysis and reporting of appropriate data as crucial for the evolution of a PMS (Table 2). Wettstein and Kueng (2002) argue that IT capabilities are pivotal for initiating and accelerating PMS change. They argue that IT consistently offers new opportunities to automate processes, enhance communication, and develop data analysis sequences. In the integrated model forwarded by Bititci et al. (2000), the required capabilities for dynamic PMS are divided into two categories, framework capabilities and IT platform capabilities. For the IT platform, four requirements were identified:

1. Able to provide an executive information system.
2. Capable of accommodating and incorporating all the elements of the framework.
3. Integrated within the existing business systems.
4. Capable of handling simple rules, such as alarms and warning signals, to facilitate performance management.

Table 2: Barriers and enablers for systems (Kennerley et al., 2003

S.No	System Barriers to Measures Evolution	System Enablers to Measures Evolution
1	Inflexible legacy system	Investment in IT hardware and software
2	Poorly or partially implemented ERP system	Data mining / warehousing capability
3	Difficult to tailor ‘off-the-shelf’ performance reporting software	Readily customisable information systems
4	Poor use of graphical representation	Internal systems development and adaptation capability

2.1 Synthesising the theoretical background

The advancements within the PMM field regarding PM change can be perceived through two perspectives, structural and behavioural. The structural perspective stresses the need for processes, mechanisms and procedures for managing PM change. Furthermore, within the structural

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perspective, emphasis is put on the capabilities and flexibility of the IT-systems. The need to have a process/mechanism/procedure in place for continuously reviewing and changing PM is a feature that the researchers in general highlight as important.

However, how the process/mechanism ought to be designed and function is not agreed upon. The previous research ranges from only mentioning the need for a review process (Medori and Steeple, 2000) to literature studies (Waggoner et al., 1999) and models for how manage PM change (Bititci et al., 2000). Some frameworks (Neely et al., 2002a; Bourne et al., 2000) elaborate on the responsibilities of such a process but provide little direction on how it might take shape in practice. Others (Kennerley and Neely, 2002; Neely et al, 2002a) debate and argue more on the design by outlining important factors to consider, questionnaires to deploy, and management tools to implement. From a behavioural perspective, the role of senior management, culture and employee involvement/empowerment are all underlined as important factors (Waggoner et al., 1999; Kennerley and Neely, 2002; Kennerley and Neely, 2003; Salloum and Wiktorsson, 2011; Farris et al., 2011).

Previous research generally neglects the context that PM operates in and research within manufacturing organisations is missing. PM are deployed across organisations, from executive management teams to shop-floor teams. The further down in the organisation you look, the more PM you will find in need of review. Hence, any functional review process to work in practice needs to take a wide perspective and incorporate the whole organisation. The approaches presented in the theoretical background appear to take a managerial rather than an organisational perspective to the review of PM. Moreover, PM works in open production systems, heavily influenced by their temporal, cultural, and social contexts. In practice, PM are surrounded by a considerable amount of contingency (Tangen, 2005).

Thus, the final applicability and functionality can depend upon a number of factors beyond the actual review process. In regards to the purpose of this paper the theoretical foundation is limited. None of the previous publications neither illustrate how PM change is managed in practice nor takes an organisation-wide perspective. Hence, no research has been found that can be contrasted with the empirics presented in this paper. Instead, the empirics will be put in juxtaposition to the characteristics and advocacies of the theoretical background and discussed from the basis of commonalities and divergences.

3 METHOD

In order to fulfil the purpose of the paper, the data presented has been collected through the deployment of case studies (Table 3). The choice of case studies as means for data collection stems from the possibility of an in-depth and holistic examination of the formulated phenomenon (Merriam, 1994; Bell, 1999). The unit of analysis (Yin, 1994) in all three cases has been the way of working for managing change in PM. Three factors have guided the selection of case companies; the existing procedures for handling PM change at each case company, the knowledge about the company practices that the researcher could obtain before the case execution and the possibility to get unrestricted access to interviewees and databases.

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The theoretical findings presented in Section 2 played several important roles in the research. It has helped to develop sharper and more profound objectives and questions in line with the arguments by Yin (1994). Further, it has also served as an initial guide to the case study design and data collection and as a part of the iterative process of data collection and analysis (Eisenhardt, 1989). The interview questionnaires used within the interview studies have been based on the literature presented in the theoretical background. The interview questionnaires consisted of three parts. The initial part focused on the design and features of the deployed PMS. The second part revolved around how the case company managed PM change whilst the concluding part focused on the factors and mechanisms that, in the perception of the interviewee, affected the management of PM change. Each case study was analysed in isolation through of data reduction, theme clustering and pattern-matching (Miles and Huberman, 1994; Yin, 1994; Merriam 1994) before the cross-case analysis. The cross-case analysis was executed in line with what is advocated by Eisenhardt (1989) (Table 3).

Validity and reliability are highlighted by Yin (1994) as important research quality factors to consider. In order to ensure validity, the research conducted has been structured in a logical flow with problem statement, current state of the art and empirical investigations. The end-result describes how the studied phenomenon acts in real organisational settings. Further, representative case companies and triangulation between data collection components have been after sought (Table 3). Considerations in regards to the validity and reliability have to be made in the case study design phase as it deals to a great extent with the choice of case studies/companies. By collecting data from several companies the risk of conducting research in an exceptional and non-generalisable context is mitigated. Further, Yin (1994), argues that the concept of analytical generalisation is useful for establishing validity. Analytical generalisation dictates that the concluding research findings ought to be juxtaposed against the existing base of theory. The comparison will underline the gap between the research findings and the existing theory and highlight, depending on the extent of the gap, if more research is needed. Throughout this paper, the theoretical findings have been compared to their empirical dittos.

Table 3: Deployed case study methodology

	Case Company 1 CC1	Case Company 2 CC2	Case Company 3 CC3
Employee Size	800	1000	1100
Geographical Location	Chennai	Coimbatore	Madurai
Business Area	Heavy automotives	Complex components	Heavy Machines
Number of Interviews	20 interviews (from five organisational levels)	19 interviews (from five organisational levels)	21 Interviews (from six organisational levels)

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Interviewees	Site manager, production manager, finance manager, production engineering manager, logistics manager & quality manager. Six first-line managers. Six team leaders and two assemblers.	Overall production manager, 2 production function managers, 4 second-line managers, 6 first-line managers, 3 team-leaders, 3 assemblers	Site manager, production manager, quality manager, logistics manager, finance manager, HR manager, financial controller, logistics engineer, HR-partner, 6 first-line managers, 2 second-line managers, 2 team-leaders, 2 operators.
Interview Durations	7-51 minutes per interview	4-58 minutes per interview	5-48 minutes per interview
Interview Material	Transcribed and validated by interviewees	Transcribed and validated by interviewees	Transcribed and validated by interviewees
Within case data analysis	Data reduction, clustering, pattern-matching	Data reduction, clustering, pattern-matching	Data reduction, clustering, pattern-matching
Validity	Triangulation, representative case study, analytical generalisation	Triangulation, representative case study, analytical generalisation	Triangulation, representative case study, analytical generalisation
Reliability	Choice of case study/company, establishment of a case study database	Choice of case study/company, establishment of a case study database	Choice of case study/company, establishment of a case study database

4 FINDINGS

Table 4 gives an overall outline of the findings made in each case study. The findings suggest that all three companies have approaches in place for managing change in PM. However, the approaches differ in design, execution and context. Each approach is presented in the sections below from two aspects, structural and behavioural. The structural aspect focuses on how the case companies report that they ought and want to work with PM change. The behavioural aspect focuses in contrast on how the intended ways of working have unfolded. The distinction between the structural and behavioural sides provides a useful contrast of how the case companies want to work vis-à-vis how they actually work.

Table 4: Findings per case company summarized

	CC1	**CC2**	**CC3**

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Type of approach	One process with two loops (deployment and agreement/feedback)	Two processes: business plan (BP) and operational development (OD)	Unstructured meetings
Ownership and facilitation of approach	Site manager owns the process. Facilitated by the production system exper	CEO owns both processes. The OD process is facilitated by internal consultants	No owner & no facilitator
Frequency of approach execution	Twice a year: June & December. No alterations in between	BP: Yearly (autumn). OD: Every 6 months. No alterations in between	Yearly (each autumn). Alterations in between depending on function.
Time to execute the approach **Defined and documented approach**	2-3 weeks Defined and documented	BP: 1-5 months. OD: 1-3 weeks BP: defined and vaguely documented OD: defined and documented	Uncertain. Around 3-4 months Not defined nor documented
Factors affecting decision-making	Current performance, requirements from above, organisational politics, business environment, appropriateness of current PM	BP: Review of strategy, current performance, internal and external environments. OD: Strategic dialogue, one mutual focus	Requirements from HQ, strategic targets, current performance, market demand, appropriateness of current PM
Organisational involvement	Down to first-line managers	BP: Employee involvement fragmented. OD: all employees involved	Organisational involvement limited and fragmented
Top-management support	Supportive according to interviews	Supportive for both according to interviews, OD reduced due to prioritisation	Supportive according to interviews
IT-infrastructure	IT-systems fragmented after function and inflexible. High level of manual impositions through Excel	IT-systems limited and inflexible to extraction of data. Data quality doubted at some organisational levels.	Newly implemented and integrated IT-system. Problems with extracting data and developing competence.

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Level of beneficial culture	Hierarchical culture, hard to get wide involvement	Blame-game culture, characterised by reactivity	Reporting-culture, measures decided from above

4.1 Case company 1 – The single process approach

4.1.1 Structural aspect

Management system documentation and management interview results revealed that CC1 deployed a process labelled the KPI review. Interview responses from managers across the organisation exhibited that the process was based on a set of meetings initiated and closed by the top-management team. The inputs to the first meeting of the process are outlined in Table 4. Once the top-management finished their review meeting, the function management did the same exercise with the above hierarchy's (top-management) output as input. This interlinked chain of meetings was meant to continue down to the production teams in order to create alignment in the goal and PM review. Once all the review meetings have been executed a set of meetings referred to by the top-management interviewees as the agreement/feedback meetings were initiated. The purpose of these meetings was to foster consensus of the goals and PM for the coming year and was held between members of two hierarchical levels. The KPI review was accomplished once the top-management team held the last agreement/feedback meeting. The top-management team has the power to either accept the proposed PM or ask for refinements. However, during the interviews these managers underlined that even though the general manager was the owner of the process the local production system expert facilitated it. The role played by the expert was hailed by several management interviewees. One first-line manager explained that the expert was instrumental to him in getting the work done. Moreover, the interview results strongly advise that the review process was an established way of working at CC1 as 16 of the 20 interviewees acknowledged it. It is notably however that the four employees not recognising it came from the lower levels of the organisation. In order to enhance the communication and promote the use of PM, a payback tracker was publicly accessible at the intranet. The tracker communicated the financial effects of the PM to the organisation. Moreover, all PM were
connected throughout the hierarchical levels of the organisation through the use of publicly available KPI-trees (Figure 1). The general manager explained: "…And then we do have these KPI-trees that show how everything is related throughout the organisation… I think that they [the KPI-trees] can play an important role in explaining that yes it [the measures] matters".

Figure 1: Example of one measurement tree for the cost, delivery and quality PM at a department.

4.1.2 Behavioural aspect

Even though interview results, especially from the top-management team, made it explicit that the intention was to involve everyone, the process was never deployed on a team level in production. One team-leader elaborated when asked how he though his team felt about working with PM: "I do

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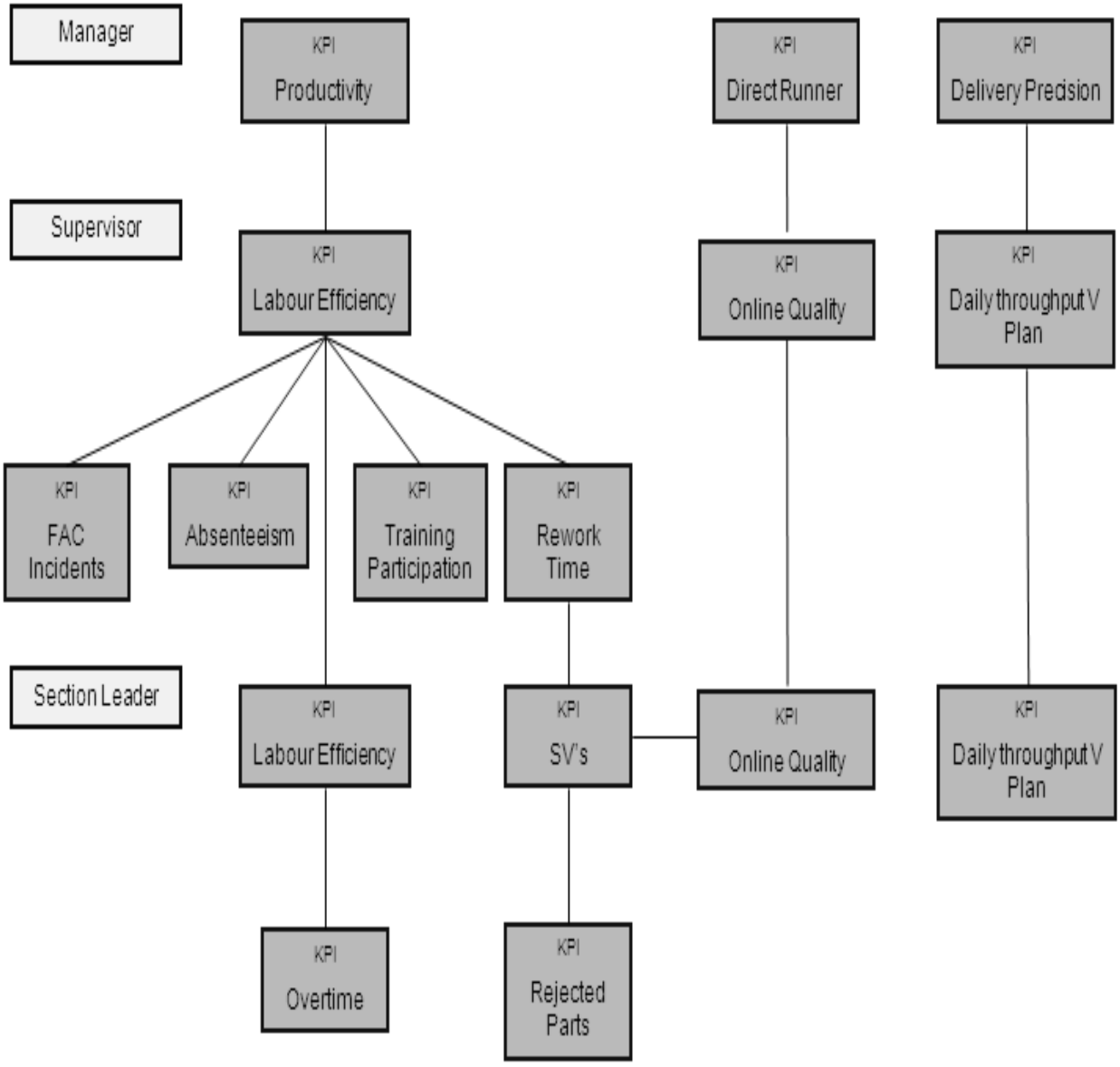
not think they care…painting is pretty much all that they are interested in that…how can I say it…their main goal is the paint and to keep painting. So that is pretty much all that they are worried about…"



The interviewees for the top-management team were united in their view that they had not reached out fully and had a contribution to make in order to engage the whole organisation. The general manager explained that an attempt had been made to involve the teams but it was deferred as many others things came up that needed to be dealt with. The general manager described the attempt as "half-hearted". However, all six top-management interviewees still believed that the KPI review was important and supported it. One of the managers argued that the attempt failed due to the lack of management understanding regarding how to make the organisation to want to get involved. The consequences of not involving the masses in the KPI review were believed to be negative and were best expressed by the production engineering manager who argued that the involvement of the

teams was crucial for the ability of the whole organisation to get something worthwhile out of the PM. Further, another contributing factor to the lack of involvement was the culture of the organisation. The production manager argued: " Here at this plant, to engage your employees equals to inform them and nothing else. No dialogue or feedback exists. You must always control that things are getting done. This is fundamentally wrong and in order to redeem this we must change the culture…this journey starts with us, the top-management team".

When asked about the culture and its impact on the PM, several managers highlighted the negative behavioural effect that the PM ownership structure had. The quality manager argued that the ownership needed to be driven down beyond the team-leaders in order to trigger involvement. Those thoughts got support by recently promoted team-leaders that expressed that their acquired PM responsibilities made them get involved. Further, the organisation did not offer any PM training to the production teams. This education was given once an operator/assembler became a team-leader. The team-leaders highlighted that the education was important for their understanding of the PM. Moreover, direct observations and interview results indicate that that CC1 had problems with their inflexible and disintegrated IT-systems. All five top-management interviewees underlined that the IT-system was inflexible in regards to what they wanted to measure. High levels of manual impositions for collecting and compiling data encroached on the time for analysis, limited the measurement scope and amplified the risk for human errors. The general manager explained that it sometimes felt like a project to just start measuring a new PM.

4.2 Case company 2 – The dual process approach

PM process documentation and interview responses exhibit that CC2 deployed two processes for managing PM change. The first process, labelled at CC2 as the business plan and goal steering process (BP&GS) adopted a top-down approach and was confined to all the main strategic and operational PM. In converse, the second process, named the operational development process (OD) was designed as a bottom-up approach with focus on a single strategic goal.

4.2.1 Structural aspect

Analysis of management system guidelines and interview responses from across CC2 revealed that the first review process adopted a top-down approach and consisted of two loops, a business planning (BP) loop and a goal steering (GS) loop (Figure 2). According to management interviewees and documentation obtained from the intranet, the purpose of the BP loop was to ensure that the strategy of the organisation had been reviewed whilst the GS loop aligned the PM scorecards across the organisation with the reviewed strategy. Once the top-management team had finished their BP loop and updated the strategic material and main PM, the objectives and PM of the organisation were reviewed through the GS loop. The BP loop was thus the first process step and was confined, participation wise, to the top-management. Process material and interview responses exhibit that the GS loop was executed in a chronological fashion with output of higher hierarchical levels serving as input for the lower dittos. Moreover, the output was meant to become more specific and detailed the further down the GS loop was drilled (Figure 2). At, first-line management level specific actions were meant to be assigned to the PM and goals through the development of local business plans. The GS loop was concluded once the lowest levels of CC1 had reviewed and

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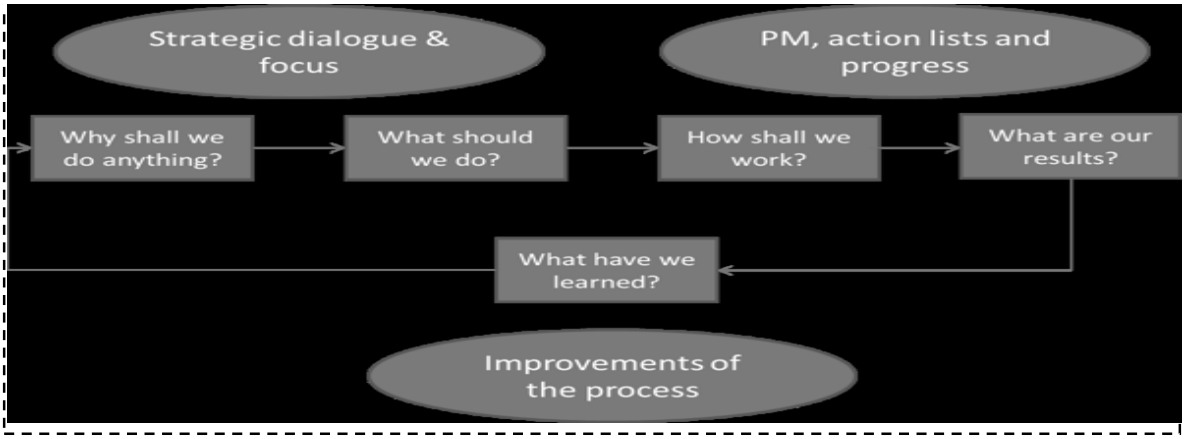
updated their PM and goals for the coming year.

Figure 2: The OD process. The process steps are highlighted in rectangles and the outputs in spheres.



4.2.2 Behavioural aspect

It was underlined by several interviewees that the BP&GS process did not work as intended, some first-line managers admitted that this was the first time in several years that they got any input from their managers. Others acknowledged that they received their input only after they had finished reviewing their PM and assignment of actions. The first-line managers that received input perceived it to be problematic that the upper management absorbed much time and thus reduced the time left for them. One of top-managers acknowledged the problem: "The further down you come the organisation the less time they have and I think that is generally speaking…we need to get better here that thing is clear…considering the vast change in activities that this work [the GS loop] creates I do believe that we are putting down too little resources and time…"

First-line management interviewees established that they did not have a coherent way of engaging their production teams in the GS loop. These arguments were strengthened by the non-existence of process documentation. A couple of first-line managers described how they gathered all the operators for an afternoon in order to together create the business plan. In converse, other managers argued that they had no possibility to engage their production teams in the process due to the impact on production output. One first-line manager explained why he could not engage his production teams: "…the thought is that we should involve our teams, we have not done that yet…it has not been possible to involve the teams because we have shift teams that work on different hours...we cannot involve everyone because that would require paying overtime and supplementary allowances…"

The consequence of not being involved was highlighted by one of the team-leaders: "It only becomes a number, the culture here is that it is really cool to measure stuff, but then nothing is really done. You measure and pile it up and then they go "bother! Let's measure this instead". Not many union workers [the blue collars] are interested in it [the performance measures]."

Questions about the culture and the support that it lends to the PMS generate diversified answers. According to the top-management a culture existed in which people did not question, challenge or

improve the operations. It was a culture characterised by reactivity, something needs to be dysfunctional in order to trigger an action. In contrast, one blue collar respondent argued: "…we on the shop floor are not interested in measuring anything. We know that they [the PM] are flavours of the month. We have so much fact that it is ridiculous but no actions are taken".

Top-management interview responses revealed that the top-management team supported the BS&GP process. However, the support of the OD process was not as established as it had been severely reduced in scope. CC2 was undergoing a transformation of the production system from functional to lean and the general manager argued that the resources were not sufficient for both. The OD process was still active in some parts of the organisation, however, the decrease in utilisation had a distinct effect on the cost savings made from, from 4, 1 to 1, 9 MUSD. Moreover, the functionality of the IT-systems was emphasised by interviewees across the organisation. Interviewees from the higher organisational levels acknowledged that the IT-systems had limitations, were inflexible in regards to data extraction and that the data quality was not always fully reliable. The production manager shared an example: "…a typical and good example of this is when the hours logged in the system are suspiciously low…after asking around you get the answer that the central finance department made a small definition error in the system..."

4.3 Case company 3 – The unstructured meeting approach

4.3.1 Structural aspect

The accounts on how the review was executed differed widely across CC3. Further, no documentation was identified nor acknowledged by the interviewees. However, several top-management interviewees acknowledged that the approach started with a top-management meeting in which the PM and objectives were reviewed. In the review several factors would guide the decision-making (Table 4) but it was emphasised by several interviewees (general manager, finance manager, production manager) that much of the changes were dictated by the company HQ. According to the general manager it was not unconventional that CC3 were simply handed new PM and goal levels without space for questioning. Interview responses from top-management members underlined that the execution of the review meeting would differ from year to year. The unstructured characteristic of the process was acknowledged as burdensome by the general manager: "We need to make it [the review process] distinct… we are in a phase in which we need to type out the process I can admit that it does not work well today… I addressed all the leaders [managers] with the factory measures and goals just before December…they were however not finished until March. But that is too late, it is not functional".

Interview responses by functional managers revealed that after the top-management had decided on their PM it was their responsibility to take the review to the next hierarchical level. It was underlined in interviews with top and second-line managers that the involvement of the organisation in the review was something that was often repeated as important. However, it was at the same time acknowledged as the most challenging part to do according to the production manager: "Involving everyone is the most difficult thing to do when working with KPI´s. You really want to get everyone to feel that they can contribute…in my world, if PM are generated by the factory management [top-management] then it needs to be taken down to the local departments...bad PM will lead to bad

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behaviour, no one will care because no one will be able to exert influence over them [the PM]". When asked about the autonomy to select PM in the lower levels of the organisation the general manager explained: "SQD [Safety, Quality, Delivery], these are the measures that should be on the shop floor level and that is enough...this is simple and contributes to the whole. SQD… first we need to get our review process functioning and then we can look into how to give autonomy to the teams".

4.3.2 Behavioural aspect

Interview accounts from functional managers underline that no formal requirements on how to push the PM review to the next organisational level existed. Interview responses from the finance manager and one controller revealed that the finance function discussed and decided on the PM at a department meeting. The controller explained that this was a satisfactory way of working as the department only consisted of four members. In contrast, the logistics department had a PM review day with the whole function. The logistics manager explained why he wanted his function to work in this manner: "…I do not do this, it is the function because they are the ones that will be working with this in there group. We do this in order to create the environment that makes them feel "that this is my way, this is what we should do in our group".

The logistic function´s procedure was positively perceived by interviewees across the organisation and was referred to as a good standard by a second-line production manager. The production function, which was the most employee heavy function, deployed a contrasting procedure according to interviewees from within the function. The second-line managers would receive the PM and goal levels to be deployed with suggestions of how to cascade them down further to first-line managers, team-leaders and production-teams by their superior. Accounts from team-leaders further strengthened this notion as they were simply handed their new PM from their managers. These accounts were strengthened by the production manager: "…I believe that we use a commando-structure here, we do not really have that anchoring or cascading of the measures".

Questions regarding how well the IT-system facilitated change in PM generated different responses. Two (HR top-manager & production second-line manager) out of the 21 interviewees were positive about the IT-system. However, the majority of the respondents felt that the IT-system inhibited their ability to measure. Several interviewees blamed the new IT-system and argued that the structures of queries that were built around the old system had now vanished without anything replacements. Some interviewees however believed that with time, the new IT-system would become more flexible and better than the old system. Other argued that once the competence of how to handle the new IT-system increased the possibilities would surpass the old system´s. The interviewees' perception of the culture at CC3 was diversified. On one side of the extreme the finance manager felt that the organisation had a large quantity of PM that no one really cared about. In contrast, the HR manager argued that the leadership at the site was very ambitious about the PM and that they understood the need to have good measures over time. The answers were diversified throughout the organisation regardless of hierarchical belonging. However, several responses were consistent in regards to the reporting and control characteristics of the culture.

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5 CROSS-CASE ANALYSIS

5.1 Structural aspect

From a structural perspective, all three approaches revolved around the notion of top-down execution with strategy as a starting point. The top-down feature seems to be in place in order to create PM alignment across the organisation. Both the CC1 and CC2 approaches had this feature explicitly designed through the chain of execution. Even though CC3 lacks an explicit approach, the chain of execution is evident in how they managed PM change. The OD process (CC2) facilitated the alignment directly between the teams and strategic focus. Further, the input to the decision-making is similar across the case companies (Table 4). This validates the established belief that PM and strategy need to achieve alignment. Further, the approaches were executed annually/semi-annually and were thus seen as recurring activities as argued by Neely et al. (2002b), and Medori and Steeple (2000). Further, the liberty to develop PM is another common feature. CC1 and CC2 allowed their employees to develop PM if they supported the overriding organisational direction. PM autonomy seemed to be perceived as an important function for gaining the involvement. It seems that the underlying notion was that PM autonomy would amplify involvement that in turn would drive performance. Involvement of employees is underlined by Spitzer (2007) as pivotal factor.

Further, the possible relationship between the level of documentation/facilitation and the execution time needs to be highlighted. The approaches with facilitators and documentation were executed between 1-3 weeks whilst the dittos without took between 1-5 months to execute. These findings strengthen the calls for ownership of the PM change process (Kaplan and Norton, 2005; 2008) and a structured and defined approach (Meekings, 2005). Thus, if adequate resources are dedicated from the start the conditions for involving the organisation are plausibly greater. Furthermore, such a proactive stance will lead, in the long-run, to a process that requires fewer resources to execute (Neely et al., 2002a). Moreover, several researchers underlined the need of adequate IT-capabilities (Bititci et al., 2000; Wettstein and Kueng, 2002; Kennerley et al., 2003). The IT-system was highlighted across the case studies as an influencing factor. The challenge highlighted was not being able to measure due to inflexibility. Further, fragmented IT-systems had consequences beyond inflexibility such as time for data extraction, compilation and human errors. Further, another aspect is the structure built around a given IT-system. CC3 replaced an old fragmented system with a new and integrated ditto that would enhance flexibility. However, with both competence and supporting structures erased the new system was perceived as less flexible and more problematic.

5.1 Behavioural aspect

Even though the role of employee involvement was underlined as sought-after and important, all three companies had problems in making it a reality. Several plausible explanations exist based on the empirical evidence. The rigid and hierarchical chain of execution might make more damage than good. It became evident at CC2 that the chain of execution can become a problem if not accompanied with the appropriate level of resources. The managers at the lowest levels did not get their input in time and were not cleared resources to try to involve their production teams. The OD approach deviated from the hierarchical execution and allowed each team to develop goals and PM

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in support of the strategic focus without any intermediaries. The OD approach of structuring the review process required less time to execute while including the whole organisation. Moreover, in relation to the chain of execution, size matters. At CC3, the finance function had no problems involving the employees. The employee-wise larger logistics function could involve most of its employees but had to work around the production planning. In contrast, the function with the highest number of employees (production), simply deployed the changes brought to them. Thus, a negative correlation seems to exist between the department size and the level of involvement. An increase in size equals an increase in needed resources, mainly time and additional labour costs. However, as illustrated at CC3, if resources are not made available the involvement will be suffocated. The need to give sufficient resources is highlighted by Spitzer (2007). Further, the challenge of employee involvement is further amplified by the lack of top-management understanding. As illustrated in CC2, little time was given to the lower levels. Instead, the higher management levels consumed the larger portion of the time available leaving the organisation, at best, with time constraints. As gatekeepers of organisational resources, top-management plays an important role in establishing a functional review approach. Several of the major hurdles identified regarding the involvement have their roots in management action and decision-making. The top-management needs firstly to understand the requirements of executing a PM review approach characterised by a chain of execution and secondly to make the required resources available. However, there are other aspects of the challenges of involvement that are evident in the empirical data. The situation at CC1 illustrates that ownership and education can be two barriers of employee involvement. Once these two were given to promoted individuals they got involved. These two factors built a barrier at a CC1 which had; a defined and documented process, designated facilitators, visual aids and no resource complains (Spitzer, 2007). Thus, even though CC1 had, in contrast to the other case companies, better conditions, it was restrained by a lacklustre employee attitude towards involvement that was only dispersed through education and ownership. Top-management support is highlighted (Kennerley et al., 2003) as a factor affecting the ability to manage change in PM. The empirical data underline that respective top-management team is committed to respective review approach. However, if the commitment would be juxtaposed to the actions of respective top-management team a different picture would emerge. CC2 confined the OD process regardless of the considerable cost savings. Moreover, none of the CC2 and CC3 top-management teams did provide enough resources for execution. Top-management´s actions at CC1 seem to be more in line with their claim of commitment. Even though their attempt to involve the organisation was postponed, their process had both a facilitator and solid structure. Moreover, Kennerley et al. (2003) underline the need of a beneficial measurement culture. Judging by both interview responses and how each approach was executed, there is evidence that none of the organisations had PM beneficial cultures in place. Even though the cultures shared this commonality, they seemed to differ in characteristics. At CC1, the hierarchical rigidness made it challenging to involve the employees and discussion was synonymous with informing. At CC2, the top-management teams and employees perceived each other to be reactive with neither willing to act on the PM. At CC3, the limitations in autonomy and liberty of action reduced PM to a reporting vehicle to be decided

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upon by superiors.

6 CONCLUSIONS, FUTURE RESEARCH, CONTRIBUTION AND LIMITATIONS

Even though the case companies had different approaches in place to manage change in PM, they shared several commonalities. Commonalities were shared in the way of execution, process input and challenges in IT and culture. Furthermore, employee involvement seemed to be the biggest challenge for all three companies. From the empirics and conclusions presented in this paper, several interesting areas have emerged suitable for the future research agenda:

1. More descriptive case studies are needed that sheds further light on how PM change is managed in practice. Even though this paper has helped to bridge the knowledge gap, more research is needed.

2. How to gain organisational involvement is pivotal. This paper has elaborated over the causes but more research is needed that specifically focuses on the involvement of the employees.

3. The relationship between involving employees and driving performance ought to be investigated. As illustrated, involving the masses from an organisation of considerable size requires resources. If the involvement does not impact on the performance it would be counterproductive to have it in a review approach.

However, the findings put forward in this paper are limited as they are confined to three companies from the same company-group. More studies, both from within and outside the company-group, are needed in order to establish a solid base of empirical data for generalisation. Further, the theoretical background presented in this paper is confined to the field of PMM. Even though there are limitations to the research put forward in this paper, it helps to bridge the gap of knowledge regarding how PM change in managed in practice. This paper makes a contribution both through describing how three companies manage PM change and through elaborating on the underlying factors affecting functionality. Furthermore, the paper also provides insights for practitioners regarding the challenges faced by manufacturing units in managing change in PM. As the challenges seem to be similar across the case companies one implication could be to increase the cooperation and benchmarking across company-groups in order to capitalise on best practices and proven solutions.

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ISSN 2076-9202

Viability of Mt. Maculot View Resort in the Philippines Using Thompson's Business Model

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ABSTRACT

Mt. Maculot View Resort is one of the first resorts to operate in Cuenca Batangas, Philippines. This study aimed to determine the Viability of Mt. Maculot View Resort using Thompson's Business Model. Specifically it aimed to: assess the viability of Mt. Maculot View Resort as perceived by the customers and the managers on the dimensions of market, technical, and business model; to assess the viability of Mt. Maculot View Resort as perceived by manager and customer on the dimensions of Management, Economic and Financial and Exit Strategy; to test the difference between the customers and managers perceived viability of Mt. Maculot View Resort on the dimensions of market, technical and business model; to identify the problems encountered by Mt. Maculot View Resort as perceived by the two groups of respondents; and to propose strategic marketing innovations that could enhance the prospects and sustainability for an emerging market of resort in Cuenca Batangas. This study used the descriptive method of research which is very suited to the present study to provide the description of the perceived viability of Mt. Maculot View Resort.

The study revealed that both customers and managers of Mt. Maculot View Resort have the agreed viability on the areas of market, technical and business model. Managers of Mt. Maculot View Resort have the agreed viability on the areas of exit strategy, management, economic and financial. On the other hand, the assessment of the customers and managers varies on the technical viability.

The perceived problems encountered by customers and managers are inadequate promotion and limited parking space. Finally, using Thompson's Dimension of Business Viability Model, the propose action plan was formulated.

Keywords: Viability, Mt. Maculot, Resort, Philippines, Thompson's Business Model

1. INTRODUCTION

Resorts serve as the primary provider of the guest's experience, often provides services for business and meetings and are characteristically located in vacation-oriented settings. Resorts in the Philippines help in the attainment and acceleration of the social and economic growth of the country. With the increasing demand of the market, it opens opportunities for entrepreneurs to stimulate and eventually venture to this kind of business. It continues to grow and expands to meet the standards of the consumers.

For an emerging market that is Cuenca Philippines, it is vital to assess whether it is viability of such business

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in a specific place, so as to make sound decisions in the allotment of investments. One tool that most investors rely upon is a business feasibility study which specifically discusses the various dimensions of business viability. (Borbon, 2010)

The researcher, being a resident of Cuenca Batangas, would like to determine the viability of Mt. Maculot View Resort using Thompson's Business Model. This study sought to find out if Mt. Maculot View Resort has the capacity to survive and progress as an emerging market in Cuenca for the years to come and will be using the Thompson's (2005) Business Model to assess its viability. It is very beneficial for those entrepreneurs who would like to venture to this kind of business and resort industry practitioners to improve its services to ensure quality and gain customer retention and satisfaction. This study will also help to the tourism development of Cuenca Batangas to attract more investors and tourists.

2. OBJECTIVES OF THE STUDY

This study aimed to determine the Viability of Mt. Maculot View Resort using Thompson's Business Model. Specifically it aimed to: assess the viability of Mt. Maculot View Resort as perceived by customer and manager on the dimensions of market, technical, and business model; to assess the viability of Mt. Maculot View Resort as perceived by manager and customer on the dimensions of Management, Economic and Financial and Exit Strategy; to test the difference between the customers and managers perceived viability of Mt. Maculot View Resort on the dimensions of market, technical and business model; to identify the problems encountered by Mt. Maculot View Resort as perceived by the two groups of respondents; and to propose strategic marketing innovations that could enhance the prospects and sustainability for an emerging market of resort in Cuenca Batangas.

3. REVIEW OF LITERATURE

Resort as a tourism establishment has existed since ancient times. People have always visit places for recreation, relaxation and entertainment. With the leisure time and higher wages, most people now take at least one vacation away from home each year. It is usually in a resort with added attraction on the premises that can make it very enjoyable, self contained vacation experience. Since patrons of the hotel and resorts are generally in reach of leisure pursuits, the location of the resort relies less on the convenience but more environmental, climatic and recreational attributes. (Rodriguez, 2006) In addition, resort as defined by Ernst and Young (2003) cited in the book of Murphy (2008) is a tourist accommodation catering primarily to leisure travelers, providing a range of recreational facilities and differentiated by experiential qualities in the context of a particular regional destination. The Philippines is one of the most amazing and fascinating tourist destinations due to its varied charms which enthralls tourist from all over the world. It offers a wide array of entertainment to cast a spell on its visitors with its beautiful scenic islands, exotic beaches, amazing volcanoes, world-class diving spots and unique wildlife and many other attractions.

In the recent survey conducted by the Tourism government in 2012, tourist arrivals to the Philippines reached record high of 4.3 million. With this improvement to the tourism industry, it opens opportunities and more investments are needed to sustain its growth.

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The Department of Tourism is the primary government sector in the Philippines charged with the responsibility to promote, encourage and develop tourism as a major socio-economic activity to generate foreign currency and employment and to spread the benefits of tourism to both private and public sectors. (http://www.lawphil.net/administ/dot/dot.html/February 2013)

Resort as defined by the Department of Tourism, is any place with pleasant environment and atmosphere conducive to comfort, healthful relaxation and rest, offering food, sleeping accommodation, and recreational facilities to the public for a fee/ remuneration.

Mt. Maculot View Resort is a resort at foot of Mt. Maculot located at Brgy. Pinagkaisahan, Cuenca Batangas. It provides an intimate resort experience with the environmental benefits and splendid view of Mt. Maculot and Grotto. (www.mtmaculotviewresort.com/February, 2013)

Just like any other things, Mt. Maculot View Resort started very small. As a matter of fact, this resort was originally planned to be a rest house. It was just a place to go during vacations, just the venue for small parties and gatherings and just a nice place wherein the family gets together, escapes the stressful life from the city and appreciates the wonderful nature around. The owner, decided to open the property to the public. From two swimming pools and few cottages, now Mt. Maculot View Resort has now room accommodations, cottages, pavilion for functions, large swimming pools, Jacuzzi, and activity tower for persons who love outdoor activities. (www.mtmaculot.multiply.com/February 2013)

Mt. Maculot View Resort is categorized as a sole proprietorship. It is classified as a mountain resort as it is situated in Mt. Maculot. The initial investment to operate the resort is about Php 30 million. It is in its 4 years of operation with 10 employees. As of the moment, the management is still on process with its accreditation.
The present study used the Thompson's (2005), Dimension of Business Viability to determine the viability of the Mt. Maculot View Resort. The Dimensions of Business Viability Model is a generic framework that assists the entrepreneur in identifying individual tasks (decisions) in validating the Business Concept. It also aligns the findings with functional processes of an enterprise which an audience can easily understand and it serves as decision weighing model that provides a benchmark for measuring the Business Concept's Viability. (Thompson, 2005)

The Business Model has the market viability, technical viability, business model viability, management viability economic and financial model viability and exit strategy viability. The assessment of the Business Model will help the entrepreneurs engage in the resort industry to determine if the business will succeed and will also help to deliver the entrepreneurial objectives such as creating wealth. Thompson (2005) cited that determining business viability is largely a subjective process and will vary for each business venture under consideration.

Market Viability includes the components of market component (e.g. size, sustainability, potential market, target market, potential value), competitors, similar products, pricing, packaging, distribution to markets and promotion/advertising. (Thompson, 2005)

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In determining the market viability of a product or service, the following steps must be followed: First, compare your offer to a 3-legged stool, which cannot support weight unless all three legs are equal in length and spacing. One leg is the offer itself, which includes price and demand. A top quality offer at a competitive price is still a low fail if the other legs are not balanced. The second leg is the customer list. If you don't know who want your product or service, then you have nothing. The third leg is the process, language, and messaging used to convey the value of the offer to the list. Second, determine the mass appeal of your product or service. If only a very select few can benefit from it, then your offer may be too limited to generate enough revenue to justify the investment of taking it into the market place. Identifying a specific demographic target is a strategic necessity, but there is a certain volume required to break even and much larger volume required for long-term profitability. Third, measure the uniqueness of your offer against all competitors or whoever shares your market niche. The more unique your offer is the more likely it will gain share against your competitors. Fourth, assess the exclusivity of your offer. If your potential customers can get your product or service somewhere else, then you will be forced to find another factor to differentiate your offer from the competition. If your offer cannot be found anywhere else, your business will benefit invariably. Lastly, test the perceived value of your offer. In order to be successful in business, you must be able to sell your product or service at a price point that is commensurate with what people are willing and able to pay. Ironically, you can under price an offer as well as overprice it.

The American Marketing Association defines marketing as follows: "Marketing is the activity, set of institutions, and processes for creating, communicating, delivering and exchanging offerings that have value for customers, clients, partners and society at large." *(*Middleton et al. 2009)
The structure of today's industry, in the study of Celis (2008) was in part an outcome of the relation between the operators and their markets. Marketing and sales activities reflected the structure of the market, which in turn affected the manner in which such activities take place. Marketing strategies must be properly employed by the tourist attraction operators to reach the market and at the same time create awareness on the existence of the business. Every tourist destination business uses different marketing practices that will catch the attention of prospective clients. The use of varied effective marketing and sales strategies assists in achieving the success of the tourist attraction business. They have to adapt these marketing practices and strategies to capture a larger market potential. They should not just depend on arrivals because the trend may change due to some factors beyond the control of business owners depending on how the industry in the region would appraise the situation.

Resorts needs to focus first on changing demand profiles for them to know how they can relay the message to relevant interest groups. It will cater the need for resorts to responds to the ever changing market conditions by emphasizing the importance of monitoring global demand trends and matching supply circumstances with the resorts can and wishes to meet (Murphy, 2008).

Technical viability will cover capacity, availability and quality of resources, inclusive of raw materials, labor

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and professional expertise, supply chain implications, manufacturing process and ability to apply IP (Thompson, 2005). Also, Morgan (2009) as cited in Borbon's study, defined technical viability as the uniqueness and features of products and services and intellectual properly positions. Business model viability entails uniqueness of model in terms of competitive advantage, ability of competitor to duplicate, ability of competitor to duplicate, ability to create value through priority knowledge and process, ability to create wealth and ability to duplicate and delegate (i.e. documentation of tacit and explicit knowledge) (Thompson, 2005).

Business model is defined as a description of the operations of a business including the components of the business, the functions of the business, and the revenues and expenses that the business generates. A business model describes the rationale of how an organization creates, delivers, and captures value-economic, social or other forms of value. The process of business model design is part of business strategy. In theory and practice the business model design is part of business strategy. In theory and practice the term business model is used for a broad range of informal and formal descriptions to represent core aspects of a business including purpose, offerings, strategies, infrastructure, organizational processes and policies (Borbon, 2010).

Management model viability includes application of knowledge and skills, training, employee management and recruitment, management of intellectual property, management of risk, ability to delegate to staff, suitable organizational structure, suitability of management and protocols, and ability to measure business process (Thompson, 2005).

Resorts are view as businesses which are attempting to be comprehensive long term sustainable operations and have the following objectives: Making a profit, which is the economic rationale of most businesses. Without it all other objectives will fail in the long run. Developing an attractive and competitive product to attract customers in an increasingly competitive environment the resort must offer a core attraction that is desirable and located in an attractive selling. Developing an attentive and skilled workforce which resorts are needed to offer high quality service to build and that requires skillful management and staff. Becoming a sustainable operation, given the long term nature of resort development and the symbiosis between its business success with the health of surrounding environments and communities, sustainable development becomes a fundamental principle for resort businesses. (Murphy, 2008)

Economic and financial viability will cover start up costs, working capital, operating costs, raw material costs, overall return on investment, overall profitability, breakeven point, sustainability of market versus projected revenue and ability to generate economic value (Thompson, 2005). Economic viability is characterized by long-term sustainability (profitable over the long term) and short term feasibility (sufficient cash flows to meet short term obligations). Projects/ventures can be either public/community type projects of private enterprise ventures. Four financial measures are particularly useful when examining the viability of a project: Net Income, Cash Flow, Required Operating Loan and Ending Cash Balance (Borbon, 2010).

Marketing is said to be the lifeblood of any company, corporation or firm. Virtually every organization with a surplus of anything engages in marketing activities to identify, communicate and negotiate with potential

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exchange partners. The importance of marketing in a company's ongoing success can be better understood and appreciated when one considers the activities it embraces. Effective implementation of the sales plan requires that the individual salespeople have the aptitude, skills, knowledge, and motivation to do their jobs effectively. Thus, effective marketing entails salesmanship on the part of the representative who must have the ability to influence or persuade customers to buy a certain product or service and to certain extent. Marketing practices includes sales promotion, advertising, personal selling and public relations (Rodriguez, 2006).

Riley (2007) has noted that resorts will need to promote a holistic experience, maintain marketing consistency, understand guests, examine website efficiency, increase online marketing, maintain previous guests, and create strong industry relationships to be successful.The Hospitality Sales and Marketing Association International (HSMAI) has also examined current Internet marketing trends within resorts and have identified the need for resorts to plan for the future, establish infrastructure, build traffic, integrate offline and online resources, using third party intermediaries, measure overall success, and maintain vigilance in analyzing trends (Green, 2006).

Another area of interest has been the growing importance of the Internet in marketing (Simon, 2005). Specific emphasis has been placed on the growing role that the resorts' website plays (Atkinson, 2005) – an emphasis that has become magnified as traditional marketing activities become supplemented, and possibly replaced, by internet-based marketing approaches. Specific attributes and website features that contribute to website effectiveness has also been investigated (Baloglu & Pekcan, 2006; Perdue, 2001). Beyond web-marketing and its impact on guests, there has also been interest in exploring the methods and capabilities used to collect guest information at resorts (Khanna, 2005). Applying technology for this use is welcomed as data collection is important in understanding guests and the changing guest market (Baumann, 2005). Furthermore, interest in using the Internet to obtain guest feedback and to employ this feedback to help guide and improve resort operations (Higgins, 2005), has also been investigated.

4. METHOD

4.1 Research Design

The descriptive design method of research was used utilizing a survey questionnaire for the respondents. Descriptive method of research are valuable in finding facts that may form the basis for scientific judgments, the reason for being that it provides the essential knowledge about the nature of objects, persons and events which is very suited to the present study to provide a description of r perceived viability of Mt. Maculot View Resort. This research design was chosen because it can provide essential knowledge about the concepts being used in this study as well as its relationship with each other.

4.2 Participants

The participants of the study were grouped into two categories: the personnel/management of Mt. Maculot View Resort which is composed of ten members; and its external customers. The representatives of the external customers is based on the initial interview conducted, in which the range of tourists is from 150-300,

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that includes customers in the peak season. The researcher arrived to the 50% of the total customers which is 100 to be the respondents.

4.3 Instrument

The researcher adopted the Thompson's Business Model. The said instrument was modified and validated so as to determine its reliability. This was used to gather data needed for the study on the viability of Mt. Maculot View Resort. The questionnaire was designed for two groups of respondents: Managers and the customers. Part I is a survey about the items included in Thompson's (2005) Dimension of Business Viability such as market, technical and business model to be answered by the management and customers. Part II is a survey for the managers about the Thompson's (2005) Dimensions of Business Viability in terms of management, economic and financial and exit strategy. Part III enumerated the common problems encountered in Mt. Maculot View Resort as formulated through informal interview and from literature review pertaining to problems encountered in resorts.

The three parts of questionnaire were answered by the respondents by checking the appropriate boxes that corresponds to their responses using the scale below of 1-4 and with verbal interpretation of Strongly Agree (4), Agree (3), Disagree (2), and Never (1). The researcher personally distributed the questionnaire and retrieval will be done after two days.

4.4 Procedure

The following steps were undertaken in gathering the data to answer the questions in the study. An initial informal interview to the owner of the resort was conducted to gain reliable and related information pertaining to the study. A letter of request to conduct the study, together with the three-part questionnaires was sent to the owner and staff of Mt. Maculot View Resort as well as to its customers.

To measure the concept relevant in the study, the researcher adopted the Thompson's Business Model. The said instrument was modified and validated so as to determine its reliability. This will be used to gather data needed for the study on the viability of Mt. Maculot View Resort.

4.5 Data Analysis

All data gathered were tallied and interpreted using different statistical tools. Weighted mean and independent sample t-test to further analyze the results using 0.05 alpha level. The data was also supported using PASW version 18.

5. RESULTS AND DISCUSSION

Table 1presents the viability of Mt. Maculot View Resort on market dimension. It was observed that the over-all assessment was "Agree" with a composite mean of 3.31 and 3.20 as viewed by managers and customers respectively. As to the evaluation of the managers, "the resort helps promote Cuenca as a tourist

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destination and assure of the security of their customers" were the most observed market viability with mean value of 3.70. This only shows that having a resort helps to promote Cuenca as a tourist destination.

Table 1. Viability of Mt. Maculot View Resort on Market Dimension

	Managers			Customers		
Market Viability	**WM**	**VI**	**Rank**	**WM**	**VI**	**Rank**
1. The size of the potential and target market of our resort is huge	3.20	A	8	3.12	A	6
2. The target market of our resort business will continue to grow in time.	3.30	A	6.5	3.12	A	6
3. The products and services offered by our resort business is different from the products offered by the competitors.	3.30	A	6.5	3.47	A	1.5
4. The products and services are packaged in a way that could be attractive to prospect clients.	3.50	SA	5	3.21	A	4
5. Our resort adds popularity and good image to Cuenca.	3.60	SA	3.5	3.09	A	8
6. Our resort creates good community relationship with the residents.	3.60	SA	3.5	2.84	A	10
7. We see to it that our resort is promoted in TV/Radio/Newspapers/Tarpaulins/Brochures for its good and services.	3.10	A	9	3.05	A	9
8. The location of our resort is accessible to different types of transportation.	2.10	D	10	3.46	A	3
9. We assure our customers of their security while under our care.	3.70	SA	1.5	3.12	A	6
10. Our Resort helps promote Cuenca as a tourist destination.	3.70	SA	1.5	3.47	A	1.5
Composite Mean	**3.31**	**A**		**3.20**	**A**	

Legend: 3.50 – 4.00 Strongly Agree; 2.50 – 3.49 = Agree; 1.50 – 2.49 = Disagree; 1.00 – 1.49 = Strongly Disagree

As an observation, tourists are encouraged to visit the province and the presence of the resort adds in its reason of why tourists should visit Cuenca. The resort is highly equipped with security features to provide maximum security to its customers. This will assure them that they are highly secured during their stay in the resort.

It was followed by "the resort adds popularity and good image to Cuenca" (3.60), "creates good community relationship with the residents" (3.60) and "the products and services are packaged in a way that could be attractive to prospect clients" (3.50), all were interpreted "Strongly Agree". One important factor to measure

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the market viability is to measure the uniqueness of the offer against all competitors as it likely to gain shares in the marketplace. (Borbon, 2010) Creating good public relations, as discussed in the study of Festijo (2010), is vital in every operator and provides positive support to sales and promotion. The least among the market viability was "the location is accessible to different types of transportation" with a weighted mean of 2.10 and interpreted as "disagree".

On the other hand, customers assessed market viability as "agree" only and "products and services offered by our resort business is different from the products offered by the competitors" and the "resort helps promote Cuenca as a tourist destination" ranked first with mean value of 3.47. One of the reasons in determining the market viability of a business is the assessment of the exclusivity of the products that are offering. (Borbon, 2010) Looking for factors that differentiate a product among the others makes the business more profitable while the resort creates good community relationship with the residents got the lowest rank.

Table 2. Viability of Mt. Maculot View Resort on Technical Dimension

	Managers			Customers		
Technical Viability	**WM**	**VI**	**Rank**	**WM**	**VI**	**Rank**
1. Our Resort has the capacity to supply the demand of the total market.	3.20	A	8	2.61	A	9.5
2. There are available resources in our area.	3.30	A	6.5	2.79	A	7.5
3. Our company has high level of labor and professional expertise.	3.30	A	6.5	2.93	A	2
4. Service is our business	3.50	SA	5	2.93	A	2
5. Goods and services that our place is known for are available for business.	3.60	SA	3.5	2.90	A	4
6. Our Resort is known for quality services.	3.60	SA	3.5	2.87	A	5
7. Our services and goods can speak well of our Resort.	3.10	A	9	2.61	A	9.5
8. Our resort business provides employment for residents	2.10	D	10	2.79	A	7.5
9. There are available technologies that can make our tasks more convenient	3.70	SA	1.5	2.93	A	2
10. The process of providing our service is not complicated.	3.70	SA	1.5	2.82	A	6
Composite Mean	**3.31**	**A**		**2.61**	**A**	

Legend: 3.50 – 4.00 Strongly Agree; 2.50 – 3.49 = Agree; 1.50 – 2.49 = Disagree; 1.00 – 1.49 = Strongly Disagree

Table 2 presents the viability of Mt. Maculot Resort on technical dimension. It was observed that the over-all assessment was "agree" with composite mean of 3.31 and 2.61 respectively. As to the evaluation of managers, there are available technologies that can make the staff's tasks more convenient and the process of

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providing our service is not complicated were the most observed technical viability with mean value of 3.70,both rated as strongly agree.

Based on the interview conducted, the management of Mt. Maculot View Resort strongly agrees that the resort has available technologies in order to deliver the services in most convenient way. Mt. Maculot View Resort updated annually their website where customers can easily look for packages that suits for them and can book their reservations without any hassle. The resort also upgraded their facilities and technologies to give excellent services to the customers. In connection with this, being a leader in the resort industry in East Malaysia constantly provide the best services and facilities in order to retain a loyal customer base. With the extensive and high technologies available, it caters the needs of the customers, demonstrated good technical knowledge and a complete solution that met and exceeded their requirements (Nexus Resort Karambunai, 2009).

The least among the technical viability as assessed by the managers is "our resort business provides employment for residents" with a weighted mean of 2.10 and interpreted as disagree.
On the other side, the evaluation of the customer, "the company has high level of labour and professional expertise", "service is our business" and "there are available technologies that can make our tasks more convenient" were the most observed technical viability interpreted as "agree" and got a weighted mean of 2.93. While "the business has the capacity to supply the demand of the total market" and "our services and goods can speak well of our business" got the lowest with 2.61 and interpreted as agree.

The quality of services and how it delivers to the customers are well managed in Mt. Maculot View Resort. Both management and the customers agreed that there are available technologies that can make the tasks more convenient is well observed. Based on the customers' feedback, they can easily access to all their needs and they are well attended when it comes to services of the resort.

As seen in Table 3, the over-all assessment of the respondents in the viability of business dimension has a composite mean of 3.26 and 3.01 respectively and interpreted as "agree".

Table 3. Viability of Mt. Maculot View Resort on Business Dimension

	Managers			Customers		
Business Viability	**WM**	**VI**	**Rank**	**WM**	**VI**	**Rank**
1. Our business has a unique purpose, offerings, strategies, infrastructure, organizational structures	3.30	A	4.5	2.89	A	9
2. Our business model is unique from our competitors	3.30	A	4.5	2.98	A	6
3. Our company has a clear knowledge of what the customer wants and needs.	3.30	A	4.5	3.02	A	3
4. We can consider our business model as our	3.00	A	10	2.89	A	9

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competitive advantage.						
5. Our competitors cannot easily duplicate the business model that your company possesses.	3.20	A	8.5	2.98	A	6
6. Our business model has the ability to create value through priority knowledge and process.	3.40	A	1	3.02	A	3
7. Our business model has the ability to create wealth.	3.30	A	4.5	2.89	A	9
8. Our business model has the ability to duplicate and delegate as in the documentation of tacit and explicit knowledge.	3.20	A	8.5	2.98	A	6
9. Our business model is constructed in a way that it will minimize costs.	3.30	A	4.5	3.02	A	3
10. Our company views designing business model as an important part of business strategy.	3.30	A	4.5	3.46	A	1
Composite Mean	**3.26**	**A**		**3.01**	**A**	

Legend: 3.50 – 4.00 Strongly Agree; 2.50 – 3.49 = Agree; 1.50 – 2.49 = Disagree; 1.00 – 1.49 = Strongly Disagree

Among the items that are enumerated, "our business model has the ability to create value through priority knowledge and process (3.40)" got the highest followed by "our business has a unique purpose, offerings, strategies, infrastructure and organizational structures" and "our business model has the ability to create wealth" both got 3.30. While "we can consider the business model as the competitive advantage (3.00)" got the lowest and interpreted as agree.

Based on the findings, Mt. Maculot View Resort knows how to position and create image value based on the services and facilities it offered. It established well its unique selling proposition to the market. The amenities it offered to the market has something to do with it. Recently, it opened its outdoor activities such as zip line, rock climbing, and hanging bridge making it the first resort in Cuenca to offer this kind of amenities. It is also the only resort that can be located at the foot of Mt. Maculot. These factors generate income for the resort.

In customers' assessment, "our business has a unique purpose, offerings, strategies, infrastructure, and organizational structures", "we can consider our business model as our competitive advantage" and "our business model has the ability to create wealth" got the lowest with 2.89. The results showed the reciprocal perception of the managers and the customers of Mt. Maculot View Resort. Managers, of course knows very well the in and out of the business compared to the customers. Mt. Maculot has been in its four years of operation, considering that the business model of the resort got the lowest from the perception of the customers because they might compare Mt. Maculot View Resort among the other resorts that has been in the industry for a long time.

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Business model viability as defined by Thompson (2005), entails uniqueness of model in terms of competitive advantage, ability of competitor to duplicate, ability to create value through priority knowledge and process, ability to create wealth and ability to duplicate and delegate. It is a description of the operations of a business including the components of the business, the functions of the business, and the revenues and expenses that the business generates. It describes the rationale of how an organization creates delivers, and capture value-economic, social or other forms of value. Business model design process is a part of business strategy and it is used for theory and practice as a broad range of informal and formal descriptions to represent core aspects of a business, including offerings, strategies, infrastructure, and organizational structures, trading practices and operational processes and policies.

Table 4. Viability of Mt. Maculot View Resort on Management Model Dimension

Management Model Viability	WM	VI	Rank
1. There is a high need for the application of knowledge and skills.	2.90	Agree	7.5
2. Employees are given sufficient trainings.	3.00	Agree	4
3. Our company has a systematic way of managing and recruiting employees.	2.80	Agree	9.5
4. Intellectual property is efficiently managed.	3.10	Agree	1
5. Our company is able to manage potential risks.	3.00	Agree	4
6. There is a capability to delegate tasks to staff.	3.00	Agree	4
7. Our company has a suitable organizational structure.	2.90	Agree	7.5
8. There is the presence of suitable management and quality protocols.	3.00	Agree	4
9. Business process is highly measurable.	2.80	Agree	9.5
10. Our company has an effective management model.	3.00	Agree	4
Composite Mean	**2.95**	**Agree**	

Legend: 3.50 – 4.00 Strongly Agree; 2.50 – 3.49 = Agree; 1.50 – 2.49 = Disagree; 1.00 – 1.49 = Strongly Disagree

The managers agree on the viability of management dimension of their resort as revealed by the composite mean of 2.95. Among the items mentioned, "Intellectual property is efficiently managed" got the highest mean of 3.10 and ranked first. "The resort has a systematic way of managing and recruiting employees" (2.80) and "business process is highly measurable" (2.80) were considered the least.

Management model viability includes application of knowledge and skills, training, employee management and recruitment, management of intellectual property, management of risk, ability to delegate to staff, suitable organizational structure, suitability of management and protocols and ability to measure business process (Thompson, 2005).

Intellectual property as defined is a legal concept which refers to creations of the mind for which exclusive rights are recognized. Mt. Maculot View Resort efficiently managed this area. The owner of the resort followed all the legal procedures in using the Mt. Maculot as the business name. It also follows all the guidelines set by the Department of Tourism in operating the resort. As of the moment, the accreditation

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documents of the resort are still on process.

The management of Mt. Maculot View Resort continues to develop an attentive and skilled workforce which resorts are needed to offer high quality service. With its four years in the industry, the business process is highly measurable to have a sustainable operation and it is maintained by the management. It also conducts seminars and trainings for the staff for training and development.

The over-all assessment of the management on the dimension of economic and financial was 2.53 and interpreted as "agree". Among the items enumerated, "this type of business is financially risky" got the highest with 3.90 and verbally interpreted as "agree". It was followed by "the company has sufficient working capital (3.60) and "our business has high ability to generate economic value (3.00) and interpreted as agree.

"Our business needs minimum level of sales in order to make a profit (2.00)" and "our business needs very minimal operating costs (1.70)" and interpreted as disagree; "our business has a quick return of investment (1.40)" got the lowest and interpreted as strongly disagree.

Table 5. Viability of Mt. Maculot View Resort on Economic and Financial Dimension

Economic and Financial Viability	WM	VI	Rank
1. Our business needs minimum start up costs.	2.30	Disagree	6
2. Our company has sufficient working capital.	3.60	Strongly Agree	2
3. Our business needs very minimal operating costs.	1.70	Disagree	9
4. There is a low material cost.	2.30	Disagree	6
5. Our business has a quick return of investment.	1.40	Strongly Disagree	10
6. This type of business is highly profitable.	2.30	Disagree	6
7. Our business needs minimum level of sales in order to make a profit.	2.00	Disagree	8
8. The market is highly sustainable.	2.80	Agree	4
9. Our business has high ability to generate economic value.	3.00	Agree	3
10. This type of business is financially risky.	3.90	Strongly Agree	1
Composite Mean	**2.53**	**Agree**	

Legend: 3.50 – 4.00 Strongly Agree; 2.50 – 3.49 = Agree; 1.50 – 2.49 = Disagree; 1.00 – 1.49 = Strongly Disagree

Economic and financial viability will cover start up costs, working capital, operating costs, raw material costs, overall return of investment, overall profitability, breakeven point, sustainability of market versus projected revenue and ability to generate economic value (Thompson, 2005). Economic viability is characterized by long-term sustainability (profitable over long term) and short-term feasibility (sufficient cash flows to meet short-term obligations). Projects/ventures can be either public/community type projects or private enterprise ventures. There are four financial measures that are particularly useful when examining the viability of a project: Net Income, Cash Flow, Required Operating Loan and Ending Cash Balance.

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Findings showed that operating a resort is financially risky and it requires sufficient working capital. This type of business requires a huge amount of capital and doesn't have a quick return of investment. According to the owner of Mt. Maculot View Resort, the start -up capital of operation range from Php 20-30 million. As of the moment, the return of investment of the resort has not yet been recovered. The resort spends large amount in the maintenance of the facilities. During summer, the resort is at its peak and it generates above sales. But during the off season, the sales of the resort decrease. Aside from the resort itself as the primary source of profit, Mt. Maculot View Resort holds promotional events and offers its facilities to be the venue for debuts, weddings, reunions, and team building activities to generate income for the resort.

With the continuous improvement and maintenance of Mt. Maculot View Resort and its unique selling proposition, the market is hiighly sustainable and it has high ability to generate economic value for sustainability in the long run.

In the table presented, the over-all assessment of the managers when it comes to exit strategy got a composite mean of 2.75 with verbal interpretation of "agree". With all the statements mentioned, "our company has devised ways of recouping the capital they have invested in case the business decline"," transition of ownership of the company is easy" and "our business has the ability to create wealth from its exit strategy" (3.00) got the highest and has a verbal interpretation of agree.

The least among the statements are "our business has the ability to define its exit strategy", "has the ability to relate its exit strategy to industry model", "has the ability to identify potential buyers and/or strategies", "has the ability to create capital assets and has the ability to schedule exit strategy" which got 2.60 with verbal interpretation of "agree".

Table 6. Viability of Mt. Maculot View Resort on Exit Strategy Dimension

Exit Strategy Viability	WM	VI	Rank
1. Our company has devised ways of recouping the capital they have invested in case the business decline.	3.00	Agree	2
2. Transition of ownership of our company is easy.	3.00	Agree	2
3. Our business has the ability to create wealth from its exit strategy.	3.00	Agree	2
4. The sale of equity to someone else can be immediately conducted.	2.80	Agree	4
5. Our company has already planned for an exit strategy even before the start of the business.	2.70	Agree	5
6. Our company has the ability to define its exit strategy	2.60	Agree	8
7. Our business has the ability to relate its exit strategy to industry model.	2.60	Agree	8
8. Our company has the ability to identify potential buyers and/or strategies.	2.60	Agree	8
9. Our business has the ability to create capital assets.	2.60	Agree	8

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10. Our company has the ability to schedule exit strategy.	2.60	Agree	8
Composite Mean	**2.75**	**Agree**	

Legend: 3.50 – 4.00 Strongly Agree; 2.50 – 3.49 = Agree; 1.50 – 2.49 = Disagree; 1.00 – 1.49 = Strongly Disagree

Exit strategy may contain ability to create wealth from exit strategy, ability to relate exit strategy to industry model, ability to identify potential buyers and/or strategies, ability to create capital assets and ability to schedule exit strategy (Thompson, 2005). It is important to plan how to exit your business as Important on how the business start. The goal is to maximize the value of the company before converting it to cash and to minimize the amount of time consumed. Getting out of the business is a process and very crucial and it takes time to complete it. The process may directly affect the complexity of the business and there are several circumstances underlying in this decision.

Resort has been the emerging trend in Cuenca nowadays. Mt. Maculot View Resort has lot of competitors in the area. With its four years in the operation, results showed that the company is still on the process of planning about its exit strategies. The management still focuses for the continuous improvement of the resort. Based on the interview conducted to the owner, they have potential buyers in case they decided to quit from the business. They have ways on how to recoup the investment and create capital assets and wealth from the resort.

Table 7. Difference of Reponses on the Assessment on the Viability (α = 0.05)

Dimensions:	t_c	p-value	Interpretation
Market Viability	1.049	0.296	Not Significant
Technical Viability	3.445	0.001	Significant
Business Viability	1.802	0.074	Not Significant

Legend: Significant at p-value < 0.05; HS = Highly Significant; S = Significant; NS = Not Significant

The computed t-value of technical viability (3.445) was greater than the critical value of 1.982 at 0.05 level of significance and the resulted p-value is less than the alpha level, thus the null hypothesis of no significant difference on the assessment on the viability of Mt. Maculot View Resort in terms of technical viability is rejected. In reference to the above results, market viability got a composite men of 3.31 in the assessment of managers and 3.20 in the customers. Technical Viability on the other hand, got 3.31 and 2.61 from the managers and customers respectively. In terms of business viability, it got 3.26 and 3.01 from the managers and customers respectively.

This shows that the two groups of respondents have different assessment on the technical viability. Other variables such as market viability and business viability do not differ when assessed by the managers and customers. Managers of Mt. Maculot View Resort know very well the processes in the technical aspects because they are the one who manage the in and out of the business. They can assess how the services and

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products deliver to the customers efficiently. On the other hand, customers of the resort are not fully aware of this process.

Based on the table, the assessment of management to the problems encountered in Mt. Maculot View Resort resulted to inadequate promotion and limited parking space got the highest frequency of 10. While the cleanliness and sanitation of the surroundings and untrained personnel staff got the lowest frequency of 1. On the customers' assessment, limited parking space got the highest with frequency of 83 followed by exceeding number of guests (53) while financial losses of resort (15) and rooms are not well ventilated (4) got the lowest respectively.

Table 8. Problems Encountered by Mt. Maculot Resort as Perceived by the Management and Customers

	Management		Customers	
Problems Encountered	**f**	**%**	**F**	**%**
1. Exceeding number of guests	2	20.00	53	53.00
2. Lack of first aid	-	-	23	23.00
3. Cleanliness and sanitation of surroundings	1	10.00	31	31.00
4. Malfunctioning of equipment and facilities	3	30.00	20	20.00
5. High cost of commodities	-	-	46	46.00
6. Inadequate promotion	10	100.00	34	34.00
7. Insufficient number of lifeguards			39	39.00
8. Limited parking space	10	100.00	83	83.00
9. Rooms are not well ventilated			4	4.00
10. Untrained personnel staff	1	10.00	35	35.00
11. Security problems	-	-	19	19.00
12. Financial losses of resort			15	15.00
13. Management	4	40.00	-	-
14. Organizational Structure	-	-	-	-

**multiple responses*

Results shown that the management and the customers' assessment of the problems encountered in Mt. Maculot View Resort is the same with limited parking space as the highest. On the observation, transportation vehicles are getting a hard time in getting into the resort with a narrow road available and limited parking space available in the area. According to the owner, the maximum capacity of the parking space is good for 20 vehicles only that mean that succeeding vehicles will not be accommodated. Also, inadequate promotion is also identified as a problem. Customers are not fully aware of the promotional strategies of the Mt. Maculot View Resort. Only few tarpaulins are available outside Cuenca. It is not highly visible compared to the other resorts.

Table 9. Proposed Plan of Action

Key Result Areas	Objectives	Strategies	Persons Involved

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Market	To intensify and leverage the marketing practices of Mt. Maculot View Resort to attract more customers and promote Cuenca as a tourist destination	• Adequate advertisements on tv, radio and print • online marketing to boost its promotional campaign • initiate event promotional activities	Management Marketing Staff Customers
Technical	To enhance the services and facilities offered by Mt. Maculot View Resort to its customers	• Create a customer service feedback • Provide employment opportunities for residents in Cuenca	Management Customer
Business Model	To describe the operations of the business that will highlight its core aspects	• Conduct a strategic planning process	Management
Management Model	To evaluate the management's skills and knowledge towards business process	• Conduct seminars and trainings to its employees • have a 360 degree evaluation for their job performances	Management Human Resource Staff
Economic and Financial	To assess the economic and financial capacity of Mt. Maculot View Resort if it can sustain in the long run	• Examine regularly its financial measures • generate economic value of the resort	Management Financial Staff
Exit Strategy	To be able to prepare a future plan on how to exit in the business and maximizing the value of the company	• Prepare an exit strategy plans • Implement the proposed action plan	Management

6. CONCLUSION

Both customers and managers of Mt. Maculot View Resort have the "agreed viability" on the areas of market, technical and business model. Managers of Mt. Maculot View Resort have the"agreed viability" on the areas of exit strategy, management, economic and financial. The assessment of the customers and managers varies on the technical viability. The perceived problems encountered by customers and managers are inadequate promotion and limited parking space. Using Thompson's Dimension of Business Viability Model,

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the propose action plan was formulated.

7. RECOMMENDATION

Mt. Maculot View Resort may enhance and continue to improve its services and facilities to stay competitive and sustain the business in the long run. Mt. Maculot View Resort may develop economic opportunities and strategic management plans and maximizing financial resources to enhance viability. Mt. Maculot View Resort may create a customer service feedback. The management of Mt. Maculot View Resort may conduct ocular inspection on nearby vacant places where they can extend the resort's parking space and event promotional activities may be initiated. The propose plan of action maybe discussed among manager for implementation. The future researchers may conduct another study on other industries or businesses using Thompson's Dimension of Business Viability.

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ISSN 2076-9202

THE EFFECTS OF CHARACTERISTICS OF ELECTRONIC DOCUMENT MANAGEMENT SYSTEMS ON THEIR ACCEPTANCE: AN EMPIRICAL STUDY IN JORDAN

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Abstract

This study developed an EDMS Acceptance Model using the constructs of the Technology Acceptance Model (TAM). The model consists of system characteristics (Information and System quality), Perceived Usefulness, Perceived Ease of Use, and acceptance, that author posits will have an effect on EDMS acceptance in the context of Jordan.

The finding showed that system characteristics are the most significant determinant affecting acceptance of EDMS. Moreover, an empirically test had verified the direct effects of system characteristics to the perceived usefulness and perceived ease of use. These findings partially refine the TAM encompassing the direct effect between external variable and acceptance. The results showed that both Perceived ease of use and perceived usefulness have positive effect on EDMS acceptance, suggesting that the TAM could also extend into the EDMS.

ISSN 2076-9202

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Keywords: EDMS, TAM, information quality, system quality, ease of use, usefulness, Delone and Mclean success model.

1 Introduction

Many, if not all government agencies worldwide, are now developing and implementing information technology to a) deliver better services to citizens and businesses, and b) to support the modernisation of government (Jones, 2012). Based on the progression of information technology development, Electronic Document Management Systems (EDMS) is emerging for organizations to help create fundamental improvement in the efficiency, convenience and quality of service (Hung et al, 2009).

Documents are the stored memory for the organisation and the way business is done, its groups and its individuals, as well as being the primary mechanism for conducting business and the central to its functioning, EDMS promises to advance the management of information, thereby improving the levels of support and productivity for managers, speeding up communications, increasing the productivity of business processes, and improving the workflow of information, Accordingly, EDMS is an important element in establishing a virtual workplace environment and transforming the capabilities of a modern organisation and its workforce(Jones, 2012).

As the same with any other information systems (IS), the success of EDMS is dependent on the extent to which such a system is used and eventually adapted by potential users, if users are not willing to accept the IS, it will not bring full benefits to the organization (Davis and Venkatesh, 2000). However, there is relatively little research on developing models enables an understanding of factors that have influenced EDMS acceptance. Hence, there is a heightened need in IS research to understand the factors that impact an individual's decision to use such systems. The primary purpose of this research is to analyse and extend knowledge regarding influential factors that affect users to accept EDMS and to develop a model that can be used to analyse user acceptance in the context of developing economy such as Jordan.

In theoretical aspects, the technology acceptance model (TAM) explains and predicts users' acceptance of new technology. However, it can be argued that basic constructs of TAM, perceived usefulness and perceived ease of use, may not fully determine users' acceptance of EDMS, which therefore brings in the need to search for additional factors that may better predict and enhance the user acceptance of EDMS. Moreover; that has not been explored well in TAM research is the role of system characteristics as external variables. To the best of our knowledge, no such empirical study has been conducted on EDMS acceptance. Thus, the current study aims to explore the effects of EDMS characteristics on their acceptance. Furthermore, this research anticipates contributing to the literature on EDMS; a model of factors that influence users' acceptance of EDMS.

2 Electronic Document Management Systems: the concept and the basic components

Document management is the systematic control of document through the entire life cycle(Spargue, 1995, 32),this covers, document producing, storing, organizing, transferring and distribution, searching and finding, updating and deletion for particular organizational purpose (Yläjääski, 2003).

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Traditional document management at an enterprise was based on paper document management. The documents were grouped into groups or ordered name based and stored in binders. The binders were archived to trays orfile cabinets. Documents were copied or borrowed from trays to personal use (Sutton (1996), p.8). Distributions of all kinds of documents were handled in a paper form with help of post services and faxes.these traditional document management practices have been fallen into poor condition and disrepute because of the volume of transactions generated in the course of business, the lack of definitive document-centred process model and difficulty of storing electronic records in a system designed for paper (Sutton 1996, 8). These factors have created needs to develop more efficient document management methods and systems, which can rise to the challenges of these days (Hjelt and Björk, 2007).

Now, instead of manual file cabinets, EDMS promises to advance the management of information, thereby improving the levels of support and productivity for managers. EDMs is the application of technology to save paper, speed up communications, and increase the productivity of business processes(Sprague, 1995) and to manage and improve the workflow of information (Sommervile and Craig, 2006), EDMS enable organizations to manage documents throughout the lifecycle, from creation to destruction (Jones, 2012).

Sutton and Lemay (1999) define an EDMS as an information system of overseeing an enterprise's official business transactions, decision-makingrecords, retrieving either abstracts or entire documents, and transitory documents of importance. The repository for an EDMS containsrepresentations of an object loosely termed a document. The medium of a business transaction (electronic, photographic, audio, or paper) is irrelevant."

Typical EDMS involves not only a software system for managing the documents and a database for managing the metadata of the documents, but also includes other technologies such as document imaging, document retrieval, reporting, character recognition, document management, workflow, form processing, content management, digital signature management, and storing and archiving technologies. Other key EDMS technologies are workflow, business process management and collaboration (Yläjääski, 2003).

Documents used within EDMS are not limited to just alphanumeric items. The documents referred to in EDMS can contain anything classified as information or as data (e.g. audio, video, images/drawings etc) (Hjelt and Björk, 2007) . EDMS allows documents to be modified and to exist in different versions; it may allow documents to be deleted by their owners; may include some retention controls; may include a document storage structure, which may be under control of users. It is intended primarily to support day-today use of documents for ongoing business. It has some key features such as check in/check out and locking, version control; roll back, audit trail, annotation and stamps and summarisation.

Both Adams (2008) and Grange and Scott, (2010) identify four processes that all EDMS have in common: scanning, indexing, storage and access. Some examples of applications of EDMS are electronic scanning and processing of cheques, production of manuals for consumer goods, support for compliance with external regulatory bodies.

Basic EDMS provide a single hierarchical folder structure, where each document is stored under a single distinct folder (much like files and folders in the Windows operating system) (Zantout and Marir, 1999).

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More advanced systems support dynamic, multidimensional hierarchies, where one single document can be found through several different hierarchical paths (Yläjääski, 2003; Hung et al, 2009; Grange and Scott, 2010), additionally, EDM tools usually provide means of handling accesscontrol, making it possible to regulate access to documents or folders on a per-user orper-group basis.Most common the user interface for document management applications is workstations client software. Nowadays also web-browser based user interfaces are becoming more common. Other possible user interfaces are; direct interface to application program and windows explorer based use (Grange and Scott, 2010).

3 The Theoretical Foundations of EDMS acceptance Model

The successful implementation of EDMS is dependent on the extent to which such a system is used and eventually adapted by potential users (Venkatesh and Davis, 2000). IS implementation is not likely to be considered successful if users are unmotivated to use that type of technology (Venkatesh et al, 2003). If users are not willing to accept the IS, it will not bring full benefits to the organization (Venkatesh and Davis, 2000). The more accepting of a new IS the users are, the more willing they are to make changes in their practices and use their time and effort to actually start using the new IS (Venkatesh et al, 2003).

To predict, explain and increase user acceptance, organizations need to better understand why people accept or reject IS (Davis, 1993). In this regard, researchers have developed and used various models to understand acceptance of users of IS. Among the different models proposed the TAM (Davis et al, 1989), adapted from the Theory of Reasoned Action (TRA) (Venkatesh and Davis, 2000), and appears to be the most widely accepted among the IS researchers (Venkatesh et al. 2003; Wixom and Todd, 2005).

The primary goal of TAM is to predict IS acceptance and diagnose design problems before user have experience with the new system. The TAM is based on principles derived from psychology, which attempts to understand and measure the “behaviour-relevant components of attitudes” and makes possible the understanding of how external stimuli can influence the beliefs, attitudes and behaviour of the individual towards such a thing as technology (Davis, (1993), p. 476).

TAM suggests that when user encounter new IS technologies the two main factors influences how and when they will use the system. These two main constructs of TAM are perceived usefulness (PU) and perceived ease of use (PEOU). Perceived usefulness is defined as “the degree to which person believes that using a particular system would enhance his or her job performance” (Davis, (1989), p.330). Perceived ease of use is defined as “the degree to which a person believes that using a particular system would be free from efforts” (Davis, 1989). TAM proposes that two particular constructs, that are of primary significance for IS acceptance, perceived usefulness (PU) and perceived ease of use (PEOU) affect user’s’ attitude towards using the information system. Attitude directly relates to user’s intention, which will in turn determine usage of the system.

TAM has much strength; including its specific focus on IS usage, the validity and reliability of instruments, and its parsimony (Venkatesh et al. 2003), thus, The TAM can provide such important insights into the

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development of decision making with regard to technology acceptance and rejection. It is pertinent therefore to consider how this model can be used for understanding EDMS acceptance.

While basic constructs of TAM, PU and PEOU, have been considered primary determinants of individual's acceptance and use of technology. IS researchers have investigated and replicated these two constructs and agreed that they are valid in predicting user's acceptance of various IS (Venkatesh et al 2003). However, few of TAM studies have investigated the impact of system characteristics as antecedents to ease of use or perceived usefulness (Wixom and Todd, 2005). In their integration of the technology acceptance literature, Venkatesh et al. (2003) stress the need to extend this literature by explicitly considering system and information characteristics and the way in which they might influence the core beliefs in TAM, and might indirectly shape system usage. Recent studies that have used TAM as a theoretical framework have suggested to exclude attitude construct from the TAM model since it does not mediate fully the effect of perceived usefulness and perceived ease of use on behavioral intention as originally anticipated (Venkatesh et al, 2003).

Recently, Wixom and Todd (2005) developed an integrated model based on technology acceptance and user satisfaction literature. The model was tested using a sample of 465 users from seven different organizations regarding their use of data warehousing software. Findings showed that information and system characteristics explained 75% variance for system and information quality. They found that there was significant affect of information and system quality on PU and PEOU. Moreover, they suggested investigating the effects of the IT artifacts itself as an antecedent to ease of use and usefulness, and other related factors.

According to Wixom and Todd (2005), TAM provides limited guidance about how to influence usage through design and implementation. They further elaborated that as PU and PEOU are abstract concepts and provide general information to the designers. Therefore designers are unable to receive actionable feedback about the important aspects of the IS artifacts itself. They identified information and system quality significant constructs which can affect IS usage. Furthermore, Davis (1989) himself noted that future technology acceptance research needs to address how variables affect usefulness, ease of use, and user acceptance.

It can be argued that basic constructs of TAM, perceived usefulness and perceived ease of use, may not fully determine users' acceptance of EDMS, which therefore brings in the need to search for additional factors that may better predict and enhance the user acceptance of EDMS. Moreover; that has not been explored well in TAM research is the role of system characteristics as external variables. Davis et al. (1989) did not include other factors explicitly into the TAM model that are expected to impact intentions and usage through PU and PEOU. These external variables could be system characteristics, organizational structure, training, and the like (Davis et al., 1989). According to Davis (1989), external stimuli influence a person's attitude toward behavior indirectly by influencing his/her salient beliefs about the consequences of performing the behavior. Since system characteristics are external stimuli, they should influence beliefs (PU and PEOU) about using a system.

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However; most of these empirical studies using TAM were conducted in developed countries and in industrialized world. Moreover; the best of our knowledge, very few studies related to EDMS technologies were carried out to test the applicability of the model outside these regions (Hung et al., 2009), and no such empirical study has been conducted on intergovernmental services' EDMS in the context of Jordan.

Hung et al., (2009) conducted an empirical study on investigates the effect of a set of antecedent factors on the intention to accept intergovernmental services' EDMS in the context of e-Government in Taiwan. Young et al. (2011) study the acceptance of an electronic data management system at a tertiary care institution in Canada, Therefore, it would be erroneous to assume that IS acceptance theories and models predict equally well in other cultural settings, especially in developing countries. The robustness of the models may vary across different cultures and thus need to be empirically tested.

4 Research model and hypotheses

The proposed research model is presented in Figure (1). The incorporation of quality into the acceptance model must describe the dependency of user acceptance on system quality and information quality. According to Wixom and Todd (2005), TAM provides limited guidance about how to influence usage through design and implementation. They further elaborated that as PU and PEOU are abstract concepts and provide general information to the designers. Therefore designers are unable to receive actionable feedback about the important aspects of the IS artefacts itself. They identified information and system quality significant constructs, which can affect IS usage.

Based on the literature review a model of factors that influence users' acceptance of EDMS has been proposed. The model consists of system characteristics (Information and System quality), Perceived Usefulness, Perceived Ease of Use, and acceptance, that author posits will have an effect on EDMS acceptance in the context of Jordan.

Perceived System Quality

System quality is a measure of an IS from the technical and design perspectives (DeLone and McLean, 2003). Thus, perceived system quality can be defined as the users' evaluation of an IS from the technical and design perspectives.

The role of perceived system quality in the IS acceptance and success literature has been investigated extensively (DeLone and McLean, 2003). According to the IS success model, system quality is a critical success factor that influences user satisfaction and the intention to use (DeLone and McLean, 2003). Petter and McLean (2009) performed a meta-analysis of studies that have used the IS success model to investigate the strengths of different relationships in the model. They found perceived system quality-intention to use relationships were strong. System quality has also been studied with regard to individuals' IS acceptance research. According to TAM, system quality can be viewed as an external variable that affects behavioral beliefs (Davis, 1989).

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Davis (1989) did not include system characteristics into TAM model, but he suggested including judicious system characteristics. According to DeLone and McLean (1992) technology characteristics singularly or jointly affect subsequent use and user satisfaction. Hence, it is assumed that system quality directly or indirectly through PU and PEOU, positively effects user acceptance of EDMS. Thus, this study postulates the following hypotheses:

H1a. Perceived System quality will have positive effect on perceived ease of use of the EDMS.

H1b. Perceived System quality will have positive effect on perceived usefulness of the EDMS.

H1c. S Perceived ystem quality will have positive effect on user acceptance of the EDMS.

Perceived Information Quality

Information quality refers to the information characteristics of IS, which include accuracy, precision, currency, reliability, completeness, conciseness, relevance, understandability, meaningfulness, timeliness, comparability, and format (DeLone and McLean, 1992). As one of the IS, information quality of EDMS also represents to the contents provided by system. Information quality represents a user's reaction to the characteristics of output information versus the user's information requirements. It is beliefs about the favourable or unfavourable characteristics of the information that the EDMS produces and delivers.

DeLone and McLean (1992) reviewed the IS literature and various empirical studies, and then combine individual measure into IS success categories to create a comprehensive measurement instrument. The information quality, which suggested directly affect the use of IS, is one of the most important factors driving the information systems success.

Previous studies used information quality to measure IS success (Iivari, 2005), measuring e-commerce success (DeLone and McLean, 2004), and e-shopping acceptance (Shih, 2003). Therefore, based on theoretical and empirical support from IS literature, it is assumed that information quality positively affects PU, PEOU, and user acceptance of EDMS, this study leads to the following hypotheses:

H2a. Perceived Information quality will have positive effect on perceived ease of use of the EDMS.

H2b. Perceived Information quality will have positive effect on perceived usefulness of the EDMS.

H2c. Perceived Information quality will have positive effect on user acceptance of the EDMS.

Perceived Usefulness

Perceived usefulness been defined as a person's subjective perception of the effortlessness of a computer system, which affects their perceived usefulness thus having an indirect effect on user's technology

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acceptance. It is defined as 'the degree to which a person believes that using a particular technology will enhance his or her job performance' (Davis, 1989).

People tend to use or not to use a system application to the extent they believe it will help them perform their job better (Davis, et al., 1989). Usefulness can also be defined as the prospective adopter's subjective probability that applying the new technology from foreign sources will be beneficial to his personal and/or the adopting company's well being (Venkatesh et al, 2003). Or that using the technology would improve the way a user could complete a given task.

PU explains the user's perception to the extent that the technology will improve the user's workplace performance Davis, et al., (1989). This means that the user has a perception of how useful the technology is in performing his job tasks. This includes decreasing the time for doing the job, more efficiency and accuracy. Several researchers provide evidence of significant effect of PU on IS acceptance and usage (Davis, 1989; Venkatesh et al, 2003; Wang et al., 2003). Hence, EDMS that users think are useful are more likely to be accepted by the users. Therefore, this study proposes the following hypothesis:

H3. Perceived usefulness will have positive effect on user acceptance of the EDMS.

Perceived Ease of Use

Perceived ease of use (PEOU) is defined as "the degree to which a person believes that using a particular system would be free from physical and mental effort" (Davis, 1991). It has also been defined as a user's subjective perception of the ability of a computer to increase job performance when completing a task. This follows from the definition of the word "ease": "freedom from difficulty or great effort." Effort is a finite resource that a person may allocate to the various activities for which he or she is responsible (Davis, et al., 1989). All else held constant, an application perceived to be easier to use than another is more likely to be more accepted by users. PEOU explains the user's perception of the amount of effort required to utilize the system or extent to which a user believes that using a particular technology will be effortless (Davis, et al., 1989).

PEOU has been established from previous research to be an important factor influencing user acceptance and usage behavior of information technologies. Venkatesh, (2000), reported, PEOU 'describes the individual's perception of how easy the innovation is to learn and to use'. Given that some fraction of a user's total job content is devoted to physically using the system per se, if the user becomes more productive in that fraction of his or her job via greater ease of use, then he or she should become more productive overall. Users believe that a given application may be successful, but they may, at the same time, believe that the technology is too hard to use and that the performance benefits of usage are outweighed by the effort of application (Venkatesh et al, 2003).

PEOU is posited to have a direct impact on perceived usefulness. It is thought that the easier it is to use a technology, the greater the expected benefits from the technology with regard to performance enhancements. While perceived usefulness has emerged as a consistently important attitude formation, studies have found

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out that perceived ease of use has been inconsistent and of less significance. The literature suggests that a plausible explanation could be the continued prolonged users' exposure to technology leading to their familiarity, and hence the ease in using the system. Therefore, users could have interpreted the perceived ease of use as 'insignificant' while determining their intention to use a technology.

According to Davis, there exists a direct effect of PEOU on perceived usefulness. In other words, between two systems offering identical functionality, a user should find the one that is easier to use more useful. Davis, (1993) states that because some of the users' job content includes use of a computer per se, if a user becomes more productive via ease of use enhancements, then he or she should become more productive overall. Perceived usefulness is not hypothesized to have an impact on perceived ease of use. TAM posits that PEOU is important factor that effect IS acceptance, either directly or indirectly through perceived usefulness (Davis et al., 1989). Venkatesh and Davis (2000) found that PEOU have positive direct effect on user acceptance of IS. Thus, if EDMS are easy to use they are more likely to be accepted by the intended users. Thus, this study postulates the following hypotheses:

H4a. Perceived ease of use will have positive effect on perceived usefulness of the EDMS.

H4b. Perceived ease of use will have positive effect on user acceptance of the EDMS.

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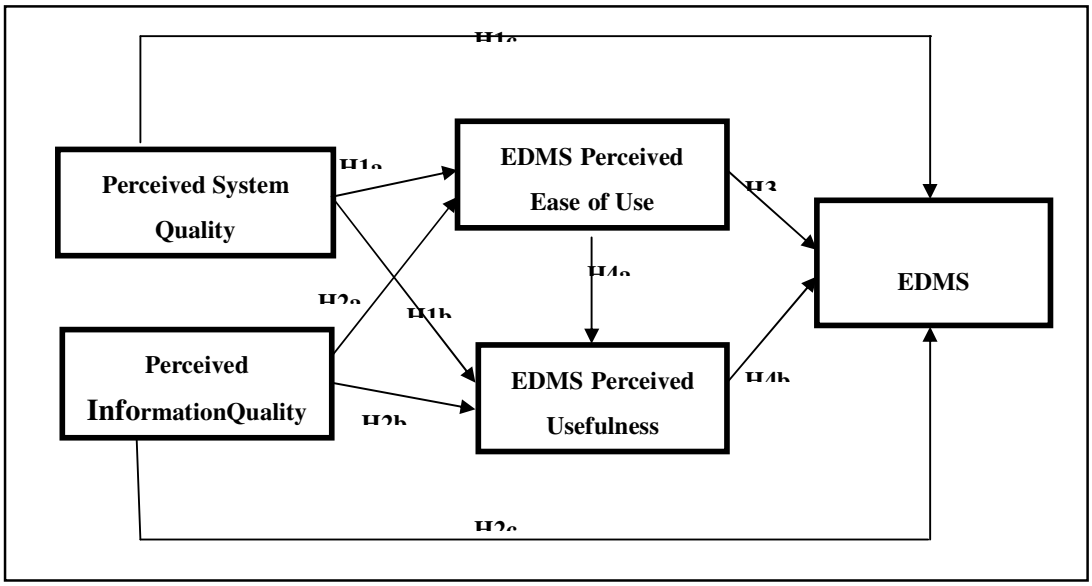
Figure (1): EDMS Acceptance Model



5 **Research Methodology**

5.1 instrument construction

The study used a self-administered questionnaire to measure the study variables. The questionnaires were pre-tested and distributed to members of the postgraduate students and academics who are in the information systems area of specialization. The respondents were asked to critically evaluate the questionnaire with regards to its objective, contents, clarity and ease of completion, and they also assist in translation and validating the Arabic version of the survey which distributed to EDMS users. After the pre-testing stage, a modified questionnaire was developed for the purpose of conducting a pilot study. The questionnaires were also translated to Arabic to cater for EDMS staff.

The final questionnaire was used to obtained data across five dimensions consisting of: 1) Perceived System Quality; 2) Perceived information quality; 3) EDMS Perceived Ease of Use; 4) EDMS Perceived Usefulness; and 5) Acceptance of EDMS. Each dimension was a construct related to the independent and dependent

variables of the study. The structure of the questionnaire consisted of six sections. The first section obtained demographic information about the respondents.

The second section consisted of 14 questions obtaining data in the dimension of EDMS system and information characteristics, which is a construct involving System Quality and information quality of EDMS.

The 14 questions were adopted fromWixom and Todd (2005) and Rai, et al. (2002) Questions 1, 2, 3, 4, 5, 8, 10, 11, and 14 were slightly modified to meet the investigation goal, while the rest of the questions were left alone.

The third section consisted of 14 questions obtaining data in the dimensions of Perceived Ease of Use; Perceived Usefulness; and Acceptance of EDMS. The 14 questions were adopted from Davis (1989), the questions were slightly modified to meet the investigation goal, the questions were to elicit the perceptions of individuals of the usefulness and the ease of use influencing the adoption of the technology. (Appendix1).

The questionnaire was designed using a 5-point Likert scale. The Likert scale asks respondents to rate their level of agreement with statements ranging from strongly disagree to strongly agree. Through the use of the Likert scale, the respondent is provided with a clear foundation for expressing opinion without the interference or interpretation of the researcher. Moreover; The Likert scale was selected for the survey instrument because it is commonly used in social research, and provides data in a form similar to an interval scale (Punch, 2005).

5.2 Population and sample

The sample for this study consisted of EDMS users in the Amman court of First Instance, Jordan ministry of justice.a sampling frame was created with the assistance of Jordan ministry of justice. The ministry deploys Electronic Document Archiving as a standard technology and business component of the Jordanian Court System. The system is a custom Arabic-language case management system named as MIZAN and automated all 74 courts throughout Jordan, representing 100% of the national case load, including 44 conciliation courts, 19 first instance courts, 5 appeals courts, 3 special high courts in Amman, and 3 juvenile courts. The system was first implemented at the Amman court of First Instance. To ensure that the beliefs measured were based on direct EDMS behavior experiences, only responses from those who had previously used EDMS were included. The total number of participants was 200.

The questionnaires were distributed to the 200 EDMS users. A covering letter explaining the purpose of this study was attached together, assuring them of the confidentiality of their responses and instructing them to complete the questions, seal and return the completed questionnaires using the attached envelope. Out of the 200 questionnaires distributed, 150 usable questionnaires were returned, yielding a response rate of 75 percent, which is considered acceptable. There were 78 male and 72 female respondents. The age range of the sample was from ages 25 to 45 yearswith a mean of age 33 years.

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The completed sample was composed of well-educated individuals, Out of 150 respondents, 144 (over 96 percent) had achieved at least a high school qualification. The majority of respondents hold community college degree with percentage 52.8% out of total respondents, and 34% out of total respondents hold bachelor degree.The respondents were mostly experienced information systems users, Approximately 90% of the participants had more than 5 years' experience in using computers, and 40% of respondents spend approximately more than 80% up to 100% of their daily work using EDMS.

6 Results and discussion

6.1 Instrument Reliability

The reliability for the instrument was established using Cronbach's alpha, which is a measure of the internal consistency of the instrument. Cronbach's alpha estimates the true score variance captured by the items in the scale by comparing the sum of the item variance with the variance of the sum of the scale (Hair et al., 2006).). A Cronbach's alpha result of 0.70 or higher is generally considered to show adequate reliability for instruments used to gather psychometric data (Punch, 2005). The analysis of the data with Cronbach's alpha indicated that the instrument was reliable for each of the five scales EDMSSystem Quality, EDMS information quality, perceived ease of use, perceived HRIS usefulness, and Prediction of Acceptance. Table 1 shows Cronbach's alpha for the instrument scales.

The reliability coefficient (alpha) of the independent variables was as follows: perceived system quality (80 percent); perceived information quality (70 percent); ease of use (72 percent), usefulness (83 percent), and EDMS Acceptance (74 percent). The reliability coefficients of all the five variables were above 0.70, which concurs with the suggestion made by Hair et al., (2006).

As for reliability and internal consistency of measurement scales, Cronbach's Alpha (α) measure was used. The Cronbach's Alpha of all scales included in this study ranged between 0.83 and 0.92; which indicate good reliabilities of the scales (Hair et al., 2006). Hence, both content validity and reliability are satisfactorily met.

6.2 instrument validity

The validity of the scale was assessed using exploratory factor analysis, which is used to verify the number of underlying dimensions in the instrument and the pattern of item-factor relationships (Punch, 2005). The exploratory factor analysis determined whether the questions in the instrument loaded on the same factor in the relevant dimensions, and assessed whether items should be eliminated from the scale because they obtained data or loaded in more than one factor. The exploratory factor analysis was based on the general linear model (GLM) assumptions of linear relationships among interval data, low multicollinearity, and normalcy in the multivariate distribution to support testing of statistical significance. The exploratory factor analysis approach is suitable when the objective is to demonstrate the dimensionality of a measurement scale that responds to clearly separate constructs (Hair et al., 2006).

Table I. Factor analysis and scale reliabilities

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Measure	Items	Factor loading	KMO Test	Eigenvalue	Variance explained (%)	Number of Extracted Component	Sig	Reliability
Perceived System Quality	6	0.64-0.80	0.708	2.427	70.015	1	.000	0.75
Perceived information quality	7	0.65-0.74	0.579	1.403	46.772	1	.000	0.71
EDMS Perceived ease of use	4	0.54-0.80	0.609	2.337	58.446	1	.000	0.72
EDMS Perceived usefulness	7	0.52-0.78	0.632	1.7121	43.02	1	.000	0.83
EDMS Acceptance	3	0.63-0.77	0.501	1.405	69.39	1	.000	0.79

The Kaiser-Myer-Oklin (KMO) test of sample adequacy was also used, with a threshold for acceptance of the validity of the instrument set at 0.5. The KMO test examines the magnitude of the observed correlation coefficients compared to the partial correlation coefficients to determine whether factor analysis is an adequate test of reliability. Bartlett's test of Sphericity was used to ensure that the factor analysis was statistically significant. Bartlett's test determines the sums of the products and cross-products in the correlation matrix to ensure that the variables do not exhibit multicollinearity. The factor analysis also examined the total amount of variance explained by the individual items in each dimensional scale using eigenvalues, which represent the amount of variance in all items in the scale that can be explained by the principle component of the factor (Hair et al., 2006).

7 Hypotheses Testing

In order to understand what factors will influence users' acceptance of the EDMS; this study use regression analysis to discuss it,in this study 4 regression models were built to form a path analysis:

The first multiple regressions: The independent variables are System quality and information quality. The dependent variable is Ease of Use.

The second multiple regressions: The independent variables are System quality and information quality. The dependent variable is perceived usefulness.

The third multiple regressions: The independent variable is perceived ease of use. The dependent variable is ease of usefulness.

The fourth multiple regression: The independent variables are system quality, information quality, perceived ease of use, and perceived usefulness The dependent variable is Acceptance.

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The multiple regression results for the path associated with the variables were presented in Table 2. For testing H1a and H2a, a regression analysis was conducted to check the effects of System quality and Information quality on perceived Ease of Use. The results presented that perceived System quality and Information quality both were predictor variables ($p < .05$, adjusted R^2=0.650). The standardized Beta values for System quality is 0.420, and for Information quality is 0.443 indicating that Information quality has more impact than System quality.

For examining H1b and H2b, a regression analysis was performed to check the effects of System quality and Information quality on usefulness. The results indicated System quality and Information quality both were predictor variables ($p < .05$, adjusted R^2=0.598).

Table 2: Regression results for predicted path relationships

Hypothesis	Dependent variable	Independent variables	B	Adjusted R^2	P	Result
H1a	EDMS Perceived Ease of Use	Perceived System Quality	**0.420**	**0.650**	**0.000**	**Accept**
H2a		Perceived Information quality	**0.443**		**0.000**	**Accept**
H1b	EDMS Perceived Usefulness	Perceived System Quality	**0.285**	**0.598**	**0.000**	**Accept**
H2b		Perceived Information quality	**0.545**		**0.000**	**Accept**
H4a	EDMS Perceived Usefulness	EDMS Perceived Ease of Use	**0.2 18**	**0.391**	**0.000**	**Accept**
H1c	EDMS Acceptance	Perceived System Quality	**0.317**	**0.638**	**0.000**	**Accept**
H2c		Perceived Information quality	**0.427**		**0.001**	**Accept**
H3		EDMS Perceived Usefulness	**0.330**		**0.002**	**Accept**
H4b		EDMS Perceived Ease of Use	**0.204**		**0.000**	**Accept**

The standardized Beta values for System quality is 0.285, and for Information quality is 0.545 indicating that Information quality has more impact than System quality. For testing H4a, a regression analysis was conducted to check the effects of ease of use on usefulness. The results showed ease of use was predictor variables ($p < .05$, adjusted R^2=0.391).

In order to identify the most important independent variable that explains the acceptance of EDMS variable and to test hypothesis H1c, H2c, H3, and H4b, a multiple regression analysis was carried out.

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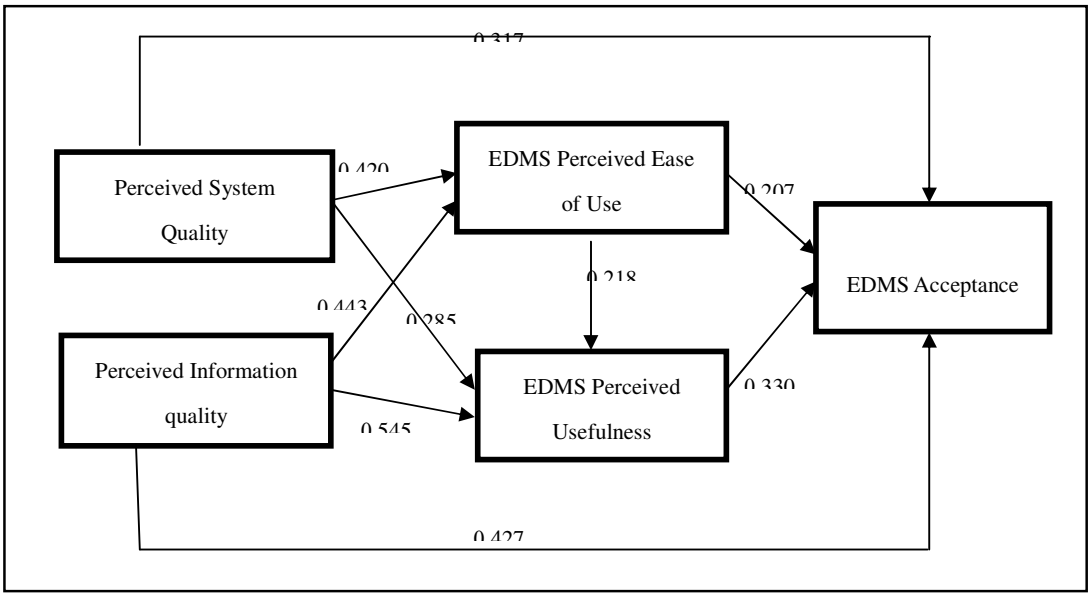
The regression analysis shows that 64 percent of the variance in acceptance of EDMS is explained by the four factors (system quality, information quality, ease of use, and usefulness). The regression model is significant in explaining acceptance ($p < .05$). The standardized Beta values for system quality (0.317), for information quality (0.427), for usefulness (0.330), and for Ease of Use (0.204) also indicate that Information quality has more impact than system quality, perceived usefulness or Ease of Use. Overall the results indicate support for the hypothesis H1c, H2c, H3, and H4b. Thus the findings of the regression models are illustrated in Exhibit 1

Exhibit 1 Empirical research model.



8 Discussions, Conclusion, and Implication for Further Research

This study was designed to break new ground and explore the determinants that influence the user acceptance of EDMS. This research tested the thesis that that EDMS acceptance is a joint function of system and information characteristics, usefulness, and Ease of Use. Earlier studies have not framed the user acceptance determinants based on the four dimensions collectively. Hence, our study has established the significance of examining the user acceptance by framing determinants according to the relevant quality dimensions in a collective manner and thus, ensuring that the user acceptance can be better explained in such context as the EDMS.

The finding showed that Perceived information quality is the most significant determinant affecting acceptance of EDMS. The result of this study suggests the extent to which an EDMS provide sufficient, comprehensive, clear, accurate, and up-to-date information play an important role in influencing EDMS acceptance. There were no past studies which link information quality with EDMS acceptance. Nevertheless, Delone and Mclean (2003) put forward information quality as a major dimension for evaluating the success of IS. Our research adds to the literatures by identifying that level of EDMS information quality is significantly associated with users' acceptance in the EDMS context. It suggests users may be influenced by the extent to which information quality can be assumed; the extent to which the information is accurate or correct; and the extent to which the information is at the right level to meet user needs. Most importantly, the output of the EDMS should be presented in a useful format.

The finding showed that system quality is significantly related to EDMS acceptance. Researchers in the area of conventional IS are generally regard system quality to be a highly important characteristics of all interactive computer systems (Rai et al, 2002), independent of the specific application the system was designed to support. In turn, the finding of this research suggests that the greater the perceived system quality of an EDMS, the higher is the EDMS acceptance, agreeing with the literature noted above. However, there were no past studies about the impact of system quality of EDMS on user acceptance. Therefore, this research contributes to some extent to the current knowledge about the impact of system quality on user acceptance.

Moreover, an empirically test had verified the direct effects of perceived information and system quality to the perceived usefulness and perceived ease of use. These findings partially refine the TAM encompassing the direct effect between external variable and acceptance. And then, the users' perceptions in the information quality of information systems plays the role as a core driving force and external variable to the acceptance of users while facing to new technologies. Finally, the indirect relations by ways of perceived usefulness and perceived ease of use between the perceived information qualities, which proposed in this study, had partially refined the DeLone and McLean Information Success Model.

The results showed that Perceived ease of use have positive effect on perceived usefulness of the EDMS.This meant that the more users perceive the system to be easy to use, the more they will see it as useful and vice versa.

This finding is consistent with previous scholars like Davis, et al., (1989), who revealed that firms which have strong and favorable perception of the usefulness of the systems, use more of them than those with weak or unfavourable perception of the usefulness systems. Furthermore, technologies perceived to be easy to use all things being equal, are deemed as useful, as suggested by the direct relationship existing between perceived ease of use and perceived usefulness.

TAM treats perceived usefulness and perceived ease of use as two distinct antecedents towards the use of technology due to their positive correlation. However, findings from the first two applications of TAM showed that perceived usefulness was a significantly stronger factor than perceived ease of use .Our results

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suggest that in contexts where effective task execution substantially depends on the system such as the case with EDMS, beliefs about the system usefulness are more dominant in shaping user acceptance than beliefs about Ease of Use.Another interpretation is that difficulty in using systems is becoming less of a concern as they are increasingly user-friendly. In addition, since systems are more common and standardized nowadays, the users have become increasingly competent in using them. Accordingly, in the planning and development of EDMS systems, software developers should pay attention to practical functions and extend key features that are frequently required. As such, perceived usefulness has a significant effect on EDMS acceptance, suggesting that the TAM could also extend into the EDMS.

A competing model that strengthens the theoretical and empirical foundations has been developed. Our study has been carried out in an eastern setting unlike earlier studies and this makes research in the area of technology user acceptance more comprehensive.

Finally, this study suffers from a number of limitations. First, this study merely developed and validated an EDMS acceptance model using user perspective as the level of analysis. Future research may develop EDMS acceptance models using other stakeholders and levels of analysis.

Second, the use of self-report scales to measure study variables suggests the possibility of a common method bias for some of the results. Future research should employ both objective and subjective measures, and examine the correspondence (or lack thereof) between them. Despite these limitations, the present study provides valuable insights into the study of EDMS acceptance.

While the findings reported in this study go some way to resolving the research problem outlined, much remains unresolved. Accordingly, four broad areas are suggested for future research direction. These research directions are (1) expansion of EDMS acceptance model, including new antecedents; (2) further exploration of hypothesised relationships, including new methods of investigation; (3) validating the findings in specific settings. For example, a cross –cultural study could also be conducted to identify differences in EDMS acceptance due to cultural effects; (4) development and application of the instrument as a tool for practitioners.

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Appendix 1: Instruments

Perceived System Quality:
EDMS allows information to be readily accessible to you.
EDMS makes information very accessible.
EDMS is easy to use at the first time I access.
EDMS can flexibly adjust to new work demands.
EDMS returns answers to my requests quickly.
EDMS is versatile in addressing needs as they arise.
Perceived Information Quality:
EDMS provides sufficient information
Information content provided by EDMS meet my needs
EDMS outputs is presented in a useful format
EDMS provides reports that seem to be just about exactly what I need
EDMS produces comprehensive information.
EDMS provides up-to-date information
EDMS information clear
EDMS information accurate
EDMS Perceived Ease of Use:
Learning to operate EDMS is easy for me
I find it easy to get EDMS to do what I want it to do
It is easy for me to become skillful at using EDMS
I find EDMS easy to use
EDMS Perceived Usefulness:
Using EDMS enables me to accomplish job's tasks more quickly
Using EDMS enables to perform work's requirements more quickly
Using EDMS improves my job performance.
Using EDMS in job increases my productivity.
Using EDMS enhances my effectiveness in the job.
Using EDMS makes it easier to do my job.
Using EDMS improves my ability to make good decisions.
EDMS Acceptance:
I like the idea of using EDMS
I have a generally favorable attitude toward using EDMS
I believe it is (would be) a good idea to use EDMS

ISSN 2076-9202

Factors Affecting The Eligibility of The Customer In The Payment Of Debt In Commercial Banks In Aqaba

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Abstract

This study aims to identify how financial, accounting, Economic, and Marketing factors, affecting the eligibility of the client bank and its ability to repay loans.

The study found that there was no significant effect between (economic, marketing indicators) and determining the eligibility of the client and its ability to repay loans. But there is effects of financial indicators.

The most important recommendations of the study is to take into consideration the factors effecting the eligibility of the client and its ability to repay loans as economic feasibility of the project funded, borrower reputation, market share of the client, specialized training for credit employees.

Key works: (financial, economic, marketing indicators), banking customer, bank loans, eligibility of the client, bad debt, commercial banks in Aqaba.

Introduction:

The first forms of banking in the commercial banks were accepting deposits and save it with bankers, and payment for preserving them, initially depositors were not given any right to benefit as interest , but with the passage of time the bankers observed that a large proportion of this money stacked and do not use from their owners, so thought the bankers running the amounts inert by lend part of it with a guarantees against it and payment of commission or interest , therefore the bankers have developed their work from the stage of accepting deposits only to lending these deposits, and after the applicant pay a commission for deposit his funds became receiving interest on his deposits, Banking business has developed from accepting deposits in the beginning to practice lending and credit, to become a cornerstone of modern banking is accepting deposits and savings on the one hand and providing of credit facilities and banking services on the other hand.(Hashad,2004)

The commercial banks play an important central role, they represent a point of contact between individuals and the growth and prosperity of any country, and took their role to rise, especially in the recent period which has seen increased steadily in the movement of economic activity, it is worth mentioning that the support of the commercial banks to the national economy forms the backbone of the economy of any country, in addition to other resources in the state, and contributes to the economic development of

ISSN 2076-9202

countries and thus provides a solid base for the national economy. (Salman, 2003)

Personal and productive loans have positive and negative role for borrowers as well as state because they contribute in develop the national economy, but they are facing some positive factors that is repayments the loan on time and negative factors that is inability of the client to repay the loans. The reasons for non-payment of loans returns to the economic factors as to engage in non productive projects, low wages, rising prices, increasing the volume of consumer spending, but the social factors return to high expenses and the change in consumption pattern of the borrower which lead to inability to repay loans (Alcardosa, , 2008). It may be reasons for inability to repay loans due to the financial situation weak of the borrower, as weakness of marketing and administrative of his project, or because of borrower use of the loan for purposes other than that given for it. The defect may lie sometimes by the lender himself because of his assessment of the feasibility study, or for failure to obtain adequate guarantees to cover the risk of the loan and the presence of weakness in the Credit Analysis of the status of the client and allow him to use the total amount of loan at once without follow-up phases of the uses of loans financed by the Bank.

Commercial banks in Jordan are about 13 banks, all of them have branches in Aqaba, including eight banks with branches outside the Kingdom, and there are nine non-Jordanian commercial banks, the Islamic banks reached to three banks, and public sector banks reached to three banks too (central bank,2010). the bad debts recorded at licensed banks in the Kingdom during the first half of 2011, up a slight increase of 110 million JD, an increase slightly by about 2.0%, compared with levels recorded at the end of last year, 2010, and the bad debts reached by the end of June, about 1270 million JD, compared to about 1160 million by the end of the year 2010, thus recording a growth of 2.8% of the total volume of bank credit facilities granted by licensed banks operating in the Kingdom until the end of the same period, compared to 8% by the end of the comparative period last year.

According to the official data of the Central Bank of Jordan that the outstanding volume of credit facilities granted by banks operating in the Kingdom rose from 14,451 million JD by the end of last year 2010 to about 15,569 million JD by the end of the first half of 2011 and the facilities granted by banks increased by 7.7 % and an increase of about 1118 million JD, compared with levels recorded last year by the end of 2010. (Al-Rai newspaper Jordan, Saturday, 12 November 2011)

The commercial banks grants the credit facilities after consciously targeted studying of the customer financial situation, and after making sure of his ability to repay the loan on time with its interest, expenses and commissions, taking into account the borrower and the factors affecting eligibility and ability to repay the loan.

Finally, assure that the situation where credit decisions are made is a state of risk,

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the credit decision maker's in the bank can not predict the outcome of his decision at full resolution, but the credit decision maker's can analyze the risks associated with credit operations to reach a specific objective probabilities estimated for the decision will be taken, the sound decision is a decision that the administration feels that the revenue achieved is equal to or greater than the degree of risk that surround it. (Www.google.com, Credit Analysis, 2001)

Therefore, this study was to shed light on the factors that affect the eligibility of the client and the ability to repay the loan.

Importance of the study:

The importance of this study confirm that the granting of loans has risks that must be studied, and bad debts have a negative impact on banks, so the importance of this study is to know the indicators used by the commercial banks in Jordan and that determine the eligibility of the client and the ability to repay its obligations. These indicators are a financial, marketing, economic indicators

Loan provide credit facilities for both companies and individuals, so the banks established special credit facilities and loans sections, credit and lending money is the most important and dangerous jobs of the commercial banks because the money granted by the bank it's a depositors' money.

In addition, there are also factors that are interrelated and integrated influential in the decision-making credit at banks such as customer-specific factors, bank specific factors, credit facility factors, and legislation issued by the Central Bank.

Also the size of credit facilities affects the general economic situation, so exaggerated the size of credit can lead to harmful effects of inflation, and deflation in the granting of credit can lead to difficult projects to continue its activity, so credit must be balanced to increase the rates of economic development is required.

Objectives of the study:

This study aims to identify the following:-

1 - financial and accounting factors affecting the eligibility of the client bank and its ability to repay loans.

2 - Economic factors affecting the eligibility of the client bank and its ability to repay loans.

3 - Marketing factors affecting the eligibility of the client bank and its ability to repay loans.

4 – The study should reach to conclusions and recommendations to face the challenge of the problem of non-payment of loans by customers

Problem of the study:

the problem of the study Highlights he Jordanian t commercial banks which face difficulty

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in assessing the eligibility of existing customers who wish to borrow, and the lack of trust between the bank and the client for the lack of financial guarantees to facilitate the financial transactions, in addition to the need for people to get loans urgently to supplement their needs especially basic ones, there is also an urgent need for people to deal with loans and credit facilities and resort to them with the need for a discount

Therefore, this study was to answer the following questions:

1 - Are the financial and accounting factors affecting the capacity and the ability of the customer to repay the bank loans?

2 - Are the marketing factors affecting the eligibility of client's ability to repay the bank loans?

3 - Do economic factors affect the eligibility of the client's ability to repay the bank loans?

Hypotheses of the study:

To achieve the objectives of the study and solve the problem of the study the following hypotheses: was formulated

The first hypothesis:

There is no significant statistical effect between indicators of financial, accounting and banking client to determine eligibility and ability to repay loans.

The second hypothesis:

There is no significant statistical effect between indicators of marketing and determining the eligibility of the client bank and its ability to repay loans.

The third hypothesis:

There is no significant statistical effect between economic indicators and determining the eligibility of the client bank and its ability to repay loans.

The fourth hypothesis:

There is no significant statistical effect between financial indicators and accounting, marketing and economic determining the eligibility of the client bank and its ability to repay loans due to the demographic variables.

Variables of the study: -

The indicators of financial, accounting and marketing indicators and economic indicators, combined as independent variables, the dependent variable is the client's eligibility and ability to repay loans

Previous studies: -

1 -The study of (Tarawneh, 2000) entitled of: "Credit Analysis and its impact in determining the eligibility of the client and the ability to repay loans":

This study aims to identify the indicators and criteria used by the commercial banks of Jordan in its analysis of credit, and the results showed that the management of loans in commercial banks of Jordan actually used a set of indicators evaluation of financial, accounting, marketing, economic, and vary the relative importance of the use of these indicators in the credit analysis process

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the statistical analysis showed that there is a positive and statistically significant between the evaluation indicators and the eligibility of the client bank and its ability to repay loans.

the study recommended by the need for a uniform evaluation indicators and typically contained in the credit policies of commercial banks of Jordan; so that they use in the process of credit analysis before making decisions to grant credit facilities.

2 - The study of (Abu Jabara, 1994) entitled: "The bad debt and how to deal with it."

Bad debts are those debts that exceed the possible of non-payment of 1%. The study found that the reasons for the emergence of bad debts due to a lack of credit studies conducted by the lending banks, and the lack of analysis of credit risk objectively, and a lack of follow-up banks to customers borrowers, and the errors committed by customers borrowers. The study showed that it can reduce bad debts by helping the client to correct the situation of his struggling project ,and Agreement with the client to an amicable settlement without resorting to the judiciary.

3 –The study of (Al najar, 2000) entitled: "The problems of bank loans":

He pointed out that the problems of bank loans due to reasons of debtors himself, for not using the loan efficiently or the borrower escape outside the country without payment the outstanding loans. He added that there are reasons stemming from the bank lender such as substantially diminished in the study credit, and the occurrence of errors in estimating the guarantees provided for the facilities, or abuses by the staff of the Bank's credit policy. Also the researcher found that there are reasons beyond the control of the bank and borrower, such as unexpected circumstances which has a negative impact on Bank-financed projects.

4 –The study of (Machuir, 1998) entitled: "The behavior of the bank depends upon borrowers balances with banks" upon borrowers balances with banks"

The most important findings of the study that customers with high risk in their business are required to pay high expenses for granting loans from the banks, The results also showed that the projects of high-risk clients provide high guarantees for banks.

5 –The study of (Aqel, 1995) entitled: "The fundamentals of credit":

The study confirmed that the control on loans and the good management is essential to maintain the credit quality and continuity in the success of the lending operations. The most important controls on loans: to ensure the integrity of the legal documentation, and ensure the client commitment of requirements contract, and to ensure payment on the dates agreed upon, and control of guarantees and to ensure their validity and the continued adequacy to cover the risks, and ensure compliance with the instructions, powers and policies. However, this researcher did not address the problems of loans stemming from the circumstances surrounding borrowers.

6- The Study of (Haddad, 2005) examined the obstacles faces the credit facilities in commercial banks in Jordan, the study found that there is a significant relationship between the faltering credit in commercial banks of Jordan, and all of the credit policy practiced in Jordan, and external factors surrounding the bank, and central bank policy ,

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And the factors effecting the credit facilities employees, The study recommended that it is necessary to give the credit facilities staff some independence for making the credit decision, As well as the necessity to analyze the budgets submitted by the client.

7 - The study of (Lutfi, 2002) entitled the information used by officials of lending . the study showed that officials of lending in banks are paying importance to the following: Financial statements of the Borrower, and studies relations sector, which borrower employs with, and information through a personal interview to the borrower , and field visits by the credit employee to the borrower, and the closing accounts of companies.

The most important recommendations of the study are: the need to develop reports of auditors to be more comprehensive, as well as the need to increase awareness of the credit officers of the information to be more disclosed according to the national and international accounting standards **.**

8 – the study (mala and thaher, 1999) entitled the determinants of the decision to grant direct credit facilities in Jordanian banks, The aim of this study was to investigate the dependence of Jordanian banks on the standards objective in making credit decision.

The study showed the most important factors affecting the decision to grant banking facilities: the financial situation of the client, and the nature of the activity practiced by the borrower, and the size of its activity, the type of collateral, and market share of the borrower. The study cited the most important ratios and financial indicators and non-financial the study has focused on the volume of sales as an indicator of the competitiveness of the client as well as his reputation and his behavior in banking dealings and the extent of its commitment to pay its debts**.**

The study showed that the most important groups of criteria used and arranged as follows: the legislative, legal, hazards, economic, marketing, commercial, financial and administrative criteria , respectively.

9-the study of (Abu Obaid,2003) non performing loan at Jordanian commercial Banks: causes effects, and suggested solution, the study aims to define the factors which contribute to the development and growth of the non performing loan problem from the population study i.e. borrowers, lending bank, auditors, and central bank the most important result of the study was that the non performing loan ratio to the total of loan and credit facilities rose from (8.8%) at the end of 1992 to (22.2%)at the end of 2001.

Population of this study:

The study population was identified to include all commercial banks in Aqaba that is (17) Bank, and consists of the managers of those banks as well as deputy managers and staff of loan facilities department. Were distributed (85) questionnaire designed to achieve the purposes of the study, the questionnaires had been distributed at four questionnaires of each bank, and recovered (13) of them without filling, so the study analysis depend upon (72) questionnaire**.**

Terms of study:

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1 - Commercial Banks in Aqaba: Banks are licensed to do business banking, which includes providing banking services and to accept different types of deposits as (demand deposit, saving deposit, and time deposit). (Ramadan, 2006)

2 - banking customer: an individual, institution or entity that deals with the bank, and often this is dealt with directly and continuous, Those who benefit from the banking services .

3 - bank loans: are loans provided to clients from individuals or institutions, the debtor undertakes to pay that money with interest, commissions and expenses at once or in installments on specific dates. The debtor provides a guarantee against the loan to the bank incase the client stopped payment without any losses. (Ramadan, 2006)

4 - financial and accounting indicators: These are factors that affect the eligibility of the client and the ability to repay the loan, and a knowledge of client's ability to manage and operate the assets in order to obtain profits, also helps to know the debt accumulated on it. (Tarawneh, 2000)

5 - marketing indicators: These are factors that affect the client's ability to repay the loan, which lead the bank to know the reputation of the customer and his credit activities and the size of the market quota he has, and these indicators will help the bank to take appropriate decision on the loan granted to the client. (Tarawneh, 2000

6 - Economic Indicators: These are factors that affect the client's ability to repay the loan, as the size of the project, the technological challenges, as well as the availability of raw materials necessary in the project. (Tarawneh, 2000)

7 - eligibility of the client: identify the rules that are based on the evaluation of the customer ability of refund loan on time. This is one of the most important components of the borrowing policy. (Goneim, 2000)

8 - bad debts: and known as non-credit facilities, which is below the level of credit facilities, a doubtful debts credit facilities, and bad credit facilities (Sharef, 2004)

Practical framework for the study:

Statistical methods used and test hypotheses:

The study used certain statistical measures as mean, t test, Cronbach alpha test, and standard deviation.

The hypothesis testing was the standard of rejected first three zero hypothesis, and to be arithmetic mean is greater than 3, and even be moral must be the value of t greater than the value spreadsheet, or that the level of significance seen less than 0.05, and the other assumptions have been used t-test for sex differences, and was used variance test for the rest of variables.

The hypothesis is rejected if the significance level was seen less than 0.05

The stability of the tool:

The study tested the stability of the tool by Cronbach's coefficient alpha test, and the table No.(1) Shows the following:

1 - The value of alpha to the paragraphs of financial and accounting indicators was 0.70

2 - The value of alpha to the paragraphs of the marketing dimension indicators was 0.64

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3 - The value of alpha to the paragraphs of the economic indicators was 0.62

4 - The value of alpha for all combined paragraphs was 0.79

All of these values greater than 0.60, so there is stability in the study tool**.**

Table (1): Cronbach's alpha test results:

Indicators	Value of alpha
Indicators of financial and accounting	0.70
Marketing indicators	0.64
Economic indicators	0.62
Total	0.79

Description of demographic and personal factors of the study population:

Table (2): shows the frequencies and percentages for all the demographic variables:

First: Gender	**Frequency**	**Percentage%**
Male	**50**	**69.4**
Female	**22**	**30.6**
Second: The Age		
Equal to or less than 30	**24**	**33.3**
From 31-40	**29**	**40.3**
From 41-50	**16**	**22.2**
Equal to or greater than 51	**3**	**4.2**
Third: Qualification		
Secondary	**---**	**---**
Diploma	**11**	**15.3**
Bachelor	**60**	**83.3**
Master	**1**	**1.4**
Doctorate	**---**	**---**
Fourth: The Current Position		
Branch Manager	**15**	**20.8**
Deputy Director	**12**	**16.7**
Head of Facilities department	**12**	**16.7**
facilities Staff	**33**	**45.8**

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Fifth: Monthly salary		
Equal to or less than 350	**8**	**11.1**
From 350 to 500	**28**	**38.9**
From 501-650	**17**	**23.6**
More than 651	**19**	**26.4**
Sixth: The Experience		
From 1-5	**29**	**40.3**
From 6-10	**17**	**23.6**
From 11-15	**16**	**22.2**
Equal to or greater than 16	**10**	**13.9**

Analysis of results and test hypotheses:

The first hypothesis:

No significant effect between indicators of financial, accounting and banking client to determine eligibility and ability to repay loans.

Given in Table (3), we find that the arithmetic mean for each separate paragraph has reached more than 3.00 and significance levels of viewing each of them was less than 0.05, that is, all these paragraphs are statistically significant.

But the paragraphs combined reached to 3.62 which is the arithmetic mean is greater than 3.00, and the significance level was 0.00, and this indicates that there is a statistically significant effect between indicators of financial, accounting and banking client to determine eligibility and ability to repay loans

Table (3): shows the arithmetic mean, standard deviation, t value and the significance level for variable indicators of financial and accounting:

Paragraphs	The arithmetic mean	Standard deviation	t value	the significance level the viewer
1 - Uses the turnover of assets, "net sales / total assets" to see the entity's ability to run the assets in order to obtain profits.	3.72	4.71718	3.223	0.00
2 - Debtors turnover ratio measures the Company's ability to collect its debts.	3.51	0.40171	24.226	0.00

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3 - Uses the commodity stocks turnover ratio to measure the efficiency of the borrowing activity in marketing of its stock.	3.54	0.48752	18.130	0.00
4 - Result in turnover of current assets "Net Sales / Total current assets" as an investment in the most important revenue generating entity which is sales.	3.77	0.68505	14.279	0.00
5 - Measure the ratio of net profit to sales in the contribution of the sales profits.	3.41	0.66417	14.728	0.00
6 - uses the return on equity "Net operating profit / net assets, working" to see the company's ability to achieve profits, which are the most important factors of the bank guarantee.	3.61	0.68290	13.806	0.00
7 - Do not use force or resource "Net operating profit / net public assets" to see the company's ability to achieve profits, which are the most important factors of the bank guarantee.	3.68	1.25215	2.729	0.00
8 - Use the proportion of long-term debt to total assets "total long-term debt / total assets" to see the company's ability to pay in the long term, banks granted loans whenever this percentage was low.	3.85	0.80443	10.841	0.00
9 - Use the ratio of debt to total equity "total debt / total equity" to measure the volume of coverage provided by the equity of borrowers.	3.49	0.75978	11.013	0.00
Total	**3.62**	**0.60645**	**15.199**	**0.00**

The second hypothesis:

No significant effect between indicators of marketing and determining the eligibility of the client and its ability to repay loans.

As shown in Table (4) is clear that the arithmetic mean of all the paragraphs less than 3.00, i.e., not statistically significant. And unacceptable.

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The arithmetic mean of all the paragraphs together amounted to 2.56, which is less than 3.00, i.e., that there was no significant effect between indicators of marketing and determining the eligibility of the client and its ability to repay loans.

Table (4): shows the arithmetic mean, standard deviation, t value and the significance level for variable indicators of marketing:

Paragraphs	The arithmetic mean	Standard deviation	t value	The significance level the viewer
10 - taken into account the customer credit reputable in making the decision to grant loans in the case of availability of sufficient guarantees	2.89	1.23263	-1.023	0.08
11 - the size of the market share of the client is not considered an important factor in the decision to grant the loan.	2.55	1.04804	-11.960	0.00
12 - the diversity of the customer activities has an a positive impact on the decision of granting the loan	2.74	78610.0	-9.445	0.01
13 - Study of the client's credit history is an important factor in the decision of granting the loan	2.12	73038.0	-14.038	0.00
Total	**2.56**	**58538.0**	**-13.388**	**0.00**

The third hypothesis:

No significant effect between economic indicators and determining the eligibility of the client bank and its ability to repay loans.

As shown in Table (5) is clear that the arithmetic mean of all the paragraphs less than 3.00, i.e., not statistically significant. And unacceptable.

The arithmetic mean of all the paragraphs together amounted to 2.72, which is less than 3.00, i.e., that there was no significant effect between economic indicators and determining the eligibility of the client and its ability to repay loans.

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Table (5): shows the arithmetic mean, standard deviation, t value and the significance level for economic indicators variable:

Paragraphs	The arithmetic mean	Standard deviation	t value	The significance level the viewer
14 - Reduce the size of projects related to the nature of the work of the organization negatively affect ability of the borrower to repay the client's commitment.	2.89	0.63	-2.20	0.00
15 - The technological challenges in the working methods one of the main factors taken into account in the decision to grant the loan	2.55	0.73	-7.45	0.00
16 - Availability of raw materials essential to the productive process and the availability of the stock of materials is a key factor affecting the decision to grant loans.	2.74	0.77	-6.55	0.00
Total	2.72	0.45	-9.09	0.00

The fourth hypothesis:

No significant effect between financial, accounting, marketing and economic indicators determining the eligibility of the client and its ability to repay loans due to demographic variables**(**Gender, Age, academic qualification, Position, Monthly Salary and Work Experience**)**

A - Gender variable :

No significant effect of the financial, accounting, marketing and economic indicators determining the eligibility of the client and the ability to repay loans due to the Gender variable.

Of Table (6): shows that the levels of significance for each of the indicators of financial, accounting, marketing and economic more than 0.05 meaning that it is not statistically significant because there is no any differences between the responses of both males and females in relation to the three dimensions**.**

Hypothesis test result shows that there is no significant effect on the impact of financial, accounting, marketing and economic indicators determining the eligibility of the client bank

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and its ability to repay loans due to the Gender variable**.**

Table (6): the arithmetic mean of the Gender variable Answers , and levels of significance of the differences seen between these answers using the test of Independent Samples test:

Dimension	**The arithmetic mean for males**	**The arithmetic mean for females**	**The level of the viewer of the differences**
financial and accounting Indicators	3.59	3.68	0.67
marketing Indicators	2.54	2.61	0.40
Economic indicators	2.69	2.78	0.62

B -The Age variable:

C **-**The variable of Qualification:

D- The Variable of Current Position:

E-The variable of monthly salary

F- The variable of practical experience

No significant effect of the financial accounting, marketing and economic indicators determining the eligibility of the client and the ability to repay loans due to the age, Qualification, Current Position, monthly salary, practical experience variables

we observe from Table (7) that the values of significance levels seen for all dimensions of the following demographic variables**(**Age, academic qualification, Position, Monthly Salary and Work Experience**)** were greater than 0.05, meaning that there is no difference of significance in the sample answers due to the variable mentioned.

It means that the respondents of all following demographic variables**(**Age, academic qualification, Position, Monthly Salary and Work Experience**)** are agree on the impact of financial, marketing economic indicators determining the eligibility of the client bank and its ability to repay loans.

Hypothesis test result shows that there is no significant effect on the impact of financial, accounting, marketing and economic indicators determining the eligibility of the client bank and its ability to repay loans due to the following demographic variables**(**Age, academic qualification, Position, Monthly Salary and Work Experience**)**

Table (7): shows the results of test Variance for the following demographic variables**(**Age, academic qualification, Position, Monthly Salary and Work Experience**)**:

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B -The Age variable:	
Dimension	**The level of the viewer of the differences**
financial and accounting Indicators	0.08
marketing Indicators	0.11
Economic indicators	0.70
C -The variable of Qualification:	
Dimension	**The level of the viewer of the differences**
financial and accounting Indicators	0.88
marketing Indicators	0.93
Economic indicators	0.47
D- The Variable of Current Position:	
Dimension	**The level of the viewer of the differences**
financial and accounting Indicators	0.64
marketing Indicators	0.19
Economic indicators	0.54
E-The variable of monthly salary	
Dimension	**The level of the viewer of the differences**
financial and accounting Indicators	0.56
marketing Indicators	0.090

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Economic indicators	0.07
F- The variable of practical experience	
Dimension	**The level of the viewer of the differences**
financial and accounting Indicators	0.44
marketing Indicators	0.32
Economic indicators	0.70

Recommendations of the study:

1. The decision of the bank's credit should be based on the economic feasibility of the project funded and not rely on guarantees only as a credit decision.
2. Must taking into account the borrower reputation and his credit history.
3. Must be taken into consideration the market share of the client.
4. The bank management should take economic factors affecting the client into consideration before granting the loan.
5. The positive and negative activities of the customer Must take into account before granting loan.
6. The bank management Must give credit employees specialized training courses to enable them to study and evaluate credit and follow-up.
7. The banks should apply effective regulations in the management of credit risk.
8. The management must give special incentives to the debt collection employee and develop the officers collection skills in the commercial banks at Aqaba.
9. the degree of borrowers and guarantors must be effectively documented and constantly update these adequacy.
10. Banks should give the loan to the borrower in installments commensurate with the actual needs of the project.
11. The credit employee should work as a consultant to the borrower and give him advice and not to work only as a service provider.

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12. The Administrations of banks must give enough freedom to the credit staff to take decisions.

13. The bank auditor must show the size of banks' credit risk clearly and it is impact of these risks to the overall situation of the bank and customers.

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THE IMPACT OF SOCIAL AND EMOTIONAL INTELLIGENCE ON EMPLOYEE MOTIVATION IN A MULTIGENERATIONAL WORKPLACE

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ABSTRACT

In today's globally competitive corporate environment, effective employee motivation is essential to the success of any organization. The classical perspective of management was essentially analytical and rational, and employee's emotions were not considered. Nonetheless, it is crucial for organizations to recognize that employee motivation goes beyond the usual monetary reward systems for a multigenerational workforce. In motivating today's human capital, organizations have to engage their minds and captivate their hearts, which can be achieved by incorporating social and emotional intelligence. Social and emotional intelligence equip managers with skills to turn challenges of generational differences into positives. These skills assist managers attend to individual employee needs irrespective of their generation. Socially and emotionally intelligent managers enable their organizations to offer an environment that motivates and develops employees despite the generational differences in the workplace. This study discusses the implications of emotional and social intelligences by outlining how these skills can enable organization to cultivate cultures that enhance employee motivation.

Keywords: Employee Motivation, Multigenerational Workplace, Social Intelligence, Emotional intelligence, Generational Differences

1.0 Introduction

In the current global economy, companies are striving to survive in a highly competitive environment. An organization may have managers endowed with a myriad of impressive technical skills and extensive educations. But,

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can they effectively relate to the employees and other managers? Can they motivate the employees to be productive? Presently, employee retention challenges are common to managers regardless of the company's size, technology and market focus (Manzoor, 2011). One outstanding challenge is the management of a workforce that has notable variations in perspective and goals due to generational differences (Glass, 2007). These differences must be addressed in an effort to recruit, retain and motivate the best talent in an organization.

A multigenerational workforce is essential to the growth of an organization. The benefits of working in a multigenerational workplace surpass the challenges involved (Hughes, 2011). But the big question remains, how to keep employees motivated in a multigenerational workplace. The answer to this question is as diverse as the workforce itself. Organizations need to find ways to retain and make the most of their talent. Additionally, they need to find ways to meet the challenges of a fast-evolving multigenerational workforce (Gladwell & Dorwart et al., 2010).

In today's globally competitive business environment, successful employee motivation in a multigenerational workplace is still one of the biggest challenges to many organizations. Human capital has become an organization's main asset; its success is dependent on the employee performance. Ability and motivation are joints functions used to describe employee performance (Devadass, 2011). Employee motivation is an intricate and sophisticated subject; considerable studies on employee motivation have been conducted, providing numerous models and theories on motivation. These numerous literatures provide mechanisms that organizations can adapt to keep their multigenerational workforce motivated. There is no exact formula to the exact mechanism of motivating employees as every organization offers a unique workplace. Therefore, organizations must focus on employee motivation practices that meet employees' needs regardless of age. Managers need to be aware of a variety of employee motivational factors and the changes in priorities of these factors over time.

The notion of emotional and social intelligence in management has been popularized by academia due to its positive impact on employee performance (Goleman, 2006, Riggio & Reichard, 2008, Goleman & Boyatzis, 2008, Albercht, 2009 and Emmerling & Boyatzis, 2012) . Hence, many companies are changing towards this notion. Part of the answers to keeping a multigenerational workforce motivated lay in social intelligence principles since they give organization tangible ways of managing and harnessing diversity. A socially intelligent workforce is able to work harmoniously as a strong collective team. Moreover, it is able to develop relationships and business networks that will promote the interests of the organizations over the long term. This ensures job security that is a vital motivation driver across all generations. An emotionally intelligent workforce is passionate, motivated and inspired (Emmerling & Boyatzis, 2012).

This study intends to give a general review of the concept of emotional and social intelligence as integral parts of employee motivation in a multigenerational workplace. First, a general overview of the common mechanisms used by organizations for employee motivation in a multigenerational workplace is given. Next, the key elements of emotional and social intelligence as described in literature are outlined. Finally, a discussion on the implication of social and emotional intelligence when used as skills in leadership is provided.

2.0 Multigenerational Workplace.

Majority of today's multigenerational workplaces are represented by four different generations of employees, namely Traditionalist (Matures/Veterans), Baby Boomers, Generation X and Generation Y (Millennial) (Gladwell &Dorwart et al., 2010). Multigenerational workplaces can bring out the best and worst of the organization and their employees (Bennett& Pitt et al., 2012). Consequently, managers must understand the values and attitudes of each

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generation to effectively influence the different generations' satisfaction in such a diverse workplace (Gladwell &Dorwart et al., 2010). The positive impacts of a multigenerational workforce can lead to increased productivity among the employees and ultimately a successful company.

A successful multigenerational workplace understands the dynamics and challenges of generational differences and is able to design a workspace that empowers effective communication and transfer of knowledge across the generations (Hughes, 2011). With decades of experience, the older generation conveys wisdom to the younger generation, who in turn convey fresh ideas and technical skills. Nonetheless, challenges of communication and cooperation within the generations are evident on a daily basis in a multigenerational workplace (Glass, 2007). Hughes (2011) further indicates that despite the challenges of accommodating the needs of its multigenerational workforce, a company creates an unprecedented opportunity in its overall business performance.

Different research literature show that employees from different generations require different management strategies when it comes to recruiting, retaining and motivating employees (Glass, 2007, Hudges, 2011, Bennett & Pitt et al., 2012). To effectively manage a motivated multigenerational workforce, managers must take to account the diverse values and attitudes of each generation that may influence different generations' drive in the workplace (Gladwell & Dorwart et al., 2010). Understanding what makes each generation's talent tick is critical to optimizing an organization's culture.

Interestingly, most challenges within a multigenerational workplace are associated with the more traditional differences of gender and ethnicity (Rathman, 2011). Management stereotypes believe that there are huge differences among the generations in terms of employee motivating factors. Nonetheless, recent studies show that different generations in the workplace have more in common than early literature shows. Compelling research has shown that employees are motivated by equally similar things in the workplace (Wong & Gardiner et al., 2008).

3.0 Employee Motivation

The English dictionary defines motivation 'as the reason(s) one has for acting or behaving in a particular way'. Devadass (2011) describes Employee Motivation as a set of both environmental and intrapersonal forces that influence an employee's work related behavior. Hence, employee motivation can be seen to cuts across many disciplinary boundaries such as psychology, human resource management, economics, sociology and organizational behavior.

In an effort to increase effectual job performance amongst employee, many organizations' management struggle to implement effective employee motivation policies (Guillen & Saris, 2009). Manzoor (2011) illustrates that motivating employees to perform to the best of their ability even in strenuous circumstances has remained one of the most challenging tasks faced by managers. In our rapidly changing workplaces, employee motivation remains a crucial survival strategy for many organizations. When employees are motivated, they become responsive to the organization's goals and objective and can efficiently direct their talent towards achieving them (Manzoor, 2011).

Early studies show that monetary rewards had a great influential value as a motivational technique. In management science, Fredrick Taylor attributes money to have a supreme effect to maintain and motivate industrial workers towards higher performance and greater productivity. Over time, organizations have used mostly extrinsic rewards (increased pay, bonuses, promotion) as a management tool to encourage high employee performance as well as maintain high employee motivation (Ali & Ahmed, 2009). Nohria and associates defined a new model of employee motivation. In this model they argued that managers try to increase employee motivation by satisfying the four fundamental emotional drives; that is the drive to acquire, the drive to bond, the drive to comprehend and the drive to defend (Nohria &

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Groysberg et al., 2008). Elsewhere, Rukhmani (2010) suggests that motivation is purely a leadership behavior that comes from employees wanting to do what is right for the people and the organization. Further, theories of transformational leadership infer managers and employees nurture one another to greater levels of motivation (Rukhmani & Ramesh et al., 2010).

The presences of numerous theories, models and views on motivation continue to indicate that employee motivation is an intricate and sophisticated subject. More so, in a multigenerational workplace where monetary rewards have become less effective in keeping employees motivated. The younger generations of employees are driven by advancements in their careers (Wong & Gardiner et al., 2008). Subsequently, recognition and empowerment are playing an essential role in enhancing employee motivation in today's multigenerational workplace (Manzoor, 2011).

4.0 Social Intelligence

The psychologist Edward Thorndike was the first to explore the concept of social intelligence in 1920. He defined social intelligence as the ability to think, understand, manage and act appropriately in social human relationships. It was not until years later that Daniel Goleman and Karl Albrecht further explored and popularized this concept. According to Goleman (2006), social intelligence is concerned with the best interests of others; hence it goes beyond sheer self-interest. Social intelligence is basically understanding and getting along with people, above and beyond the skills to interact and cooperate successfully with them (Albrecht, 2009). Hence, social intelligence can be defines as the ability to interact effectively with others in any social situation (Crowne, 2009). Hopkins and Bilimoria (2008) imply that to be considered socially intelligent one has to be adept at human relationships not just about them. Emmerling and Boyatzis (2012) describe social intelligence competency as the ability to be aware of, understand and act on emotional information about others that leads to effective performance.

Karl Albrecht (2009) elaborates the five major dimensions of social intelligence as situational radar, presence/ bearing, authenticity, clarity and empathy. Nonetheless, the consistent aspects of social intelligence among all researches in this field include: knowledge of the social situations, accurate interpretation of the social situation and the skills to behave appropriately in that social situation. Social intelligence requires skills that allow employees to get along with one another (Riggio & Reichard, 2008). Karl Albrecht (2009) also terms people with low social intelligence as 'toxic' people. They make others feel angry, inadequate, frustrated and devalued through their toxic behaviors that directly contribute to conflict, alienation and worse, animosity in the workplace (Wawra, 2009). On the other hand, people with high social intelligence have a 'nourishing' personality and presumably possess magnetic powers that attract others to them (Albrecht, 2009).

Joseph and Lakshmi (2010) elaborate that an individual's social intelligence depends on a lifelong learning process. Socially intelligent employees exhibit confidence in social situations, demonstrate a genuine interest in their fellow workmates, are assertive and appropriate in expressing their feelings and emotions, are capable of adapting, understanding and responding effectively, and show a great level of self-awareness (Joseph and Lakshmi, 2010).

5.0 Emotional Intelligence

Daniel Goleman is credited to popularizing the concept of emotional intelligence to the academia and general public in 1995 through his book *Emotional Intelligence: Why it can matter more than IQ***.** Emotional intelligence as defined by Goleman (2006) is the ability to identify, understand, use and manage one's and other's emotional states effectively. This involves an intellectual process that leads to the use of those feelings to motivate, plan and achieve.

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Emotional intelligence can be used as a term that refers to the ability to recognize, manage and influence one's and other's emotions (Keating & Harper et al., 2013). Therefore, emotional intelligence can basically be described as an interconnection between feelings and thinking; Chopra & Kanji (2010) put emotional intelligence in simple terms as an individual's self-perceived skills of their emotional abilities.

There are four major clusters of emotional behaviors as outlined by Goleman and Boyatzis (2008); self-awareness, self-management, social awareness and relationship management. Even so, Emmerling & Boyatzis (2012) felt that emotional intelligence is best understood as a competency. They went further to describe emotional intelligence competency as an individual's ability to perceive, understand and use their own emotional status leading to effective performance. According to the trait-based model (Petridges & Pita et al., 2007) emotional intelligence can be used to refer to an individual's perception of their own emotional abilities, and encompasses behavioral dispositions and self-perceived emotional capabilities.

In the book, Goleman (1995) claimed that emotional intelligence could be a better success predictor of job performance and leadership ability than IQ. These claim led to more academic studies and researches exploring the concept in later years (Petrides & Pita et al., 2007, Antonakis & Ashkanasy et al, 2009, and O'Boyle & Humphrey et al., 2010). Further studies show that emotional intelligence plays an important role in the organization, direction and motivation of human activity (Chopra & Kanji, 2010). Individuals who are emotionally intelligent exhibit better skills in people-oriented services such as recruiting, sales, management and customer service (Antonakis & Ashkanasy et al., 2009). Current studies suggest that emotional intelligence is highly significant in development of human potential, teamwork, effective leadership, stress reduction, creativity and innovation (Chopra & Kanji, 2010).

6.0 Discussion

It is not new that workplaces have generational differences, but the magnitude of these differences is new and poses unique challenges for organizations worldwide. Today's multigenerational workplaces require that organizations understand and value diversity in order to benefit from it; after all, the need to feel important and respected cuts through all generations. In the current era, employee needs are significantly changing and organizations are in a constant search of motivation.

A review of common employee motivation mechanisms in the workplace reveals that organizations acknowledge that employees from every generation need to feel engaged and integrated in a purpose-driven organization culture. In a multigenerational workplace, a one-size-fits-all approach to employee motivation rarely produces the desired results (Wong & Gardiner et al., 2008). Some of the common mechanisms that have led many organizations to maintain a motivated workforce include provision of work-life balance, sharing of rewards, engaging employees with customized rewards, offering benefits to everyone and building lasting relationships through open communication (Gladwell & Dorwart et al., 2010). These mechanisms have been positive to some extent in establishing successful employee-employer relationships. Despite the positives of these mechanisms, the continually changing workplace demographics mean that managers still face the challenge of building exceptional workplace cultures where motivation and innovation are employee-driven.

Emotional Intelligence has emerged as a measurable skill that managers can conveniently use in informing successful recruitment, retention and motivation skills within an organization (Sharma, 2012). In a multigenerational organization, employees see things differently depending on a generation's mindset and individual perspective. Emotional intelligence gives the multigenerational workforce the ability to recognize social cues and respond

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appropriately in a manner that makes evident their empathy of others' perspectives (Emmerling & Boyatzis, 2012). Managers with a high level of emotional intelligence can quickly determine their employees' needs and respond to them efficiently. Hence, emotional intelligence is a crucial factor in determining a manager's work efficiency. Managers who have developed a certain level of emotional intelligence are able to make time for their employees. This way they have a great awareness of the team's needs. Further, it enables them to be able to provide their employees with regular effective feedback that gives the employees an opportunity to improve their performance in the organization. Emotional Intelligence is valuable to a multigenerational workplace in that it enhances employee productivity, job satisfaction and leadership competency; in addition, it creates mutual employee-employer relationships which increase employee's commitment to an organization.

Social intelligence is quickly becoming a global requirement and a critical element of success for organizations. The process of becoming more socially intelligent involves investigating what motivates, drives and influences people (Sternberg, 2007). Managers who do not possess social intelligence lack social skills. They do not know how to genuinely connect to people much less inspire, motivate and lead them effectively. On the other hand, socially intelligent managers focus on people, motivating them to high levels of performance. These managers help their employees develop to their highest potential. Moreover, they demonstrate the emotions and behaviors they wish their employees to adapt. This aspect of social intelligence enables managers to effectively establish an exceptional workplace culture that is inclusive and motivated yet diverse. A socially intelligent company is able to have a deeper understanding of what motivates individuals and how better to utilize the diversity of a multigenerational workforce. Social intelligence is useful in many ways: it helps in the creation of a sense of identity for the individual in addition to emphasizing self-management and interpersonal skills; more importantly, it focuses on thinking and resultant behavior within social contexts.

Companies that encompass both emotional and social intelligence as part of their culture can effectively use their employee's potential and have wonderful achievements. When both emotional and social intelligence are valued in a multigenerational workplace where there is so much diversity, everyone's ideas are respected, teamwork is enhanced and toxic behaviors are controlled. Investing in a corporate culture that allows employees freedom and space is an essence of what makes many organizations successful. Employees will feel empowered and engaged when they have a choice. A workplace that provides its employees with personal choices will attract top talent employees no matter their generational differences. Despite the generational differences, people are motivated by interesting work, new challenges and increased responsibility, which are mostly intrinsic motivating factors over the commonly assumed extrinsic factors. Employee motivation is dependent on an individual's way of perceiving things. Emotional intelligence and social intelligence help co-existing generations in the workplace to understand and value each other despite their vast differences in perspectives and goals. The two concepts help managers effectively accomplish their key role of influencing how employees interact.

7.0 Conclusion

Companies continue to struggle with finding the most effective way to keep employees motivated in a multigenerational workplace. People from different generations and different cultures are transforming office life. The popular notion is that generational differences in the work place lead to differences in personality and motivation. Most personality differences observed are better explained by age. Job security and immersion to work are among motivational drivers that cut across all generations in the modern workplace. Hence, it is important for managers to

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acquire high level skills on social and emotional intelligence. These skills will assist them to attend to individual differences irrespective of generations. Managers who value emotional and social intelligence find it easy to turn the challenges of generational differences to positives.

Evidently, emotional and social intelligence have the potential to positively impact employees' behaviors with outcomes such as job satisfaction, positive work attitudes, self-efficacy, and leadership potential and change management. When people with different backgrounds cooperate, creativity and innovation happens. The result from this diversity in the workplace is that people learn how to communicate and generate ideas that usually creates high-impact change with low economic and emotional risk and high economic and emotional gain. Given such diverse behavioral outcomes social and emotional intelligence become key success factors for employee motivation in a multigenerational workplace.

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ISSN 2076-9202

Do firms care for the environment or they adopt environmental management in order to benefit economically?

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Abstract

Since the dawn of the industrial age, the goals of economic growth and environmental quality have recurrently been at odds (Florida and Davison, 2001). In the last 10 years, a radical change has come about in management's views on pollution, the need for pollution reduction and better environmental management (Melnyk, Sroufe and Calantone, 2003). Firms are becoming "leaner and greener" at the same time (Florida 1995; Atlas and Cline 1999 as cited in Florida and Davison, 2001). These companies are motivated not only by altruistic concerns, but also by a bottom-line quest to increase profits, productivity, and performance by reducing waste and emissions (Florida and Davison, 2001). This paper provides an overview of the determinants of the adoption of environmental management systems and concludes that EMS are effective management tools enabling firms to better anticipate and proactively address potential environmental risks.

Key words: firms, environment, management

1 .Introduction

Environmental quality has many dimensions. Our lives are affected by the air we breathe, the water we drink, the diversity of species with which we come into contact, and the beauty we observe in nature (Grossman and Krueger, 1995). The productivity of our resources in producing goods and services is influenced by climate, the nutrients in the soil, and rainfall (Grossman and Krueger, 1995).

There has been an increasing interest towards corporate activities aimed at reducing or eliminating the waste created during the production, use and/or disposal of a firm's products (Hahn and Stavins, 1991). Around the world, many companies are moving to adopt advanced environmental practices that amplify both their environmental performance and their competitiveness (Florida and Davison, 2001). Environmental management takes place in a setting of perpetual change (Bonnicksen 1991 as cited in Selin and Chavez, 1995). Managers must adjust to a host of ecological, political, economic, and social forces that affect how a resource will be managed (Selin and Chavez, 1995).

Even though some policy makers would claim that the singular objective of environmental regulation is to protect environmental quality, the decision problem actually faced by policy makers is more complex, involving tradeoffs among multiple objectives and real and frequently binding constraints (Hahn and Stavins, 1991). Economic perspectives play important role in both the selection of goals and the selection of means (Hahn and Stavins, 1991).

2. The contribution of the International Standard Organization (ISO) 14001

The International Standard Organization (ISO) answered back to the calls to address the field of

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environmental law and pollution that were made at the occasion of the Rio Agreement (1993) and the GATT Uruguay Round Ministerial Decision on Trade and the Environment
(1994) (Delmas, 2002). Therefore the ISO established the Strategic Advisory Group on the Environment (SAGE) to determine whether an international environmental management standard could 'promote a common approach to environmental management, enhance an organization's ability to attain and measure improvements in environmental performance, and facilitate trade and remove trade barriers' (Tibor and Feldman, 1996 as mentioned in Delmas, 2002).In September of 1996, the ISO 14001 certification standards for environmental performance were adopted (Melnyk, Sroufe and Calantone, 2003). The ISO 14001 was promoted as the standard that would replace the numerous and often conflicting sets of criteria found in various countries (Melnyk, Sroufe and Calantone, 2003). Instead of focusing on outcomes such as reduced pollution this standard focused on the processes involved in the creation, management, and elimination of pollution (Melnyk, Sroufe and Calantone, 2003).
It was actually a set of guidelines for developing systems and practices in six environmental sectors (Delmas, 2002). The Series was divided into six sections, which included: ISO standards 14001 and 14004 (Environmental Management Systems); ISO standards 14010 to 14012 (Environmental Auditing); ISO standards 14020 to 14025 (Environmental Labeling); ISO standard 14031 (Environmental Performance Evaluation); ISO standards 14040 to 14043 (Life Cycle Assessment); ISO standard 14060 (Environmental Aspects in Product Standards) (Delmas, 2002).

ISO 14001 may be voluntary but not free (Delmas, 2002). It is recommended that firms will invest in ISO 14001, if they perceive that the benefits of certification will outweigh its costs (Delmas, 2002). European companies benefited from a very favorable institutional environment towards ISO 14001(Delmas, 2002). European governments have encouraged the adoption of environmental management standards by setting up a trusted certification system and providing technical assistance to potential adopters (Delmas, 2002). On the contrary, U.S. firms faced an unfavorable institutional environment with a lack of regulatory commitment to environmental management standards. U.S. companies are fearful of the certification process which lays their performance open to public scrutiny (Delmas, 2002).

In fact the ISO 14001 provides the basic framework for the establishment of an Environmental Management System (EMS) that can be audited and certified (Delmas, 2002). The main reason for the creation of ISO 14001 was that its worldwide acceptance should facilitate international trade by harmonizing otherwise diffuse environmental management standards and by providing an internationally accepted blueprint for sustainable development, pollution prevention, and compliance assurance (Delmas, 2002). ISO 14001 is an example of harmonized procedural standards where all nations should eventually adopt similar environmental management systems and procedures (Delmas, 2002). Developing ISO 14001 as an international standard for EMS is a clear consequence of globalization (Delmas, 2002).

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3. Environmental Management System (EMS)

3.1 Definition

But what exactly is an environmental management system (Melnyk, Sroufe and Calantone, 2003)? EMS is one of the tools an organization can use to implement an environmental policy (Delmas, 2002). EMS illustrate an extension of the core principles of total quality programs to managing the environment (Florida and Davison, 2001).In other words EMS can be described as the systematic application of business management to environmental issues (Florida and Davison, 2001).In particular it involves the formal system and database which integrates procedures and processes for the training of personnel, monitoring, summarizing, and reporting of specialized environmental performance information to internal and external stakeholders of the firm (Melnyk, Sroufe and Calantone, 2003).Notably, it consists of 'a number of interrelated elements that function together to help a company manage, measure, and improve the environmental aspects of its operations' (Welford, 1996 as mentioned in Delmas, 2002). The documentation of this "environmental" information is primarily internally focused on design, pollution control and waste minimization, training, reporting to top management, and the setting of goals (Melnyk, Sroufe and Calantone, 2003). An EMS is aiming to develop, implement, manage, coordinate and monitor corporate environmental activities to achieve two goals: compliance and waste reduction (Sayre, 1996). Compliance, for a firm, simply means reaching and maintaining the minimal legal and regulatory standards for acceptable pollution levels for the purpose of avoiding sanctions. For instance, failure to comply can result in increased costs (fines), in extreme situations, issuance of cease and desist orders, and in increased external intervention in day-to-day operations (Melnyk, Sroufe and Calantone, 2003). Apparently, waste reduction goes beyond compliance and focuses a firm's activities on the dramatic reduction of negative environmental impact (Melnyk, Sroufe and Calantone, 2003). EMSs, actually, represent an organizational change within corporations and a self-motivated effort at internalization of environmental concerns into the objectives of the firm (Khanna and Anton, 2002).

3.2 First EMSs in Europe

The first EMSs implemented in the world The British BS 7750 and the European EMAS were (Delmas, 2002). BS 7750 was the world's first environmental standard, published in the U.K. in March 1992 (Delmas, 2002). While British Standard Institute (BSI) began working on BS 7750, the European Commission was setting up its proposal for an eco-audit scheme: the Environmental Management and Audit Scheme (EMAS) (Delmas, 2002). EMAS was adopted by the Council of Ministers on June 29, 1993 (Council Regulation 1836/93). Because of the fact that EMAS is a regulation, rather than a directive, it immediately binds all EU Member States. Although the European Commission originally intended to pursue mandatory participation, business lobbying successfully prevented this. The EMAS regulation requires that the European Commission reviews the progress of the EMAS no more than five years after adoption. The important difference between EMAS and BS 7750 is that the later does not have the formers' commitment to publish audit findings regarding environmental performance, a disclosure with which companies are often

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uncomfortable. It has been suggested that BS 7750 would serve to introduce companies to the EMS techniques, allowing them to cut their teeth on the less publicly scrutinized standards of BS 7750 before moving on to EMAS. The similarity between the two schemes should therefore encourage companies to set up an environmental management system and assess their progress before taking the key step to publication of performance (Gilbert, 1994 as mentioned in Delmas, 2002). Firms with EMSs were granted some regulatory flexibility to EMSs' certified companies (Delmas, 2002).

3.3 Overall benefits for firms as a result of adopting environmental management systems

The major question is: are they doing this in response to government regulation, to improve their environmental performance, or to be more efficient and competitive (Florida and Davison, 2001)? The data suggests that firms adopt EMS not only for regulatory or environmental reasons but also for business benefits (Florida and Davison, 2001). The three top ranked factors among respondents in a survey conducted by Florida and Davison in 2001 were business-driven: commitment to environmental improvement, corporate goals and objectives, business performance, followed by community relations, state regulations and federal regulations. Moreover some research has analyzed specific factors external to the firm that go beyond regulatory compliance and drive the adoption of environmental strategies such as competitive forces (Aragón- Correa, 1998; Christmann, 2000; Dean and Brown, 1995; Delmas, 2003; Hart, 1995; Nehrt, 1996, 1998; Russo and Fouts, 1997; Sharma and Vredenburg, 1998 as mentioned in Delmas and Toffel, 2004), and pressure from nongovernmental organizations (Lawrence and Morell, 1995 as cited in Delmas and Toffel, 2004).

In particular, the relationship between business performance and environmental improvement has two dimensions (Florida, Atlas and Cline 1999 as mentioned in Florida and Davison, 2001). On the one hand, organizations may adopt environmental innovations in order to reduce costs through improved or more efficient production processes (Florida and Davison, 2001). On the other hand, environmental improvement may also be a byproduct of changes developed to reduce other costs, to improve productivity, and to improve plant performance (Florida and Davison, 2001).Obviously, the EMS plays a critical role in the firm's efforts not only to improve environmental performance but also overall performance (Melnyk, Sroufe and Calantone, 2003). Operations performance, like the environmental options considered, consists of multiple measures (Melnyk, Sroufe and Calantone, 2003). These measures focus on elements of production competence such as lead time, quality and cost, that generate value for the customer and that can create a strategic advantage for the firm (Vickery et al., 1993 as cited in Melnyk, Sroufe and Calantone, 2003). Other attributes involve areas including corporate reputation (Wood, 1991; Pava and Krausz, 1996 as mentioned in Melnyk, Sroufe and Calantone, 2003), the ability to design and deliver better products and service (Sroufe et al., 2000), the ability to reduce waste and the relative costs/benefits associated with the initiatives. In other words, the presence of an EMS allows a firm to evaluate environmental performance against policy, objectives, and performance targets while seeking performance improvements where appropriate (Melnyk, Sroufe and Calantone, 2003). Performance is lowest when EMS is not present, intermediate when EMS is present but not ISO 14001 certified, and highest when EMS is present and ISO 14001 certified (Melnyk, Sroufe and Calantone, 2003).

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Firms may have lures to voluntarily improve their environmental performance because it can lead to private benefits in the form of direct or indirect payoffs (see Segerson and Li, 1999; Lyon and Maxwell, 1999 as mentioned in Khanna and Anton, 2002). These benefits could emerge from the potential to preempt the threat of mandatory standards (Segerson and Micelli, 1998 as cited in Khanna and Anton, 2002) and to shape future mandatory standards by voluntarily over-complying (Lutz, Lyon and Maxwell, 2000 as mentioned in Khanna and Anton, 2002).Many firms have taken the decision to participate in voluntary programs established by the USEPA such as the 33/50 program (Arora and Cason, 1995,1996; Khanna and Damon, 1999), Green Lights, Waste Wise (Videras and Alberini, 2000) and the Climate Challenge Program in the U.S (Karamanos, 2000) that provide visible benefits to participants through public recognition and technical assistance.

Even though the potentially high costs of compliance with existing and anticipated regulations as well as the threat of liabilities are inducing firms to be more proactive about managing their environmental impacts, these pressures are not as strong as the non-regulatory pressures, from consumers, investors and communities (Khanna and Anton, 2002). Amongst these, it is dependence on capital markets, concerns about public reputation and the adverse effects on it of information about environmental performance and high costs of disposing of waste off-site that provide stronger incentives to adopt a broad-based EMS than consumer pressure and pressure from global competition (Khanna and Anton, 2002). But does stronger environmental performance really lead to better financial performance or is the observed relationship the result of some other underlying firm attribute (King and Lenox, 2008)?In the last 20 years a growing number of researchers have challenged this assumption (King and Lenox, 2008). In the field of industry ecology, scholars argue that there are situations where beyond compliance behavior by firms is a win-win for both the environment and the firm (Nelson 1994; Panayotou and Zinnes 1994; Esty and Porter 1998; Reinhardt 1999 as cited in king and Lenox, 2008). In other words they suggest that firms may be both "green and competitive" (Porter and van der Linde 1995; Reinhardt 1999 as mentioned in King and Lenox, 2008). In fact, many scholars argue that discretionary improvements in environmental performance frequently provide financial benefit (e.g. Hart 1997 as cited in King, Lenox, 2008). There are many ways that improving a company's environmental performance can lead to better economic or financial performance, and not necessarily to an increase in cost (Ambec and Lanoie, 2008). Supporters of a causal link between environmental and financial performance argue that pollution reduction provides future cost savings by reducing compliance costs, increasing efficiency, and minimizing future liabilities (Porter and van der Linde 1995; Reinhardt 1999 as mentioned in King and Lenox, 2008).). Several studies show that investors react negatively to public disclosures about poor environmental performance reported in the TRI, resulting in significant abnormal stock market returns for firms (Hamilton, 1995; Khanna et al., 1998 as cited in Khanna and Anton, 2002). Bankers are conceding that they might be held legally responsible for environmental mistakes of their corporate borrowers (Khanna and Anton, 2002). As a consequence, they are beginning to include environmental considerations in their lending decisions and viewing poor environmental performers as financially risky (Hoffman, 1997 as mentioned in Khanna and Anton, 2002). Klassen and McLaughlin (1996) noted that strong environmental management, as indicated by

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environmental performance awards resulted in significant positive financial performance, as measured by stock market performance. Furthermore, Deutsch (1998) noticed that eco-efficient companies reward stockholders with good financial performance. Nielsen in 1999 observed that at least one investment firm back then, Innovest Strategic Value Advisors, recommended stocks based on the firm's environmental record. Therefore, better environmental performance can improve the value of the firm and attract new stockholders (Melnyk, Sroufe and Calantone, 2003).

Firms are facing growing pressure to become greener (Ambec and Lanoie, 2008). Various stakeholders press companies to reduce their negative impact on the environment (Ambec and Lanoie, 2008). One important way that companies can reduce outside tension is by involving key stakeholder groups in environmental activities and initiatives (Florida and Davison, 2001). By stakeholders we mean individuals, groups, and formal organizations who have either a perceived interest or impact on a particular resource (Selin and Chavez, 1995).EMS plants were almost three times as likely to involve neighbors and citizen groups in their environmental initiatives and more than twice as likely to involve local government (Florida and Davison, 2001). They can be divided into primary and secondary stakeholders (Kolk, 2000). On the one hand, primary stakeholders play an active role in the company's survival (Kolk, 2000). On the other hand, secondary stakeholders affect and are affected by the company but are not essential for the survival of the company (Kolk, 2000). Nevertheless, secondary stakeholders, as media and NGO's, have a considerable influence on environmental reporting (Kolk, 2000). Collaboration in the environmental management field is increasingly evident as managers supplement centralized decision-making methods by using standing committees, associations, negotiated settlements, and friends groups to assist in setting policy, planning, and managing the resource (Selin and Chavez, 1995). EMS appear to be an effective and useful tool for managing environmental risk outside the plant (Florida and Davison, 2001). The potential for adverse public pressure in response to information about poor environmental performance and the high costs or other barriers to waste treatment and disposal at the end-of-the-pipe are motivating firms to be more innovative about managing their environmental impacts (Khanna and Anton, 2002). Public policy can influence adoption of comprehensive EMSs by firms by providing information about the environmental performance of firms to the public, public recognition to firms with EMSs, and educating the public about the adverse effects of various pollutants, while maintaining stringency of the regulatory framework that imposes high costs of pollution on firms (Khanna and Anton, 2002).

The stakeholders, in specific, that influence the adoption of management practices are the below:

- ✓ *Government pressures*

Legislation authorizes agencies to declare and enforce regulations, a form of coercive power (Delmas, Toffel, 2004). Governments play an important role in firms' decision to adopt ISO 14001 (Delmas, 2002 as mentioned in Delmas, Toffel, 2004). They can act as a coercive force by sending a clear signal of their endorsement of ISO 14001 by enhancing, for instance, the reputation of adopters (Delmas, Toffel, 2004). Governments can also facilitate adoption by reducing information and search costs linked to the adoption of the standard by providing technical assistance to potential adopters (Delmas, Toffel, 2004).

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- ✓ *Customer pressures*

Concerns about the adverse impacts on a firm's reputation, if perceived as environmentally unfriendly, are becoming important for firms (Khanna and Anton, 2002). Public opinion polls indicate growing environmental consciousness among consumers (Cairncross, 1995; Gutfield, 1991 as mentioned in Khanna and Anton, 2002). Therefore, firms respond to customer requirements (Delmas, Toffel, 2004). The customer–supplier relationship is possibly the primary mechanism through which quality management standards have promulgated (Anderson *et al*., 1999 as cited in Delmas and Toffel, 2004). It has been found by several studies that firms that adopted environmental management practices were motivated by customer concerns (Delmas, Toffel, 2004).As an illustration, a survey of the largest Canadian firms showed that customer pressure was the second most cited source of pressure to adopt an environmental management plan, after government pressure (Henriques and Sadorsky, 1996 as mentioned in Delmas and Toffel, 2004).In addition, Khanna and Anton in 2002 found that US companies that sell final goods adopt more comprehensive EMSs than companies that sell intermediate goods (Delmas, Toffel, 2004). This means that retail consumers exert more pressure on companies to adopt environmental management practices than commercial and industrial customers (Delmas and Toffel, 2004).Finally, Christmann and Taylor in 2001 displayed that customers in developed countries have influenced companies in China to improve their environmental compliance and adopt the ISO 14001 EMS standard (Delmas and Toffel, 2004).

- ✓ *Community and environmental interest group pressures*

Do environmental management systems enable plants to better manage their emission and waste streams in ways that pose less environmental risk to the communities in which they are located (Florida and Davison, 2001)? Local communities can impose coercive pressure on companies through their vote in local and national elections, via environmental activism within environmental nongovernment organizations (NGOs) and by filing citizen lawsuits (Delmas and Toffel, 2004). Several studies have found that company decisions to adopt environmental management practices are influenced by the desire to improve or maintain relations with their communities (Delmas and Toffel, 2004).For instance, Henriques and Sadorsky surveyed 700 firms in 1992, which indicated that community group pressure influenced them to adopt an environmental plan (Delmas, Toffel, 2004). The adoption of these programs was positively associated with firms' active engagement with community stakeholders (Florida and Davison, 2001 as mentioned in Delmas and Toffel, 2004). Another study based on a survey of ISO 14001 certified companies across 15 countries found that one of the strongest motivating factors to pursue certification was the desire to be a good neighbor (Raines, 2002 as cited in Delmas and Toffel, 2004). Greater declines in toxic emissions have been observed among plants located in communities with higher voting rates (Hamilton, 1999 as cited in Delmas and Toffel, 2004) and in states with higher membership in environmental interest groups (Maxwell *et al*., 2000 as mentioned in Delmas and Toffel, 2004). Higher environmental interest group membership levels indicate a community's pro-environmental stance and greater propensity to use these organizations to lobby for more stringent regulation (Maxwell *et al.,* 2000 as cited in

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Delmas, Toffel, 2004). Hence, higher membership rates provide a credible threat of increased regulation, which in turn drives firms to self-regulate (Delmas, Toffel, 2004). For example, after Mitsubishi Corporation was subject to a protracted consumer boycott led by the Rainforest Action Network (RAN), Mitsubishi announced that it would no longer use old-growth forest products (World Rainforest Movement, 1998 as cited in Delmas and Toffel, 2004).

- ✓ *Industry pressure*

Several studies have indicated that industry associations have motivated firms to adopt environmental management practices (Delmas and Toffel, 2004). Kollman and Prakash in 2002 observed that the decision of whether to pursue certification, and which standard to certify against (ISO 14001 or the European Union's Eco-Audit and Management Scheme), was strongly affected by stakeholder pressures from industry associations additionally to regional chambers of commerce, suppliers and regulators (Delmas and Toffel, 2004).

- ✓ *Interactions*

The pressure from environmental groups may encourage the formulation of more stringent regulations, which can induce industry leaders to encourage laggard firms to adopt environmental practices (Delmas, Toffel, 2004). For instance, following its chemical disaster in Bhopal in 1984, Union Carbide faced mounting public pressure for more stringent safety and environmental regulations. In reply to that, the chemical industry developed and promoted a set of environment, health and safety (EHS) management practices – the Responsible Care program – to chemical industry associations in Canada and the United States (King and Lenox, 2000; Prakash, 2000 as mentioned in Delmas and Toffel, 2004).

- ✓ *The moderating effects of firm characteristics*

EMSs are mainly relative for medium and large companies, as smaller companies might prefer a more informal type of improvement cycle (Kolk, 2000).Multinational corporations are often held to higher standards for social and environmental responsibility than national companies because they are subject to the additional pressure of stakeholders from foreign countries (Zyglidopoulos, 2002 as cited in Delmas and Toffel, 2004).Particularly, social and environmental activists have targeted Nike, McDonald's, Starbucks and Home Depot in part because of their market leadership position (Roberts, 2003; Rowley and Berman, 2000 as mentioned in Delmas and Toffel, 2004). Multinational companies, market leaders and firms with poor environmental records may have more to gain by developing sophisticated mechanisms to anticipate and manage external pressures (Delmas and Toffel, 2004). EMS is associated with factories that are larger, more committed to total quality management, and more innovative in general (Florida and Davison, 2001 as mentioned in Florida and Davison, 2001). Green companies tend to be more innovative in general and adoption of advanced environmental practices stems from a deep commitment to finding innovative solutions to reduce waste and improve efficiency (see Florida 1995; Florida, Atlas and Cline 1999).

To sum up better environmental performance may make the relations between the firm and its external stakeholders easier and reduce the risk correlated with these relations (Ambec and Lanoie, 2008).

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The substantial nature of environmental protection costs indicates that strategies that affect these costs are an important determinant of a firm's competitive position (Christmann, 2000). Firms can improve their competitive position and at the same time reduce the negative effects of their activities on the natural environment by applying certain "best practices" of environmental management (Cairncross, 1992; Hart, 1995; Schmidheiny, 1992; Smart, 1992; Shrivastava, 1995b as mentioned in Christmann, 2000). "Best practices" enable firms to simultaneously protect the environment and reduce costs (Christmann, 2000). Adopting "best practices" that focus on firms' production processes can result to cost advantage (Hart, 1995; Stead & Stead, 1995 as cited in Christmann, 2000). These process-focused "best practices" comprise redesigning production processes to be less polluting, substituting less polluting inputs, recycling byproducts of the process, and innovating less polluting processes (Ashford, 1993; Dechant & Altman; 1994; Florida, 1996; Hart, 1995; Porter & van der Linde, 1995a, 1995b as mentioned in Christmann, 2000). All of the above are intended to reduce the cost of production by increasing the efficiency of production processes and by reducing input and waste-disposal costs (Newman & Breeden, 1992; Smart, 1992; Hart, 1995; Shrivastava, 1995a, 1995b; Stead & Stead, 1995 as cited in Christmann, 2000). The environmental impact of firms' operations throughout the entire life-cycle of its products – from product design through manufacturing, use, and disposal – can also contribute to cost advantage (Christmann, 2000). Nevertheless, the cost advantages from implementing these "best practices" depend on environmental government regulations, which have not yet been instituted in many countries (Christmann, 2000). For example, firms are required to bear the environmental costs associated with the disposal of their products only if government regulations require them to internalize the entire life-cycle costs of their products (Christmann, 2000). Additionally to manufacturing costs, "best practices" can also lower a range of other costs such as potential liability costs, legal fees (Shrivastava, 1995 as cited in Christmann, 2000), and potential product-take back costs.

Producing greener products through a differentiation strategy may enhance workers' commitment toward a company, and this could facilitate recruiting and retaining workers (Ambec and Lanoie, 2008). In the same spirit, reducing the material or energy costs of a product may facilitate the incorporation of environmental features into the product, helping to develop a differentiation strategy (Ambec and Lanoie, 2008). Moreover it may improve the overall image or prestige of a company, and thus increase customers' loyalty or support sales efforts (Ambec and Lanoie, 2008). It is possible that better environmental performance through greener products or services can allow companies to use a differentiation strategy so as to exploit niches in environmentally conscious market segments (Ambec and Lanoie, 2008). Differentiation advantage creates the potential for increasing product prices, which results in higher revenues (Christmann, 2000). Even if green products or services are more expensive to produce, the extra cost can likely be transferred to consumers who are willing to pay more for more environmentally friendly products or services (Ambec and Lanoie, 2008). Consumers' willingness to buy green products in general is important (Ambec and Lanoie, 2008). For instance, 80% of French adults say they favor the purchase of eco-products, while 10% say they actually make such purchases regularly (Guilloux, 2006 as

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mentioned in Ambec and Lanoie, 2008). Among the classic examples is Patagonia, an American sport Garments Company, which in the 1990s launched new lines of clothing made of recycled PET (polyethylene terephthalate) and organic cotton. This was a commercial success in spite of the higher price of these products (Reinhardt, 2000 as cited in Ambec and Lanoie, 2008). Most companies expect that when goods are comparably priced, environmental attributes can break the tie (Khanna and Anton, 2002). As a consequence, companies are increasingly using environmentalism as a marketing tool (Hoffman, 1997 as mentioned in Khanna and Anton, 2002). Generally speaking, a differentiation strategy is more likely to work when: (a) the information about the environmental features of the product is credible, (b) consumers are willing to pay for extra environmental features, and (c) there is a barrier to imitation from competitors (Ambec and Lanoie, 2008). Notably, Hart (1995) suggested that firms will only be able to successfully adopt product-stewardship strategies and achieve differentiation through environmentally responsible products if they have first made significant progress in the implementation of pollution-prevention technologies, which is a process-focused "best practice"(Christmann, 2000).

Firms, in their search for better environmental performance, are led to do research and development in the area of pollution-control/prevention technologies, in order to optimize their manufacturing or waste management processes (Ambec and Lanoie, 2008). This can lead to technological breakthroughs that potentially can be attractive for others (Ambec and Lanoie, 2008).In particular, pollution can be reduced through prevention or through control (Hart 1995 as mentioned in Christmann, 2000). In the one hand, pollution prevention aspires to reduce, change, or prevent emissions and effluent discharges through better material substitution, housekeeping, recycling, or changes in the production process (Willig, 1994; Stead & Stead, 1995 as cited in Christmann, 2000). Pollution-prevention technologies, which are also named as source-reduction technologies or clean technologies, minimize the creation of pollution and wastes in the production process (Christmann, 2000 Hence, the use of pollution-prevention technologies has the potential to increase the efficiency of production (Schmidheiny, 1992; Smart, 1992 as mentioned in Christmann, 2000). Efficiency increases result from reduction of input costs by means of better utilization of inputs or substitution of less costly inputs, savings from recycling or reusing materials, and reduction of waste disposal costs (Christmann, 2000). Pollution prevention in production processes may as well reduce cycle time by simplifying or removing unnecessary steps in the operations or reduce downtime via higher-quality monitoring equipment (Porter & van der Linde, 1995b as cited in Christmann, 2000). Additionally, pollution-prevention technologies may cut emissions well below required levels, resulting in reduced compliance and liability costs (Christmann, 2000). On the other hand, pollution control aims to trap, store, treat, and dispose of emissions and effluents using pollution-control equipment (Christmann, 2000). Pollution control technologies are investments in non-productive assets; added costs with no potential to increase the efficiency of production (Christmann, 2000). In brief, for cost advantage from environmental technologies to be sustainable, these technologies must be difficult to imitate by the firm's competitors (Lippman & Rumelt, 1982; Wernerfelt, 1984; Barney, 1991 as mentioned in Christmann, 2000).

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Conclusion

"Pollution is a manifestation of economic waste and involves unnecessary or incomplete utilization of resources. Reducing pollution is often coincident with improving productivity with which resources are used" (Porter & van der Linde, 1995, p. 99 as cited in Ambec and Lanoie, 2008).

EMS are effective management tools which enable firms to better anticipate and proactively address potential environmental risks, community concerns, or regulatory issues before they become more substantial programs (Florida and Davison, 2001). Firms in possession of a formal EMS perceive impacts well beyond pollution abatement and see a critical positive impact on many dimensions of operations performance (Melnyk, Sroufe and Calantone, 2003). The results also show that firms having gone through EMS certification experience a greater impact on performance than do firms that have not certified their EMS (Melnyk, Sroufe and Calantone, 2003). In particular, concerns about environmental liabilities and the threat of high costs of compliance with anticipated and existing mandatory regulations have a statistically significant influence on the incentives for corporate environmental management (Khanna and Anton, 2002). The extent and relative importance of external pressures from consumers, investors, competitive markets, and of regulatory pressures from existing and anticipated mandatory regulations faced by firms in inducing them to undertake an environmental management approach (Khanna and Anton, 2002) are also factors that influence corporate environmental decision making.

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ISSN 2076-9202

Four Factors to Influence Organization & Employee Commitment to Change within Pakistan

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Abstract

Change plays a vital role in the success and failure for an organization. Commitment to change is considered to be one of most important factors for the successful implementation of change initiatives. The purpose of this study is to define the importance of change in an organization and also describe those factors which are essential for the commitment to change in the organization. The purpose of the present research is to identify stressors and facilitators that could potentially have a bearing on employees' commitment to change as well as factors that could alleviate the adverse effects of these stressors on commitment to change. The paper also discusses how those factors can bring about change in the organization. The research also highlights those attributes which may reduce the dissatisfaction of employees and outlines how the employees can be driven towards change.

Key words:

Management, Change management, commitment to change, commitment factor.

1.0 Introduction

According to the implementation of organizational change it depends on workers. Managers, leaders and HR professionals, it is important to understand the history and consequences of commitment to change. Managers must face the issue of change in all types of organizations. The ability to change the organization often determines its long existence. Environmental organizations pose a constant threat to the market and therefore these organizations will always need to change themselves to adapt to their environments. Increasing pressure for change in the organizations growth and competitiveness in the global market needed. The main focus of change is in efficiency and effectiveness of organizational development.

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1.1 Management, Change & change management

Management in business and organizations means to coordinate the efforts of people to accomplish goals and objectives using available resources efficiently and effectively. Management comprises planning, organizing, staffing, leading or directing, and controlling an organization or initiative to accomplish a goal. Simply it can be define as the process of dealing with or controlling things or people.
Change is often described as a process that goes through a series of different stages that required a considerable length of time.

Change is defined as an effort that comprises of actual physical changes to procedures and different emotional stimulation [1] is painful in the workplace, going from what is sure and well-known to the otherwise. Employees lose the ease of the known and, the sense of proficiency they used to possess, the prestige and/or financial security they once enjoyed and systems they have gone at length to form. Since change is widely accepted as almost always top-down and induced by the management, those being managed would also almost always resist changing.

Change management has been defined as 'the process of continually renewing an organization's direction, structure, and capabilities to serve the ever-changing needs of external and internal customers. [2]

Change is a ubiquitous part of the organization's life, both at operational and strategic levels. Therefore, it should not give its ability to identify as to the importance of each organization, doubt where it should be in the future, and how to perform the necessary changes In order to come here. Failure of change is frequently due to a lack of commitment and motivation of the employees who have to implement the change.

1.2 Importance of Change Management

The change is for the individuals, the organizations and the society like the technological inevitable changes,
The values and the thoughts, the intentions and he needs change modifications of the availability of source, amendment, political control of the government of changes. Management of the change, it is to tackle the systematical one that, to face in return in the perspective of an organization, as well as at the individual level.

Changes in the organization, we can define the change management includes activities such as:

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- Set and payment of new values, beliefs, norms and ways of doing things in an organization that supports new ways of working and overcoming resistance to change;
- Building unity between customers and employees on the specific changes that are designed to better meet their needs.
- Planning, monitoring, and implementation of all aspects of the transition from an organization or company to another process.

1.3 Commitment and Importance of Commitment

Mowday, Porter and Steers "(1982) definition, has already indicated that the commitment" is the relative strength of the identification of a person and connecting to a specific organization "

Three characteristics of the obligation are addressed:

- A strong belief and recognition of the organization's goals and ethics
- A willingness to exert to considerable effort on behalf of the organization; and
- A considerable effort will for the organization of a strong desire to lead, membership organization (Mowday et al., 1982) maintain. [3]

1.4 Importance of Commitment

Committed employees contribute greatly to organizations since they perform and behave on achieving organizational goals, Furthermore, commitment to organizations has been found to be positively related to such organizational aftermaths as job satisfaction, motivation and presence (Bennett & Durkin, 2000). The adverse effects are linked with a lack of organizational commitment include absenteeism and labor turnover (Bennett & Durkin, 2000). [4]

The main objective of this study was to explore the possible factors affecting the
Change the employee engagement represent our first objective was to examine the history of Factors of human resource management (i.e., for changing and modifying information input) and individual provisions (i.e., coping with change and employment). It's all good study examines the organizational factors relating to the field of research, but research a commitment to change is less common .Our second objective was to go beyond volume and change in context and examine the traditional role of the supervisor " s commitment change the employee commitment to change. These changes in the context and commitment to change immediate supervisor of employees, both of which are feedback to change employees the likely impact .However, very few studies
change employee engagement with its potential impact on research .These ,as well as therefore, these variables were included in the study to investigate the relationship to change the obligations of employees and supervisors and commitment to change. We have collected the data from employees as well as from employer.

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2.0 Literature review

Organizational change is a change or process changes to the structure of the Organization, intentions, technology or work, including tasks. The budgetary commitment an organization is a complex problem, which has been shown that the congestion of the definitions used in the literature have been used for many years. An overview of the definitions is followed by a discussion on the properties of the commitment, the importance, presented by the commitment and the level of involvement in an organization.

2.1 Definition of commitment

Attach an employee for the entire organization, an organizational subunit, a supervisor, or even a change program (Ford, Weissbein & Plamondon, 2003, Herscovitch & Meyer, 2002).[5] Due to increase dynamic environments, organizations are constantly faced with the need to implement changes in strategy, structure, process, and culture. Many factors contribute to the efficiency with which these organizational changes have been implemented. One such factor is the readiness for change. Ready reflected the beliefs of the organization members ' attitudes and intentions regarding the extent to which changes and the body's ability to make these changes successfully. It is the cognitive precursor to the behavior of either the resistance or support for, a change effort (Amenakis, et al., 1993). [6] There are seven aspects of change readiness , according to surveys , including the perception of the efforts for change, the vision for change, mutual trust and respect, the change initiatives , management support , acceptance , and how the organization manage the process of change. Commitment to change reflects not just a positive attitude toward change but is conceptually different from readiness for change (Armenakis, Harris, & Mossholder, 1993), openness to change (Wanberg & Banas, 2000) [7] and coping with change (Judge et al., 1999) commitment or resistance to change depends upon the level of involvement in the change process. The more a person is involved, the lesser the resistance and vice versa. According to this view, the three stages of commitment are preparation (how employees are uncovered to change and their level of awareness), acceptance (the employee understanding and perception of change) and commitment (internalization of change). London and Howat (1979) [8] define in term of the identification with organizational goals, participation with one's role, and a feeling of loyalty to and warmth for the organization. Mowday, Porter and Steers' (1982) definition, previously explained states that commitment is "the comparative strength of an individual's identification with and connection in a particular organization "(p.27). Within this definition three characteristics of commitment are discussed:

- A strong belief in and acceptance of the organization's goals and values;
- A willingness to exert to considerable effort on behalf of the organization; and
- A strong desire to maintain membership with the organization(Mowday et al., 1982,p.27)

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2.2 Issues affecting commitment

There are four broad categories of issues that affect commitment: personal characteristics, role-related characteristics, structural characteristics, and work experience (Mowday et al., 1982). These characteristics are embodied in the organizational commitment definition described by Mowday (1982). Morries et al. (1983) argued that personal characteristics do not bear significant relevance in determining commitment compared with the other attributes that affect commitment.

Robbins (1996) [9] discussed role-related characteristics in terms of job characteristics, which refer to skill variety, task identity, task significance, autonomy and feedback. If a job contains these elements they are refer to as high involvement jobs. Robbins and Langton (2001) discuss the concept of high involvement jobs and how they can help ease stress during organizational change. If employees feel that they have the ability to influence what happens with their job and with the organization because they have given the opportunity to participate in the decision-making process, then they will understand and cope with change more successfully than employees who have not had such opportunities. [10]

According to Mowday et al. (1982) decentralization and participation in decision-making are the most important structural characteristics that influence commitment. Allen and Meyer (1990) [11] continue to develop the notion of emotional attachment to an organization as expressed by employees through various attitudes. Fry, Hattwick and stoner (1998) suggests that commitment will increase in flat organization where co-ordination and control are based more on shared goals than on rules and procedures where employee participation is encouraged. [12]

“Work experience are viewed as a major socializing force and as such represent an important influence on the extent to which psychological attachments are formed with the organization” (Mowday et al., 1982, p. 34).there are several work experience variables that have been found to be related to organizational commitment such as personal importance to the organization, positive attitudes towards organization, social involvement, leadership style and group norms regarding hard work (Mowday et al., 1982).

Models of Commitment to Change

- Conner (1992)
- Coetsee (1999)
- Herscovitch & Meyer (2002)
- Conner (1992) and Coetsee (1999) presented theoretical models which were not tested empirically. [13][14]

Three-component model of Commitment to Change

The Herscovitch and Meyer (2002) Three-component Model of Commitment to Change is based on Meyer and Herscovitch (2001) [15] general model of workplace commitment. In their model, Herscovitch and Meyer (2002) presented a multidimensional conceptualization of commitment to change which had earlier been regarded as uni-dimensional and defined

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it as “a mindset that binds an individual to a course of action deemed necessary for the successful implementation of a change initiative” (p. 475). Affective commitment to change is “a desire to provide support for change based on its inherent benefits” (Herscovtich & Meyer, 2002, p. 475)

Accordint to Meyer and Allen (1997, p.8), the meaning of commitment has two different connotations. The first involves efforts to explain that the nature of commitment that defines the relatioship between an individual and some object can vary. The second involves attempts to distinguish among the objects to which an individual becomes commited.

Organizational commitment has been studied extensively during the past three decades. Studies have found strong positive relationship between organizational commitment and desireable work outcomes such as performance, adaptability, and job satisfaction (Angle and Perry. 1981; Hunt et al., 1985; Mowday et al., a974; Porter et al., a974 ; Steers, 1977). Other studies have also found negativly relationships between organizational commitment and potentially costly work outcomes such as absenteesim and turnover (Angle and perry, 1981; Hom et al., 1979; Hunt et al., 1985). [16] [17]

3.0 Factor Influencing Commitment to Change In Pakistan.

Commitnent to change can be discussed under two perspectives.

a. Commitment to change regarding employee perspective.
b. Commitment to change regarding organization perspective.

Keeping in view the commitment to change regarding pakistan we have observed that four types of factors really influence the commitment to change in Pakistan.

1. External Factors
2. Political Factors

3. Personal Factors
4. Internal Factors

Developed a model of four factors which influence commitment to organizational change and as well as employee commitment to change. The authors have derived under mentioned four factors model called EIPP Model.

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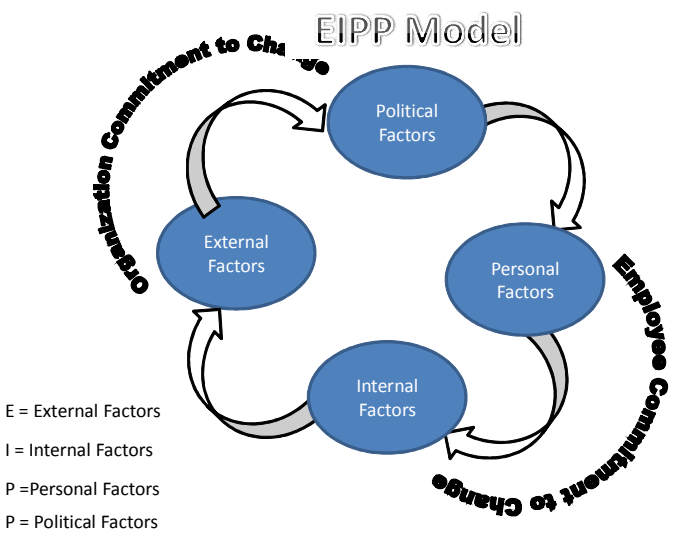
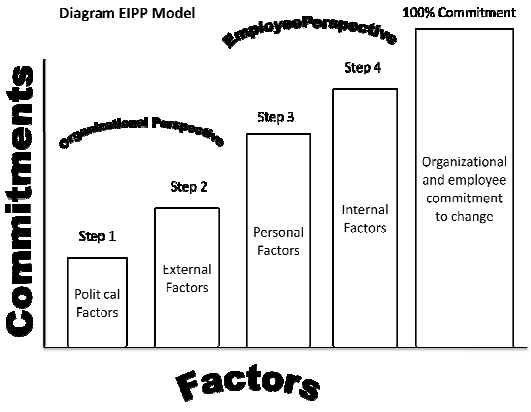


External and political factors are strongly affected commitment regarding organizational change. If these two factors are favorable then organization will go for change and remaining two relating to employee commitment to change. Without satisfying organizational commitment factors, management will not initiate to change. After satisfying these factors, organization will go for change and then employee stage will be start. Both are interlinked with each other in Pakistan.

Below diagram defines the how factors chronologically affects to commitment to change. The below diegram shows that commitment start from organizational commitment and it ends with employee commitment. Building blocks shows that how commitment from start to end step by step can be achieved.

Figure: 1



The above diagram shows that employee commitment and organization commitment depend on each other. Moreover employee commitment is more important rather than organizational commitment.

This process start from organizational commitment and ends with employee commitment. For changing the organization regarding structure and processes, the government cope

these factors first political and external factors. In organization employee wants personal needs, after accepting what will be our reward, if employees who are participating in change will feel their benefit then they entered happily and excitedly in the change process. Otherwise it will create shock and denial situation at the start of change.
As for as external factors are concerned there are main four factors which influence the commitment to change those are as under.
These factors will influence commitment to organizational change in Pakistan:-

3.1 External Factors:-

3.1.1 Technology:
Moderinization of this world only become possible due to change in techonology , it has been observed that in old days many organizations works manually because of lack of machines and equipments due to which production as well as administrative control was weak but revolution in techonology inspire the whole world to change their set ups and to update themselves for the survival. With globalization , technological innovation , and a growing number of links between people , activities and events , and today's pace of change is relentless . Peoples of the world to mix and mingle as never before , and to establish new partnerships and create workplaces more culturally diverse . Increasingly , groups of companies to cooperate in the search for new opportunities and exploit new markets . Technology brings new surprises every day , and some that can shake the entire industry in a matter of months . With the advent of the Internet and social media , consumers have gained the media and other stakeholders of incredible power , and they use easily to reward or punish companies often at lightning speed. Oragnizations should concentrate to adapt new technology for competing the others within the country and as well as out of the boundary. As in Pakistan, loadshedding is affecting organization badly, in steel sector organizations should adopt tachnology at the right time. Some organizations started to produce gas by using coal and poer plant. If those who did not do this, no more in Pakistan.

3.1.2 Government Pressure:
Country like pakistan is very unsecure due to security conditions , terrorism and it is very diffucult to cope with international trade openly because Govt put the whole pressure on traders regarding sharing of debt .So this pressure urge the traders as well as organizations to change their set up to cope with Govt Pressure and to meet the governmental requirement.This is also main factor which influence the change in pakistan , this change may be indivisual as well as organizational. Perfect Competition.
Not all government announcements focus on the mere provision of information ; oftendraw on more sophisticated techniques of persuasion . Nevertheless , giving information has become an important part of policy making "kit s tool , and importance is set to grow further.Around the world , politicians give citizens more and more information about the

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performance of schools , hospitals and other public services , be mashed and re- released in a myriad of innovative and personalized ways.

In Pakistan sometimes government announced to stop the gas and electricity for organization then under this situation organzation should change itself and cope these type of the issued by the givernment.

3.1.3 Perfect Competition:

Perfect compitition is a purelly economic term in which many producer of same products compete in market with each others . it is also main tool which infuence the commitment to change , beacause everyone in business wants to get more share of market and for this purpose organizations change their policies,rules,products attrites etc.

Examples: what price to charge or how

output to produce a quarter.The details of the competition in the market may have significant influence on the types and levels of commitment that companies make. When successful, these commitments can shape their opponents' expectations and behavior alter competitors commission business advantage. Organization observe the market trend and make plans and change its product for survival and getting the maximum market share.

3.1.4 Globel Trade:

Globel trade urges the traders as well as indiviuals to change their set ups for coping with international trade.Through the agenda of global trade , business leaders can contribute to concrete proposals to strengthen the multilateral trading system based on rules , stressing that the company is committed to achieving the goals of the World in the World Trade Organization (WTO).

About the agenda of the World Summit of the shows for the International Criminal Court , which was hosted by Qatar Chamber on April 22 in 2013 , organized at the initiative of the agenda of the WTO consultations with CEOs and senior executives in all major regions of the world for data collection and validation recommendations. These priorities for action issued at the summit.

The final set of recommendations today's business has seen governments before the next G20 summit in Russia in September 2013, and the Ministerial Conference of the World Trade Organization next in Bali , Indonesia , in December 2013 . The initiative to mobilize senior executives all over the world to make the case to the national governments to the agenda of the new business[18] . The procedures, policies and trading style are standaradize and for an organization who works out side the border of country, Organizations should follow and be aware with the international policies and procedures to survive globally and also change organization according to international laws and rules. Pakistan’s share inglobal trade have declined, it puts impact negativly on organizationa commitment. Organizations in Pasitan move away from pakistan because of this and shifted in Sri Lanka, Bangladesh etc..

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3.2 Political Factors:-

3.2.1 Ideology of Ruling Party:

At the simplest level ideology is a political statement; however, every political statement cannot be described as an ideology. It is very important to repeat it. If you find newspapers explanation invented by political leaders, statement by political parties and senior government officials President, PM and Cabinet ministers. They rely on the social economic and political issues and all these political statements. But none of these can be described as an ideology, that ideology is. Ideology is a set of beliefs, values and ideals of a group or a nation endorse, this set of principles or ideals over a period of time to be captured in the social consciousness of society. Therefore it is a part of the spirit and part of a social heritage of a group and a nation. In other words, ideology is a set of principles, but it is a framework of action and a support system that gives order and meaning to life and human action. It endorses a nation or a group with a sense of purpose, a sense of commitment , a sense of identity , a desire to work for the achievement of certain objectives and purpose thus plays ideology a very dynamic role in the lives of nations and groups because it shows them the way and the destination they want to reach . Country like Pakistan ruling by political party and as Pakistan law shows that after every five years elections will be held to elect new government .So every ruling party impose his own ideology to run governmental affairs as current government in Pakistan launch youth business loan scheme which effects the commitment to change of youth of Pakistan and everyone who is employee of any organization is thinking to get advantage of this youth scheme to change his life and to start his own business. This is also main factor which influence the commitment to change it may apply to organization or individual. [19]

Ideology of ruling party also having both positive and negative effects, if these ideas are favorable for organization now and in future then organization will show commitment to change by the management and vice versa.

3.2.2 Technocrats versus politicians

Shaukat Aziz, the manager, who was a banker free service to the country, was due to be sworn in on August 28, 2004, Prime Minister of Pakistan. Its high elevation brings an exciting and gratifying in many ways, the sub - continent, the symmetry of the two nuclear-armed giants control. And now the technocrats who will be prime minister by Mr. Aziz hail from Citibank, India, Man Mohan Singh was a respected academic economist. Both men before getting the top job as finance ministers made into politics late in life. What is a politician in the conventional sense? Mr. Singh has never won a democratic election, he sits in the upper house of India nominated and elected indirectly.

In Pakistan, these two types of authority directly affect the organizational change broadly. Both try to win from one another and also cross their limits. Because of that organization suffers their behavior. Technocrats are intelligent and educated in Pakistan and always try to implement those policies which are favorable for organization but politician also interrupts them. This act leads to instability and it is not suitable for organizational change.

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Stability should be there then management will show commitment to change and it supports the economy of Pakistan.

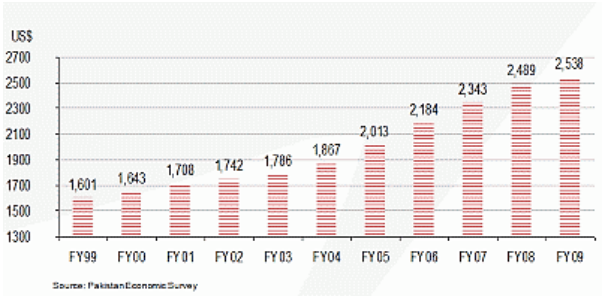
Table: 1.0

Country name	GDP	Population	Literacy rate	Exp to GDP
Bangladesh	$673	149m	56%	19%
China	$4393	1036m	94%	29%
India	$1477	1026m	62%	18%
Iran	$4520	74m	85%	32%
Pakistan	$1007	174m	56%	15%

Both technocrats proved a huge success in their financial portfolios. Mr. Singh, in 1990, was not credited with being the brains behind India's reformist government. Now we elaborate some observations of both types of governments.

Figure: 2

Per Capita GDP



Pakistan's 7.0 percent annual growth on average for the period 2000-07 and was one of the fastest growing economies in the Asian region to four. As a result of strong economic growth, Pakistan, almost halving the debt burden of the country's 13 million to create jobs, increase foreign exchange reserves to a comfortable position and propping the country's exchange rate, restoring investors' confidence, and one - half to achieve poverty reduction and, most importantly, taking Pakistan out of the IMF program [20].

Now turns towards political government by elected party Pakistan people's party from 2008 to 2013 and see the growth as compare to similar countries like, India, China, Iran, and Bangladesh.Table.1.0 [21]

We have observed that spread for influencing the commitment to change lies in both regimes in political as well as technocrats regime, because both have their own approach towards economy growth but technocrats perform well as compare to political government.

3.2.3 Anarchy:

Possible alternative governance mechanism for a country to fail the ideal conditions for a political one or more of the above institutional, this control does not respond, it depends on the institutional environment. There are limitations to effective political actors in the country, with options available equipped with the state police and the state courts, but the

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government has another difficulty in the production of public goods, for example, different failed to provide a variety of options available to a country or even mandatory restrictions Political actors[22].

Nearly all social science Hobbes' characterization coincided with as a solution to the dilemma of the prescription social anarchy and the government. However, the failure of governments casts doubt on a wide range of the above. The consensus accuracy of States has the incredible success of minority. Most of them are in danger of imminent failure or in the shade fail. As a result, the political economists' attention was diverted from the rule except to create the false impression that the experiments government as a solution to the social dilemma. Pakistan's government also suffering from anarchy due to which everyone in Pakistan wants change as last election was also campaigned with the slogan of change this shows that anarchy is also a big factor to influence the commitment to change.

Businessman or investor never ever support or like anarchy situation in country. Anarchy means total instability in country. With the presence of this, organization commitment to change will not be achievable and economy of country will be suffered. Investors will not be agree to change with this situation and not make investment.

3.2.4 Legislations and regulations:

Businesses also need to take into account the government's more general political ambitions. The current coalition government in Pakistan is cutting jobs in the public sector and the private sector to create new jobs and grow the economy that is the hope. Pakistan telecommunication company limited is owned by the private sector as well as the owner of a small (sometimes known as sole traders) businesses, partnerships and companies, are Leads to a more buoyant economy and the government's focus on the development of the private sector can provide opportunities for youth of Pakistan to eliminate the unemployment in Pakistan. Islamabad, Nov 19 (Associated Press of Pakistan): Minister of State for Commerce and privatization of state -owned enterprises Engineer Khuram Dastgir Khan (DM) the first phase of privatization will be completed by the end of 2014. Privatization of state enterprises Pakistan Muslim League (PML - N) have been taken to implement the government's economic reform agenda , it is the first stage , around 12 state-owned enterprises identified for the strategic private partners to increase their efficiency , the Cabinet Committee on Privatization (CCOP) has compiled a list of 65 such state-owned enterprises .

The list of state-owned enterprises to improve the efficiency of the insertion loss and gain earning organizations was approved by the Board to convert public interest , he added Out of 65 SOEs , CCOP speed he said , SOE privatization process for tracking the state-owned CCOP 10 12 enterprises again send the list of 32 individuals and the privatization commission agreed to privatize .Once this is confirmed , the privatization commission will complete their privatization by the end of next year .Commission has to make the process transparent.

Currently, the annual losses incurred by these individuals, which is a huge burden on the

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national treasury touched about Rs 500 billion .Government has accumulated losses of Pakistan Steel Mills, Pakistan International Airlines had (PSM), which was Rs 108 billion , but reached Rs 250 billion .

The Government will continue with the losses of these organizations, if any, education, health, agriculture will be unable to raise funds for the development and infrastructure. The privatization of state enterprises PML-N government's top priority and for socio-economic development of the country's economic reform agenda of these organizations for capacity said that part of the building. These policies of privatization also influence the commitment to change because many of the employees of Pakistan International Airlines and Pakistan Steel Mills are thinking to switch off to some secure jobs. Regulations and legislations play very active role to influence the commitment to change [23].

Political and external factors strongly put affects on commitment to change regarding organization perspective.

Internal and personal factors strongly support employee commitment to change.

3.3 Personal Factors:

Change is very important and it is the change of employee's mind and employee's commitment to change, before change, employee will analyze and find out his benefits. In Pakistan, employee finds out these benefits as under below.

3.3.1 Career growth:

Career growth is the most desirable need in professional environment. If there is no career growth, it means no commitment to change. And it leads to de-motivation of employees.

3.3.2 Uniqueness:

Adaptation of new techniques, skills make employee unique and employee will feel better and will devote full time and energy to accept it and after that commitment will be enhanced.

3.3.3 Greed & contentment:

In Pakistan context, employees demand rewards in form of money from the management before and may be after the change. And now their greed is involved in this phase and employee will show commitment to change. If organization will stop his reward then commitment to change will be affected.

3.3.4 Gaining Confidence:

With new skills, employee will be more confidants and if he thinks confidence gained by this change will be very helpful in professional environment, then commitment by employee will be found.

3.4 Internal factors:

Internal factors are also very necessary for the commitment of employees. Some internal

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factors within the organization are discussed below:-

3.4.1 Pat & appreciation by change leaders and management

Appreciation to employees is valuable during change process. Change leaders, agents and management should come and make an appreciation to employee with a clapping. Employees will be motivated and ready for accepting change successfully and this appreciation's outcome will be in the form of employee commitment.

3.4.2 Leadership styles:

There are lots of leadership styles which are being practiced in organization, it depends that style of leadership which is adapted by change agents or managers is worthy. If it clashes then commitment will not be the result.

3.4.3 Rewards & recognition:

Recognize the input / participation of employees through proper reward and incentives leads towards change.

3.4.4 Participation by management:

Involvement of management in change is mandatory and it also shows the importance and need for the business as well as management.

3.4.5 Uniformity in policies:

Balanced policies for equal designation will also motivate the employees. If management will show discrimination then employee will show de-motivation and change will be affected badly. Management should decide that rewards benefits anything else will be granted to same ranked employees. It will lead to employee commitment [24].

Some others factors internally support commitment to change and vice versa.

- *Vision clarity*
- *Quality of information*
- *Team building*
- *Awareness & education*
- *Skills & Knowledge*
- *Way to implement the change*
- *Culture (Inside & Outside the organization)*

4.0 Conclusion

Change for organization and as well as for employee are most important with the passage of time. During change a lots of factors are involved, if those factors will be control positively then commitment to change for employee and organization too will be achieved and investment on change will show better results and vice versa.

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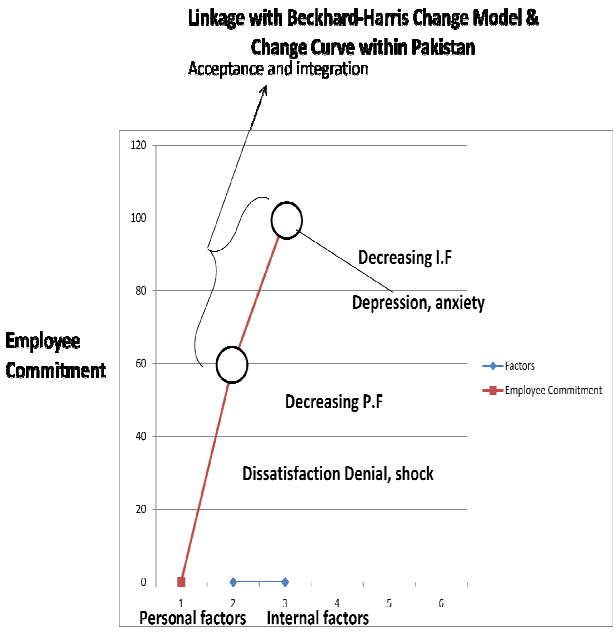
According to graph, In Pakistan people before going to change him first secure his own benefits. After adapting what are for me in this change or practice? In Pakistan personal benefits are ever necessary because its personal benefits will support to change then after employee thinks about internal factors. Employee are agree to accept change but internal factors are weak then it will create anxiety, depression. And political factors will be involved from the organization side. It will be handled and monitored by the organization positively.

Figure: 3

Organization will focus more on external and political factors rather than internal and personal factors (Discussed with the director operation of steel industry in Pakistan)
Employee will be more excited for personal benefits and with internal factors. If internal factors will not controlled then it will be same like “castle in air”(Interviewed by accounts, production and HR department of same industry).

When these factors will be positively controlled then employee’s commitment to change will be increasing continuously. As shown in the figure 3. All factors are dependent with each other. In Pakistani culture with the removing of one factor creates problems for getting commitment to change.

Figure: 4



The authors also linked these factors with Beckhard-Harris change Model and with change curve too as shown above in graph. It showed that linkage of personal factors and internal factors with Beckhard–Harris change Model & change curve as well. How important these factors for employee commitment. To support these factors leads to success and to stop these results resistance. After achieving commitment to change, an employee will also become an old employee but with the new skills.

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ISSN 2076-9202

Application of Lean Service for an Online Cake Store

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Abstract:

In this research we tried to apply the concept of lean service to improve the service method of an online cake store. The Lean Six Sigma methodology has been used to improve the service process of the company. According to our research, the package-missing rate in the company is reduced from 0.2% to 0% after improvement. This is a practical case study researching the application of lean service in the e-commerce. The Lean Six Sigma methodology has been applied in this case. This research verifies the application of Lean Six Sigma in service sector.

Keywords: Lean service, Lean Six Sigma, On-line service

1. Introduction

"Lean services are the application of the lean manufacturing concept to service operations. It is distinct in that Lean services are not concerned with the making of 'hard' products." (Wikipedia.org, 2014)

The start point of lean manufacturing concept started from 1984, when a group of MIT's experts studied the global industrial competition and wrote their results on the famous book, THE MACHINE THAT CHANGED THE WORLD. After that, the concept of lean started to attract the attention of people around the world. The MIT team summarized that lean production is a superior way to produce goods. It provides better products at lower cost. They believe that the whole world should adopt lean as quickly as possible (Womack, Jones & Roos, 1990).

In the beginning of lean, most of the application was applied to the production industry. Gradually, some pioneer noticed the benefit of lean and started to discuss the possibility to apply lean to the service industry.

Bowen and Youngdahl (1998) defended a "production-line approach to service" by arguing that

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services can "reindustrialize" by applying revised, progressive manufacturing technologies. They described how business services such as Taco Bell, Southwest Airlines, and Shouldice Hospital have mastered the lean service. Ahlstrom (2004) investigated the contingencies to the applicability of lean production to service companies. A framework for lean production is described and translated into service companies, using an empirical base consisting of descriptions of lean production applications in the service sector, made by practitioners from service companies. There are some practical studies on the application of lean in the service industry. Supermarkets adopted Lean techniques for improving their flow of customers (Swank, 2003). Hospitals tried to use the method of lean to improve their performance (Yasin, Zimmerer, Miller and Zimmerer, 2002). Same applications have also been made in the health care services sector (Kollberg and Dahlgaard, 2007).

In this paper, a practical case of an online cake store has been used to discuss the application of lean service. The Lean Six Sigma method has been used to improve their service process. There are two significant contributions to the area. First, this is a practical case study in the research of application of lean service in the e-commerce. Second, the Lean Six Sigma methodology has been applied in this case. This is also a case study in the application of Lean Six Sigma in service sector.

In the next section, the backgrounds of the online cake store are provided. Then, the Lean Six Sigma methodology will be used to improve their process. Concluding remarks are given in the last section.

2. The online cake store

The case we want to study is an online cake store. The company sells cake on the internet through its company's own website. The web page of company's website is shown in Figure 1

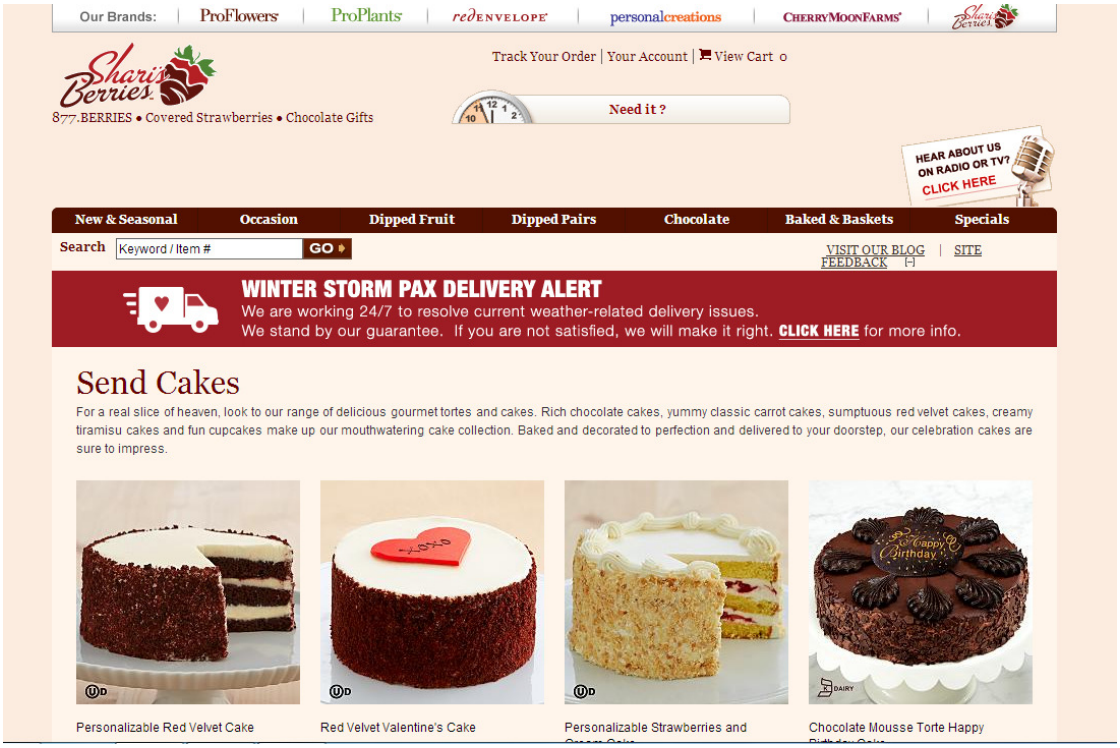

Figure 1. Online cake store website

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This company is established in 2009. The company's website server is located on USA and they sell cakes to customers around the world. There are two major processes in the company: the deliver process and the return process.

The deliver process is the process to deliver the cake to the customers. When customer places their order, the company staff prints the buyer's order and personal information. Then they will review the buyer's order and information and then print the shipping message and sticker on the package. They will then go to the post office and post the package. The flow chart of the deliver process is shown in Figure 2.

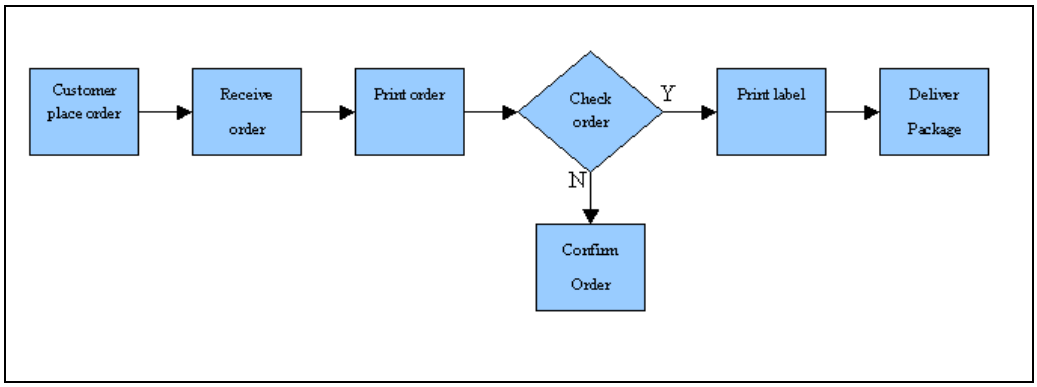

Figure 2. Flow chart of the deliver process

Return Process is the process when the customer informs that they have not received their cake they have ordered. When the company receives the information from the customer, the company staff will check the delivery records. If company has delivered the package, the company will contact the post office to check what had happened to the package. If company could not find the delivery record, they will check what had happened in the internal process. The major problems in the process include the internal operation mistake, the reason of non - delivery and the external operational mistake. The flow chart of return process is shown in figure 3.

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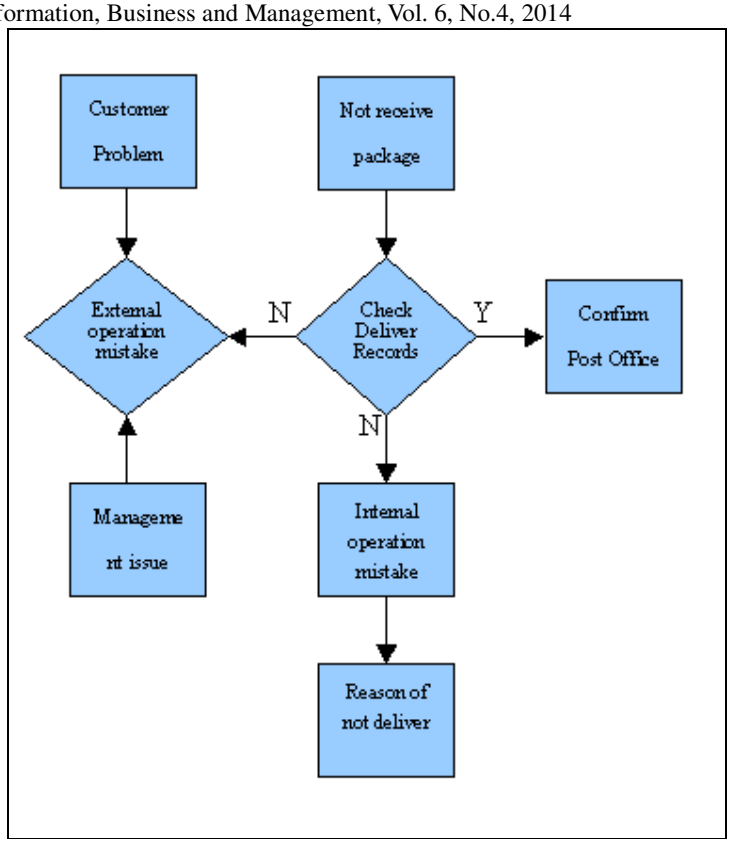

Figure 3. Flow chart of the return process

3. Lean Six Sigma process improvements

In this section, we will try to improve the operation process of the online cake store. The methodology for Lean Six Sigma process improvement is very close to the Six Sigma DMAIC methodology. The only difference in it involves the concept of "lean" into the improving process. In this case study, the Lean Six Sigma DMAIC methodology has been applied to the process of improvement, and its roadmap is shown in Figure 4.

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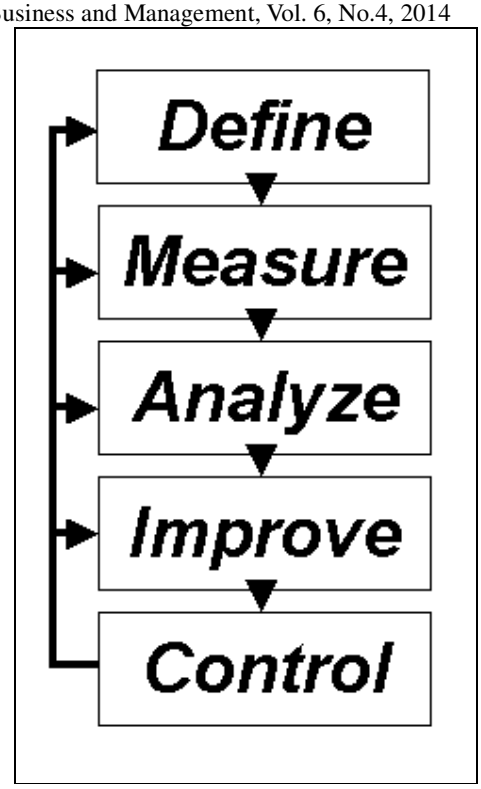

Figure 4. Roadmap of Lean Six Sigma DMAIC methodology.

In the define phase, things which are critical to consumers (CTC) are defined, such as: What are the most important things to your consumer? What do they care about? The purpose and goal of the 6-sigma project are also are clarified in this phase.

In the measure phase, the performance standard of the process is verified and the measurement system is established to obtain a baseline for future improvements. In the analyze phase, the performance objective is defined and the key variation sources are identified. The relationship between variation sources and performance objectives are also established in this stage.

In the improve phase, all the potential causes are screened and possible solutions are verified. So that improvement activities can be proposed in this phase. The process capability after improvement also is confirmed in this phase. Finally, the long-term process control is implemented in the control phase. The control plan to maintain progress and verify the measurement system in the future is also done. All corrective actions are send as feedback to the quality operation system. Next, we will use the Lean Six Sigma DMAIC methodology to improve the operation process of this online cake store.

Define

In this step, the high level problem of the operational process of Movie speculation has been defined. There are three high level problems in the company.

1. Customer has not received their cake on time.

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2. Customer did not provide correct deliver information.

3. Operator did not confirm the deliver information before deliver the package.

The internal customers in the company include: company staff and package deliver. The external customer in this case include: any consumer who can contact the company's website and the cake supplier. After further discussion, the CTQ (critical to quality) in the process has been found. These CTQ in the process include: Operator should confirm the deliver information before deliver the package and enhance customer service.

After further review, the problem in this process improvement has been redefined as" Customer can receive their cake between the 14 day interval (start at placing their order in the website)". The scope of the project has also been redefined as" The 14 days duration after the package was delivered". According to company's historical records, 0.2% of package will be missing in these 14 days duration.

Measure

In the measure phase, the customer's personal information and order information have been selected as the information resources to analyze. The operation process is controlled by the operator visual inspection. In order to analyze the data, the C&E Matrix and Process Failure Mode and Effects Analysis (PFMEA) were used to analyze the problem. According to our analysis, we identified some critical steps in the process. These steps include: order receiving, package delivering, package shipping and computer processing.

Analyze

According to the Process Failure Mode and Effects Analysis (PFMEA) of the main process. We further used the fish bone diagram to analyze the problem. The fish bone diagram in the process has been shown in Figure 5.

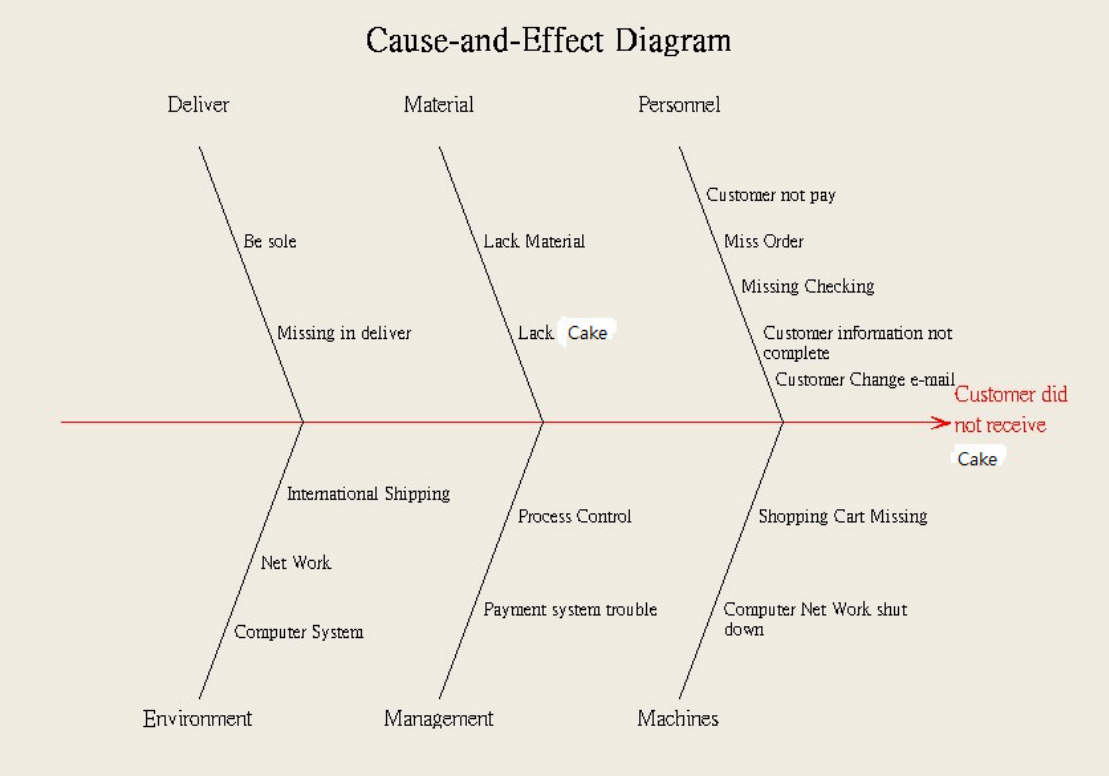

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Figure 5. The fish bone diagram of the key issues

According to the analysis, we identified that people; method and management are the key issues to cause the problem.

Improve

In this step, we used brain storming method to resolve the problem. After discussion, seven critical issues have been found to remove the defects and variations of the process.

1. Remind customer important notices in the website.
2. Resolve all problems in the first time when we receive the order.
3. If we cannot deliver the cake, we should inform the customer in the first time.
4. After the delivery of the package, we should inform customer when the package will arrive by e-mail.
5. If the package is delivered by EMS, we should inform customer the mail number.
6. If there is a climate issue to delay the package shipping, we should inform the customer.
7. If there is any problem in the network or computer system, we should inform our customer.

All critical issues have been resolved in the improvement phase. The package-missing rate has been reduced to 0% in the end of improvement.

Control

All these actions were fed back to the control plan of our operation process. To sustain the benefit of quality improvement over the long run, we have set a control plan to track all correcting activities in the future. The critical issues to control the improvement activities include:

1. Download the order and confirm with the shipping records every day.
2. Record and analyze orders that have been delayed.
3. Analyze unusual issues every day.
4. Evaluate production plan every week.

4. Summary and Conclusion

In this paper, we reviewed the literature of the lean service. A practical case of an online cake store has been used to discuss the application of lean in service industry. The Lean Six Sigma method has been used to improve the service process of the company. This case verifies the feasibility of Lean and Lean Six-Sigma in service sector. Further study in this field may focus on the application of lean and Lean Six-Sigma in different company in service sector. Researchers may include more mathematical model or analyzing skill in their studies.

Acknowledge

This research is funded by National Science Council, Taiwan under the project of “A Research and Development Project Plan for Developing Service Industry toward Lean Enterprise ” with project number 「NSC 102-2632-H-163 -001」.

ISSN 2076-9202

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ISSN 2076-9202