

GLOBAL JOURNAL

OF MANAGEMENT AND BUSINESS RESEARCH: A

Administration and Management

Indian Defence Management

Management on Talent Retention

Highlights

Micro and Small Enterprises

Influence of Ethical Orientation

Discovering Thoughts, Inventing Future

VOLUME 16

ISSUE 10

VERSION 1.0



GLOBAL JOURNAL OF MANAGEMENT AND BUSINESS RESEARCH: A
ADMINISTRATION AND MANAGEMENT



GLOBAL JOURNAL OF MANAGEMENT AND BUSINESS RESEARCH: A
ADMINISTRATION AND MANAGEMENT

VOLUME 16 ISSUE 10 (VER. 1.0)

OPEN ASSOCIATION OF RESEARCH SOCIETY

© Global Journal of
Management and Business
Research. 2016.

All rights reserved.

This is a special issue published in version 1.0
of "Global Journal of Science Frontier
Research." By Global Journals Inc.

All articles are open access articles distributed
under "Global Journal of Science Frontier
Research"

Reading License, which permits restricted use.
Entire contents are copyright by of "Global
Journal of Science Frontier Research" unless
otherwise noted on specific articles.

No part of this publication may be reproduced
or transmitted in any form or by any means,
electronic or mechanical, including
photocopy, recording, or any information
storage and retrieval system, without written
permission.

The opinions and statements made in this
book are those of the authors concerned.
Ultrapublishing has not verified and neither
confirms nor denies any of the foregoing and
no warranty or fitness is implied.

Engage with the contents herein at your own
risk.

The use of this journal, and the terms and
conditions for our providing information, is
governed by our Disclaimer, Terms and
Conditions and Privacy Policy given on our
website [http://globaljournals.us/terms-and-conditions/
menu-id-1463/](http://globaljournals.us/terms-and-conditions/menu-id-1463/)

By referring / using / reading / any type of
association / referencing this journal, this
signifies and you acknowledge that you have
read them and that you accept and will be
bound by the terms thereof.

All information, journals, this journal,
activities undertaken, materials, services and
our website, terms and conditions, privacy
policy, and this journal is subject to change
anytime without any prior notice.

Incorporation No.: 0423089
License No.: 42125/022010/1186
Registration No.: 430374
Import-Export Code: 1109007027
Employer Identification Number (EIN):
USA Tax ID: 98-0673427

Global Journals Inc.

(A Delaware USA Incorporation with "Good Standing"; Reg. Number: 0423089)

Sponsors: Open Association of Research Society
Open Scientific Standards

Publisher's Headquarters office

Global Journals® Headquarters
945th Concord Streets,
Framingham Massachusetts Pin: 01701,
United States of America
USA Toll Free: +001-888-839-7392
USA Toll Free Fax: +001-888-839-7392

Offset Typesetting

Global Journals Incorporated
2nd, Lansdowne, Lansdowne Rd., Croydon-Surrey,
Pin: CR9 2ER, United Kingdom

Packaging & Continental Dispatching

Global Journals
E-3130 Sudama Nagar, Near Gopur Square,
Indore, M.P., Pin:452009, India

Find a correspondence nodal officer near you

To find nodal officer of your country, please
email us at local@globaljournals.org

eContacts

Press Inquiries: press@globaljournals.org
Investor Inquiries: investors@globaljournals.org
Technical Support: technology@globaljournals.org
Media & Releases: media@globaljournals.org

Pricing (Including by Air Parcel Charges):

For Authors:

22 USD (B/W) & 50 USD (Color)
Yearly Subscription (Personal & Institutional):
200 USD (B/W) & 250 USD (Color)

GLOBAL JOURNALS CONSTITUTIONAL EDITORIAL BOARD

~INTEGRATED~

Dr. Charles A. Rarick

Ph.D.
Professor of International Business
College of Business
Purdue University Northwest
Hammond, Indiana USA

Dr. Osman Balci, Professor

Department of Computer Science
Virginia Tech, Virginia University
Ph.D. and M.S. Syracuse University, Syracuse, New York
M.S. and B.S. Bogazici University, Istanbul, Turkey
Web: manta.cs.vt.edu/balci

Dr. A. Heidari

Ph.D, D.Sc, Faculty of Chemistry
California South University (CSU),
United Stated

Dr. Miklas Scholz

B.Eng. (equiv), PgC, MSc, Ph.D, CWEM, C.Env., CSci,
C.Eng.
Nigeria Health, Wellness and Fitness
University of Lund

Dr. Maria Gullo

Ph.D, Food Science and Technology
University of Catania
Department of Agricultural and Food Sciences
University of Modena and Reggio Emilia, Italy

Dr. Qiang Wu

Ph.D University of Technology, Sydney
Department of Mathematics,
Physics and Electrical Engineering
Northumbria University

Dr. Bingyun Li

Ph.D Fellow, IAES
Guest Researcher, NIOSH, CDC, Morgantown, WV
Institute of Nano and Biotechnologies
West Virginia University, US

Dr. Audeh Ahmad Ahmad

Amman Arab University For Higher Education
Ph.D, Accounting-Ais
Faculty of Business Administration
Alalbyt University, Jordan, Amman

Dr. Lucian Baia

Ph.D Julius-Maximilians University Würzburg, Germany
Associate professor
Department of Condensed Matter Physics and
Advanced Technologies, Babes-Bolyai University,
Romania

Dr. Sahraoui Chaieb

PhD Physics and Chemical Physics
M.S. Theoretical Physics
B.S. Physics, École Normale Supérieure, Paris
Associate Professor, Bioscience
King Abdullah University of Science and Technology

Dr. Houfa Shen

Ph.D Manufacturing Engineering,
Mechanical Engineering, Structural Engineering
Department of Mechanical Engineering
Tsinghua University, China

Dr. Arshak Poghossian

Ph.D Solid-State Physics
Leningrad Electrotechnic Institute, Russia
Institute of Nano and Biotechnologies
Aachen University of Applied Sciences, Germany

Dr. A. Stegou-Sagia

Ph.D Mechanical Engineering, Environmental
Engineering School of Mechanical Engineering
National Technical University of Athens

Giuseppe A Provenzano

Irrigation and Water Management, Soil Science,
Water Science Hydraulic Engineering
Dept. of Agricultural and Forest Sciences
Universita di Palermo, Italy

Dr. Ciprian LĂPUȘAN

Ph. D in Mechanical Engineering
Technical University of Cluj-Napoca
Cluj-Napoca (Romania)

Dr. Haijian Shi

Ph.D Civil Engineering Structural Engineering
Oakland, CA, United States

Dr. Yogita Bajpai

Ph.D Senior Aerospace/Mechanical/
Aeronautical Engineering professional
M.Sc. Mechanical Engineering
M.Sc. Aeronautical Engineering
B.Sc. Vehicle Engineering
Orange County, California, USA

Dr. Abdurrahman Arslanyilmaz

Computer Science & Information Systems Department
Youngstown State University
Ph.D., Texas A&M University
University of Missouri, Columbia
Gazi University, Turkey
Web:cis.yzu.edu/~aarslanyilmaz/professional_web

Dr. Chao Wang

Ph.D. in Computational Mechanics
Rosharon, TX, USA

Dr. Adel Al Jumaily

Ph.D Electrical Engineering (AI)
Faculty of Engineering and IT
University of Technology, Sydney

Kitipong Jaojaruek

B. Eng, M. Eng D. Eng (Energy Technology, Asian
Institute of Technology).
Kasetsart University Kamphaeng Saen (KPS) Campus
Energy Research Laboratory of Mechanical Engineering

Dr. Mauro Lenzi

Ph.D, Biological Science, Pisa University, Italy
Lagoon Ecology and Aquaculture Laboratory
Orbetello Pesca Lagunare Company

Dr. Omid Gohardani

M.Sc. (Computer Science), FICCT, U.S.A.
Email: yogita@computerresearch.org

Dr. Yap Yee Jiun

B.Sc.(Manchester), Ph.D.(Brunel), M.Inst.P.(UK)
Institute of Mathematical Sciences,
University of Malaya,
Kuala Lumpur, Malaysia

Dr. Thomas Wischgoll

Computer Science and Engineering,
Wright State University, Dayton, Ohio
B.S., M.S., Ph.D.
(University of Kaiserslautern)
Web:avida.cs.wright.edu/personal/wischgol/index_eng.html

Dr. Baziotis Ioannis

Ph.D. in Petrology-Geochemistry-Mineralogy
Lipson, Athens, Greece

Dr. Xiaohong He

Professor of International Business
University of Quinnipiac
BS, Jilin Institute of Technology; MA, MS, Ph.D,
(University of Texas-Dallas)
Web: quinnipiac.edu/x1606.xml

Dr. Burcin Becerik-Gerber

University of Southern Californi
Ph.D in Civil Engineering
DDes from Harvard University
M.S. from University of California, Berkeley
M.S. from Istanbul Technical University
Web: i-lab.usc.edu

Dr. Söhnke M. Bartram

Department of Accounting and Finance
Lancaster University Management School
Ph.D. (WHU Koblenz)
MBA/BBA (University of Saarbrücken)
Web: lancs.ac.uk/staff/bartras1/

Dr. Söhnke M. Bartram

Ph.D, (IT) in Faculty of Engg. & Tech.
Professor & Head,
Dept. of ISE at NMAM Institute of Technology

Dr. Balasubramani R

Department of Accounting and Finance
Lancaster University Management School
Ph.D. (WHU Koblenz)
MBA/BBA (University of Saarbrücken)
Web: lancs.ac.uk/staff/bartras1/

M. Meguellati

Department of Electronics,
University of Batna, Batna 05000, Algeria

Dr. T. David A. Forbes

Associate Professor and Range Nutritionist
Ph.D Edinburgh University - Animal Nutrition
M.S. Aberdeen University - Animal Nutrition
B.A. University of Dublin- Zoology.
Web: essm.tamu.edu/people-info/faculty/forbes-david

Dr. Bassey Benjamin Esu

B.Sc. Marketing; MBA Marketing; Ph.D Marketing
Lecturer, Department of Marketing, University of Calabar
Tourism Consultant, Cross River State Tourism
Development Department
Co-rdinator , Sustainable Tourism Initiative, Calabar,
Nigeria

Dr. Maciej Gućma

Asistant Professor,
Maritime University of Szczecin Szczecin, Poland
Ph.D. Eng. Master Mariner
Web: www.mendeley.com/profiles/maciej-gucma/

Dr. Maciej Gućma

Asistant Professor ,
Maritime Univeristy of Szczecin Szczecin, Poland
PhD. Eng. Master Mariner
Web: www.mendeley.com/profiles/maciej-gucma/

Dr. Fotini Labropulu

Mathematics - Luther College, University of Regina
Ph.D, M.Sc. in Mathematics
B.A. (Honours) in Mathematics, University of Windsor
Web: luthercollege.edu/Default.aspx

Dr. Vesna Stanković Pejnović

Ph. D. Philosphy , Zagreb, Croatia
Rusveltova, Skopje, Macedonia

Dr. Miguel Angel Ariño

Professor of Decision Sciences
IESE Business School
Barcelona, Spain (Universidad de Navarra)
CEIBS (China Europe International Business School).
Beijing, Shanghai and Shenzhen
Ph.D. in Mathematics, University of Barcelona
BA in Mathematics (Licenciatura)
University of Barcelona
Web: web.iese.edu/MAArino/overview.axd

Dr. Philip G. Moscoso

Technology and Operations Management
IESE Business School, University of Navarra
Ph.D in Industrial Engineering and Management,
ETH Zurich , M.Sc. in Chemical Engineering,
ETH Zurich Link: Philip G. Moscoso personal webpage

Dr. Mihaly Mezei

Associate Professor
Department of Structural and Chemical Biology
Mount Sinai School of Medical Center
Ph.D., Etsv Lornd University, Postdoctoral Training,
New York University, MSSM home:
<https://www.mountsinai.org/Find%20A%20Faculty/profile.do?id=0000072500001497192632>
Lab home - software,
publications: <https://inka.mssm.edu/~mezei>
Department: <https://atlas.physbio.mssm.edu>

Dr. Vivek Dubey (HON.)

MS (Industrial Engineering),
MS (Mechanical Engineering)
University of Wisconsin
FICCT
Editor-in-Chief, USA
editorusa@globaljournals.org

Dr. Carlos García Pont

Associate Professor of Marketing
IESE Business School, University of Navarra
Doctor of Philosophy (Management),
Massachusetts Institute of Technology (MIT)
Master in Business Administration, IESE,
University of Navarra
Degree in Industrial Engineering,
Universitat Politècnica de Catalunya
Web: iese.edu/aplicaciones/faculty/facultyDetail.asp

Dr. Sanjay Dixit, M.D.

Director, EP Laboratories, Philadelphia VA Medical Center
Cardiovascular Medicine - Cardiac Arrhythmia
University of Penn School of Medicine
Web: pennmedicine.org/wagform/MainPage.aspx?

Dr. Pina C. Sanelli

Associate Professor of Radiology
Associate Professor of Public Health
Weill Cornell Medical College
Associate Attending Radiologist
NewYork-Presbyterian Hospital
MRI, MRA, CT, and CTA
Neuroradiology and Diagnostic Radiology
M.D., State University of New York at Buffalo,
School of Medicine and Biomedical Sciences
Web: weillcornell.org/pinasanelli/

Er. Suyog Dixit

(M.Tech), BE (HONS. in CSE), FICCT
SAP Certified Consultant
CEO at IOSRD, GAOR OSS
Technical Dean, Global Journals Inc.(US)
Website: www.suyogdixit.com
Email: suyog@suyogdixit.com,
deanind@globaljournals.org

Er. Pritesh Rajvaidya

Computer Science Department
California State University
BE (Computer Science), FICCT
Technical Dean, USA
Email: pritesh@computerresearch.org,
deanusa@globaljournals.org

Dr. Apostolos Ch. Zarros

DM, Degree (Ptychio) holder in Medicine,
National and Kapodistrian University of Athens
MRes, Master of Research in Molecular Functions in
Disease,
University of Glasgow
FRNS, Fellow, Royal Numismatic Society
Member, European Society for Neurochemistry
Member, Royal Institute of Philosophy
Scotland, United Kingdom

Dr. Han-Xiang Deng

MD., Ph.D
Associate Professor and Research Department
Division of Neuromuscular Medicine
Davee Department of Neurology and Clinical
Neurosciences
Northwestern University Feinberg School of Medicine
Web: neurology.northwestern.edu/faculty/deng.html

Dr. Roberto Sanchez

Associate Professor
Department of Structural and Chemical Biology
Mount Sinai School of Medicine
Ph.D., The Rockefeller University
Web: mountsinai.org/

Jixin Zhong

Department of Medicine,
Affiliated Hospital of Guangdong Medical College,
Zhanjiang, China Davis Heart and Lung Research Institute,
The Ohio State University, Columbus, OH 43210, USA

Dr. Wen-Yih Sun

Professor of Earth and Atmospheric Sciences
Purdue University, Director
National Center for Typhoon and Flooding Research,
Taiwan
University Chair Professor
Department of Atmospheric Sciences,
National Central University, Chung-Li, Taiwan
University Chair Professor
Institute of Environmental Engineering,
National Chiao Tung University, Hsin-chu, Taiwan.
Ph.D., MS The University of Chicago, Geophysical Sciences
BS National Taiwan University, Atmospheric Sciences
Web: event.nchc.org.tw/2009

Dr. Michael R. Rudnick

M.D., FACP
Associate Professor of Medicine
Chief, Renal Electrolyte and Hypertension Division (PMC)
Penn Medicine, University of Pennsylvania
Presbyterian Medical Center, Philadelphia
Nephrology and Internal Medicine
Certified by the American Board of Internal Medicine
Web: uups.upenn.edu/

Dr. Aziz M. Barbar, Ph.D.

IEEE Senior Member
Chairperson, Department of Computer Science
AUST - American University of Science & Technology
Alfred Naccash Avenue - Ashrafieh

Dr. Minghua He

Department of Civil Engineering
Tsinghua University
Beijing, 100084, China

Anis Bey

Dept. of Comput. Sci.,
Badji Mokhtar-Annaba Univ.,
Annaba, Algeria

Chutisant Kerdvibulvech

Dept. of Inf.& Commun. Technol.,
Rangsit University, Pathum Thani, Thailand
Chulalongkorn University, Thailand
Keio University, Tokyo, Japan

Dr. Wael Abdullah

Elhelece Lecturer of Chemistry,
Faculty of science, Gazan Univeristy,
KSA. Ph. D. in Inorganic Chemistry,
Faculty of Science, Tanta University, Egypt

Yaping Ren

School of Statistics and Mathematics
Yunnan University of Finance and Economics
Kunming 650221, China

Ye Tian

The Pennsylvania State University
121 Electrical Engineering East
University Park, PA 16802, USA

Dr. Diego González-Aguilera

Ph.D. Dep. Cartographic and Land Engineering,
University of Salamanca, Ávila, Spain

Dr. Maciej Gućma

PhD. Eng. Master Mariner
Warsaw University of Technology
Maritime University of Szczecin
Waly Chrobrego 1/2 70-500 Szczecin, Poland

Dr. Tao Yang

Ph.D, Ohio State University
M.S. Kansas State University
B.E. Zhejiang University

Dr. Feng Feng

Boston University
Microbiology, 72 East Concord Street R702
Duke University
United States of America

Shengbing Deng

Departamento de Ingeniería Matemática,
Universidad de Chile.
Facultad de Ciencias Físicas y Matemáticas.
Blanco Encalada 2120, piso 4.
Casilla 170-3. Correo 3. - Santiago, Chile

Claudio Cuevas

Department of Mathematics
Universidade Federal de Pernambuco
Recife PE Brazil

Dr. Alis Puteh

Ph.D. (Edu.Policy) UUM
Sintok, Kedah, Malaysia
M.Ed (Curr. & Inst.), University of Houston, USA

Dr. R.K. Dixit(HON.)

M.Sc., Ph.D., FICCT Chief Author, India
Email: authorind@globaljournals.org

Dr. Dodi Irawanto

PhD, M.Com, B.Econ Hons.
Department of Management,
Faculty of Economics and Business, Brawijaya University
Malang, Indonesia

Ivona Vrdoljak Raguz

University of Dubrovnik, Head,
Department of Economics and Business Economics,
Croatia

Dr. Prof Adrian Armstrong

BSc Geography, LSE, 1970
PhD Geography (Geomorphology)
Kings College London 1980
Ordained Priest, Church of England 1988
Taunton, Somerset, United Kingdom

Thierry FEUILLET

Géolittomer – LETG UMR 6554 CNRS
(Université de Nantes)
Institut de Géographie et d'Aménagement
Régional de l'Université de Nantes.
Chemin de la Censive du Tertre – BP, Rodez

Dr. Yongbing Jiao

Ph.D. of Marketing
School of Economics & Management
Ningbo University of Technology
Zhejiang Province, P. R. China

Cosimo Magazzino

Roma Tre University
Rome, 00145, Italy

Dr. Christos Kalialakis

Ph.D., Electrical and Electronic Engineering,
University of Birmingham,
UKM.Sc., Telecommunications, Greece B.Sc, Physics,
Aristotle University of Thessaloniki, Greece

Dr. Alex W. Dawotola

Hydraulic Engineering Section,
Delft University of Technology,
Stevinweg, Delft, Netherlands

Dr. Luisa dall'Acqua

PhD in Sociology (Decisional Risk sector),
Master MU2, College Teacher in Philosophy (Italy),
Edu-Research Group, Zürich/Lugano

Xianghong Qi

University of Tennessee
Oak Ridge National Laboratory
Center for Molecular Biophysics
Oak Ridge National Laboratory
Knoxville, TN 37922, United States

Gerard G. Dumancas

Postdoctoral Research Fellow,
Arthritis and Clinical Immunology Research Program,
Oklahoma Medical Research Foundation
Oklahoma City, OK
United States

Vladimir Burtman

Research Scientist
The University of Utah, Geophysics
Frederick Albert Sutton Building, 115 S 1460 E Room 383
Salt Lake City, UT 84112, USA

Jalal Kafashan

Mechanical Engineering, Division of Mechatronics
KU Leuven, BELGIUM

Zhibin Lin

Center for Infrastructure Engineering Studies
Missouri University of Science and Technology
ERL, 500 W. 16th St. Rolla,
Missouri 65409, USA

Dr. Lzzet Yavuz

MSc, PhD, D Ped Dent.
Associate Professor,
Pediatric Dentistry Faculty of Dentistry,
University of Dicle, Diyarbakir, Turkey

Prof. Dr. Eman M. Gouda

Biochemistry Department,
Faculty of Veterinary Medicine, Cairo University,
Giza, Egypt

Della Ata

BS in Biological Sciences
MA in Regional Economics
Hospital Pharmacy
Pharmacy Technician Educator

Dr. Muhammad Hassan Raza, PhD

Engineering Mathematics
Internetworking Engineering, Dalhousie University,
Canada

Dr. Shaoping Xiao

BS, MS, Ph.D Mechanical Engineering,
Northwestern University
The University of Iowa
Department of Mechanical and Industrial Engineering
Center for Computer-Aided Design

Dr. Asunción López-Varela

BA, MA (Hons), Ph.D (Hons)
Facultad de Filología.
Universidad Complutense Madrid
29040 Madrid, Spain

Dr. Bondage Devanand Dhondiram

Ph.D
No. 8, Alley 2, Lane 9, Hongdao station,
Xizhi district, New Taipei city 221, Taiwan (ROC)

Dr. Latifa Oubedda

National School of Applied Sciences,
University Ibn Zohr, Agadir, Morocco
Lotissement Elkhier N°66
Bettana Salé Maroc

Dr. Hai-Linh Tran

PhD in Biological Engineering
Department of Biological Engineering
College of Engineering Inha University, Incheon, Korea

Dr. Shun-Chung Lee

Department of Resources Engineering,
National Cheng Kung University, Taiwan

CONTENTS OF THE ISSUE

- i. Copyright Notice
 - ii. Editorial Board Members
 - iii. Chief Author and Dean
 - iv. Contents of the Issue
-
1. Relevance of Human Resource Practices in the Indian Defence Management. *1-13*
 2. Influence of Ethical Orientation of HRM on Ethical Decision-Making in Organizations: Research Gaps Identified towards a Conceptual Model. *15-27*
 3. Determinants of Micro and Small Enterprises Performance in South West Ethiopia: The Case of Manufacturing Enterprises in Bench Maji, Sheka, and Kefa Zones. *29-37*
 4. The Influence of Compensation and Performance Management on Talent Retention. *39-46*
 5. Factors Affecting Performance of Micro and Small Enterprises in South West Ethiopia: The Case of Bench Maji, Sheka, and Kefa Zones. *47-64*
 6. The Relationship between Manpower Development and Lecturers' Productivity in Colleges of Education in Delta State. *65-77*
 7. Comprendre L'impact Du Conservatisme Sur La Performance Internationale Des Entreprises Familiales: Un Etat De L'art. *79-88*
-
- v. Fellows
 - vi. Auxiliary Memberships
 - vii. Process of Submission of Research Paper
 - viii. Preferred Author Guidelines
 - ix. Index



Relevance of Human Resource Practices in the Indian Defence Management

By Gurdeep Singh Narang

Abstract- Tough service conditions with high risk, relatively poor salaries, promotional avenues, frequent transfers and disruption in family life could be some of the reasons due to which the Indian Armed Forces are facing a severe manpower crunch. Setting up of pay commissions on regular basis to review pay structure, by up gradation of some of the ranks and appointment have also not been able to create a sense of wellbeing. Effective recruitment, competitive compensation, efficient training and development to retain the manpower available, has therefore become a greater challenge to the military leaders. This research was undertaken to analyse relevance of Best human resource practices prevalent in the corporate sector and their application in Indian Defence Organisation to assist Armed forces in attracting and retaining the best talent.

Keywords: optimizing performance; socio-economic changes; attrition; retention of talent; motivation & morale.

GJMBR- A Classification: JEL Code: O15



Strictly as per the compliance and regulations of:



Relevance of Human Resource Practices in the Indian Defence Management

Gurdeep Singh Narang

Abstract- Tough service conditions with high risk, relatively poor salaries, promotional avenues, frequent transfers and disruption in family life could be some of the reasons due to which the Indian Armed Forces are facing a severe manpower crunch. Setting up of pay commissions on regular basis to review pay structure, by up gradation of some of the ranks and appointment have also not been able to create a sense of wellbeing. Effective recruitment, competitive compensation, efficient training and development to retain the manpower available, has therefore become a greater challenge to the military leaders. This research was undertaken to analyse relevance of Best human resource practices prevalent in the corporate sector and their application in Indian Defence Organisation to assist Armed forces in attracting and retaining the best talent. This paper concludes with the recommendation suggesting methodology and timelines to implement the findings to improve human resource management in the Armed forces.

Keywords: *optimizing performance; socio-economic changes; attrition; retention of talent; motivation & morale.*

I. INTRODUCTION

The Indian Armed Forces, the second largest force in the world, are known for their professionalism, bravery and valor. They are vital strategic resource of the nation and enforce national diplomacy through show of strength. Stronger the force, strong is the nation. Managing 1.4 billion strong Armed forces which is manpower intensive is therefore, a complex and dynamic process. For last two decades, the Indian Armed forces are facing huge shortages in the young officers who can be called the cutting edge and are in forefront in leading their men into the battle. Army alone is deficient of 7,764 officers among Lieutenant Colonels, Majors, Captains and Lieutenants. The shortfall of Lieutenant Commanders and below in the Navy stands at 1,499, while it is 357 in the ranks of Wing Commanders and below in Indian Air Force. (Times of India 01 December 2014, Indian Express, 20 March 2015), The Standing Committee on Defence in its latest report tabled in Indian Parliament has also expressed concern at the shortage of personnel in the Armed Forces.

Tough working conditions, disruption in family life and stress and strain due to prolonged deployment in difficult areas are the other contributing factors in making the Armed Forces 'an unattractive career' and

ever increasing requests for premature retirements. Pay Commissions constituted from time to time have helped in improving the salaries but they can still not be compared with the pay packages and perks being offered by the corporate sector, Glitzy advertising campaigns to attract youngsters to become "officers and gentlemen' are obviously not doing the trick.' (Ravi Pandit, 2014). While all efforts are being made to attract and get the best people to join Armed forces and improve their career prospects, there is a need to initiate suitable measures with a view to enhance retention and utilization of this limited manpower particularly in the officer's cadre.

In the present competitive world, the companies /organisations in the Corporate Sector are also facing skill shortage, talent crunch and attrition which are reaching historically height ever. As such every company is trying to devise innovative HR practices to attract the best talent and retain them by providing conducive environment to work. These practices help to make sure that the employees feel good about the organisation they work for and add value to the organization.

II. LITERATURE REVIEW

According to Lado and Wilson (1994), human resource practices are a set of distinct but interrelated activities, functions, and processes that are directed at attracting, developing, and maintaining (or disposing of) a firm's human resources. Drawing on the theoretical insights of the "resource based view" of organizational strategy and competitive advantage, it has been suggested (Conner, 1991; Wernerfelt, (1984) & Lado and Wilson (1994) that HRM practices 'can contribute to sustained competitive advantage through facilitating the development of competencies that are firm specific, produce complex social relationships and generate organizational knowledge'. Ms Rupali Mishra (2011) in her research paper 'A comparative study of HR practices in selected Tyre Companies' has identified some of the best HR practices like Open Management, Performance incentives and rewards, Performance feedback, Employee evaluation, Sharing of knowledge and Publicizing good performances which have helped in the creation of a highly satisfied and motivated work force. Such healthy HR practices encourage the growth of the organization as employees after all play a major role in the well-being of a company. Making an

Author: Major General. e-mail: gurdeepsingh.narang@gmail.com

employee feel like a million dollars pays in the form of the success of an organization.

Huselid (1995) has identified the link between HRM practices and turnover, productivity and financial performance. Huselid and Delaney (1996) contended HRM practices, particularly selection and training, are associated with perceived firm performance in profit and nonprofit organisations. Similar results are reported by Gooderham, Ringdal, and Parry (2006) who found a positive impact of HRM practices on firm performance. In a study in Greece, Katou and Bedhwar (2006) found that HRM practices of staffing, training & promotion, involvement of employees, incentives, and safety & health have positive relationship with firm's performance. In a study in Taiwanese high technology firms, Chang and Chen (2002) established that HRM practices of workforce planning, training & development, benefits, teamwork and performance appraisal significantly affected productivity. In another study Singh (2003) found that strategic use of HRM practices positively affect performance of organizations in India. Lee and Lee (2007) established that workforce planning, teamwork, training & development, compensation & incentives, performance appraisal, and employees' security are important HRM dimensions that affect productivity, product quality, and business performance.

It has also been established by some researchers that HRM practices enhance employees' competency and motivation which in turn affect organizational performance. Harel & Tzafirir, (1996) contended that HRM practices based on quality hiring, development, and retention boosts firms' capability. Researchers (Chiu et al., 2002; Tepstra & Rozell, 1993) have established that HRM practices of extensive recruitment & selection, training & development, and compensation systems have positive association with firm's performance. Lam and White (1998) established that effective recruitment, efficient training & development and competitive compensation have relationship with financial dimensions of performance. Green et al., (2006) concluded that integrated approach to HR practices exhibited satisfied and committed employees who demonstrated remarkable individual and team performance.

Studies have also established that HRM practices aimed at acquisition and development of employees is an essential investment that develops valuable and rare human assets, Becker & Huselid (1998). It has also been confirmed that selective staffing, training, compensation and incentive, have positive influence on performance of organization, Delaney and Huselid (1996).

III. CONCEPTUAL FRAMEWORK

HRM in the Armed Forces involves a variety of activities, which include preparing human resource

forecasts, recruitment, screening of prospective employees, the study of training needs, the development of compensation systems, Performance Appraisal and Rewards and recognition. The Armed forces have reorganised their thought process on human resource management and periodically updated in consonance with the changing socio-economic scenario without compromising its core values and fundamental interests. However, in the last six decades, certain changes at rapid paces have evolved into major challenges, which are critically affecting the recruitment to forces, especially in officers cadre. Major changes affecting HR in Armed forces are denudation of recruitment base, Early retirement ages, limited avenues for promotion, lack of motivation due to early supersession, changing morals and ethics, increasing level of stress and a large number of Short Service officers not opting for permanent commission.

A number of contemporary and good HR practices in the corporate sector have resulted in effectively managing human resources, attrition problems and keeping the employees happy. HR practices in Corporate Sector both in India and abroad have been grouped under following four dimensions of Human Resource management:-

- a) *Working Condition and Environment:* Open Book Management Style, Clearly Defined KRAs, Job Rotation, Flextime, Staff management, Stress Relieving Measures, Professional Counseling Services, and Safe, Healthy and Happy Workplace.
- b) *Training and Development:* Cross-Functional Training, Employee Assistance Programmes, Knowledge Sharing Sessions, I-4 Teams, Code Camp Workshop, Cross Functional Teams and Competency Mapping.
- c) *Rewards and Recognition:* Performance Linked Bonus, Highlight Performers, Delight Employees with the Unexpected, Idea Acceptance Reward, Employee of the Month, Calling Everyone by Name, Leisure and Entertainment.
- d) *Performance Appraisal:* Fair Evaluation System, 360 Degree Performance Management Feedback System, Mentoring, Open House Discussion & Feedback Mechanism and Coffee with Boss.

IV. RESEARCH METHODOLOGY

- a) *Research Problem & Questions*

The complexities in terms of socio-economic changes and technological developments have caused immense changes in society from which the soldiers are drawn. The working environment of the combatants too has undergone major changes in the recent past. Stress due to prolonged deployment in counter insurgency operations, changes in the working environment, employment scenarios, the ever-increasing account-

ability and ever-reducing tolerance to mistakes, take their toll. This changing environment has a profound impact on the soldier, the vital human resource, and has to be factored in, while approach to management of the personnel in uniform is decided.

The aspirations and needs of all human beings working in different organisations are the same. Provision of daily needs items through Canteen stores Department & Sainik Suvidha Parisars, medical and recreational facilities to Armed Forces personnel are in line with other allied services and contribute towards better working conditions. Aspects related to Pay, promotions and early age of retirement can be changed only by the Government. It is a basic premise that Good HR practices can help in improving the working environment and motivational level of human resources. Research questions thus are:-

- a) Could the HR practices in vogue in corporate sector be relevant and adopted in the Indian Armed forces to overcome their HR related problems of attrition, retention and motivation and thereby enhance their effectiveness in meeting the National Security objectives?
- b) Are these practices in some form or other being practiced in Armed Forces?
- c) Can these practices be applied universally to all services?

b) *Research Gap*

Review of literature has revealed that a number of studies have been undertaken both in India and abroad to understand Best HR practices and their linkage with growth of organisations, increase in productivity and profit, in attracting and retaining best talent and keeping them motivated to give their best. No such study has however been undertaken so far to establish relevance of best HR practices to Indian Armed forces.

It has also been experienced that although some of the HR practices are in use in the Armed forces but these have not been formally adopted and accepted.

The Best HR practices could be equally relevant to Armed forces, being the biggest employer of human resource in India. The aim of the research is to identify such practices and get them a formal and universal acceptance to fill the gap.

c) *Objectives of the Study*

- a) To study various HR practices being followed in the corporate sector for effective management of their human resources.
- b) To seek and analyse responses from HR executive officers in three services of Indian Armed Forces, i.e. Indian Army, Indian Navy & Indian Air Force for establishing the relevance and applicability of the

HR practices for the management in Indian Armed forces.

d) *Propositions*

- a) Many of the HR practices in use in Corporate Sector are also relevant to Indian Armed Forces.
- b) Views expressed by three services of Indian Armed Forces, are independent of service interests and have a definite correlation amongst themselves.

V. LIMITATIONS OF STUDY

- a) No formal studies / literature on Best HR practices in the Indian Armed forces were available.
- b) Most of the companies were reluctant to provide the written material on stated HR Policies and practices in vogue in their organisations.

a) *Research Design*

In order to conceptualize, exploratory design of research was employed in which in-depth interviews were conducted with HR executives of a number of companies to understand the HR practices in use in their respective organisations. This qualitative research yielded 30 such HR practices. Descriptive design of the research was used to describe the HR practices and policies in use in Corporate Sector and Armed Forces as given in Chapter IV and V of the research. While getting the response of the HR executives from Armed forces, exploratory design of research has once again been adopted. Use of SPSS analytical software has been made to test the propositions.

b) *Methodology*

- a) *Data Collection:* To collect the primary data on HR practices in corporate sector, more than 50 companies and organisations were contacted in Banking: (Axis, SBI, OBC, Andhra Bank), IT : (Info Sys Technologies Limited, Wipro and TCS), Power(Bharat Electricals Ltd and Power Grid Corporation of India Ltd),Communication: (Bharti Airtel, Motorola), Manufacturing: (Maruti Udyog, Crompton Greaves, Essar Group, Steel Authority of India and LG Electronics India Pvt Ltd) and Exploration :(Oil India Ltd, Shipping Corporation of India Ltd and Coal India Ltd)sectors through personal interaction and interviews. Based on their views and feedback, a list of HR practices was made. The list was further shortened after clubbing similar practices but having different names. Four subsets of these HR practices were thereafter made Viz: Working conditions and environment, Training and Development, Performance management & Rewards & recognition.

Interaction with Armed forces officers through seminars and interviews to get their views and preferences on relevance of HR practices in corporate sector as obtained above was made.

A visit was also made to Police Academy Hyderabad to obtain information of their HR policies. Valuable inputs were also obtained by interacting with learned faculty members in HR department of Amity University Lucknow Campus, IIM Lucknow and XLRI Jamshedpur. Inputs collected by the researcher in an earlier study on "Role of Para Military Forces in India" the M Phil Dissertation was also made.

The secondary data was collected by referring and reviewing the reference books and articles on the subject, books, and research work already done in this domain.

- b) *Research Instrument.* The researcher used the concepts in the review of related literature as basis in designing the questionnaire. The questionnaire was prepared in consultation with the Guide, Co Guide and senior faculty members of HR Department and inputs received from the Corporate sector on usage of Best HR practices in their respective organisations. It contained 30 close ended questions on relevance of HR practices to Indian Armed Forces. Each question briefly described the said HR practice and explained its relation to the Armed forces.
- c) *Pilot Study.* The first pilot testing was conducted with 45 HR executives of three services at Defence
- d) *Measurement Scale.* Respondents were requested to grade their response to the questionnaire on the Likert ordinal rating scale of: 5-Strongly Agree, 4-Agree, 3-Neutral, 2-Disagree, 1-Strongly Disagree.
- e) *Sample Framework.* As indicated in Table 1, the total population of the HR executive of all three services of the Armed Forces is 557 who are in command of units/ establishment and in staff at various controlling Headquarters.

Table 1: Number of HR Executives in Armed Forces

| Service | HR executives in unit/Detachments | HR executives at Headquarters | Total |
|-----------|-----------------------------------|-------------------------------|-------|
| Army | 341 | 74 | 415 |
| Air Force | 58 | 20 | 78 |
| Navy | 49 | 15 | 64 |
| Total | 448 | 109 | 557 |

E-questionnaire was sent to all 557 HR executives out of which 295 replies were received. 45 responses were found to be invalid due to incomplete answers and other inaccuracies. Valid responses of 240 HR executives from all three services have accordingly been taken. (At 95% confidence level with confidence interval of 4, the required sample size is 228).

- f) *Data Tabulation.* The data collected through the e questionnaire has been tabulated and undergone a descriptive understanding.
- g) *Normalcy of Data* The tabulated data has been tested for normal distribution by using KS test. P values for Army, Air Force and Navy were found to be 0.045, 0.065, & 0.028. At 1% level of significance, the data in all cases was found to be normal. This was further verified from the shapes of "Histogram as well as from Q-Q Plots & "Box Plots" which exhibited a normal distribution of data.

Services Staff College. The purpose was to determine the suitability of the questionnaire on a small sample of the target population. The second pilot study was undertaken with 38 senior HR executives of three services at College of Defence management with the same purpose. The questionnaire got an over-all score of .920 Cronbach alpha. Cronbach's alpha is a test of a model or survey's internal consistency. Cronbach alpha should be at least .70 or higher to retain an item in an "adequate" scale; and many researchers require a cut-off of .80 for a "good scale." Based on the feedback, the questionnaire was reviewed and four questions were added as Open ended questions.

- d) *Measurement Scale.* Respondents were requested to grade their response to the questionnaire on the Likert ordinal rating scale of: 5-Strongly Agree, 4-Agree, 3-Neutral, 2-Disagree, 1-Strongly Disagree.
- e) *Sample Framework.* As indicated in Table 1, the total population of the HR executive of all three services of the Armed Forces is 557 who are in command of units/ establishment and in staff at various controlling Headquarters.

VI. ANALYSIS OF DATA

The data collected through the e questionnaire has been tabulated, and undergone a descriptive understanding. The data was classified and Quantitative Analysis was done using statistical software (SPSS). ABC classification analysis was carried out to gauge the preference of HR practices by services, One way Anova test to ascertain differences in preference of services, Spearman Rank Correlation, Coefficient of Pearson Correlation to establish co relation in responses and Chi Square test to test for independence between high, medium and low score values of the responses from the respondents have been conducted.

To illustrate, an example of one of the HR Practice "Open Book management Style" has been taken. It shows the question included in the e - questionnaire with a brief description of the HR Practice, tabulation of data and its analysis.

Open Book Management Style. The open book management style is sharing of business information,

management objectives, organization’s policies and practices etc., which create a culture of participative management and thus motivates employees to perform better. Organisation share their information about contracts, sales, new clients, management objectives, company policies, employee personal data, etc. to

ensure that their employees are as enthusiastic about the business of the organisation as the management.

Question: Adoption of the above style in the Indian Armed Forces will enhance motivation and facilitate better performance of their personnel.

[1 / 2 / 3 / 4 / 5]

Table 1 & Graph 3: Responses to Question on Open Book Management Style

| | Strongly Disagree | Disagree | Neutral | Agree | Strongly Agree | Total |
|-------|-------------------|----------|---------|-------|----------------|-------|
| IAF | 0 | 0 | 3 | 12 | 45 | 60 |
| Navy | 8 | 12 | 1 | 10 | 29 | 60 |
| Army | 14 | 26 | 10 | 15 | 55 | 120 |
| Total | 22 | 38 | 14 | 37 | 129 | 240 |

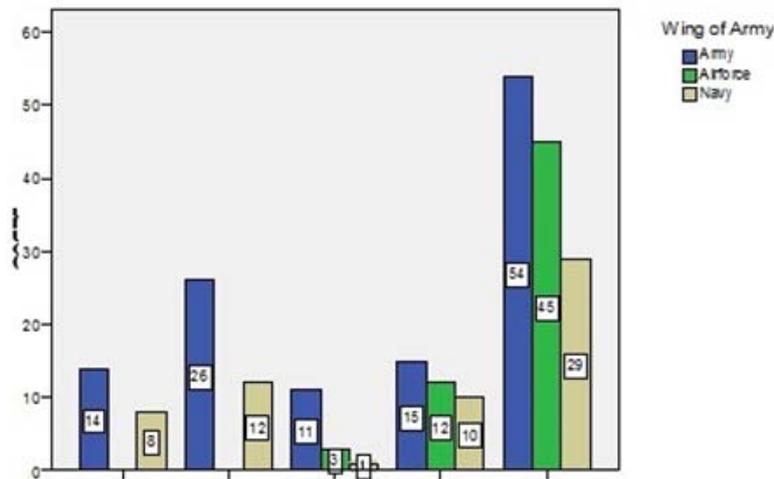


Figure 1

The Table 1 and graph 3 illustrate 240 responses comprising of 60 responses each from Indian Air Force and Navy and 120 responses of Army on ‘Open Book Management Style’ that were received and evaluated. The combined response of all services to adopt the said practice is 129 out of 240 (53.75%).

Out of the 60 Responses of IAF, 45 responses indicated strong preferences for Open Book Style of Management, 12 responses indicated that they preferred this practice and only 3 responses were neutral. We can infer that 75% of the IAF have shown strong preference and 20% have shown favourable preference. In case of Navy, 29 out of 60 (48.3%), have strongly recommended the adoption of the practice, but 20 (08 strongly disagreeing and 12 disagreeing) have not found favour (34%). 55 out of 120 (45%) Army respondents have recommended adopting this practice. With 10 persons being neutral and 40 disagreeing, (approximately 42%), the opinion seems to be divided.

This response could be attributed to the fact that men and manager ratio in Army & Navy as compared to Air Force is much higher and flexibility in execution of a task in Army and Navy cannot be

delegated to that an extent. From the analysis, it was deduced that the practice of ‘Open Book Management Style’ may not be recommended for adoption in the services.

The same process was repeated for the remaining 29 HR practices. The tables and graphs thereafter were drawn for service specific responses and combined response.

Figures in the Table 2 are based on the values from 240 respondents in the column “Total Scores”. The first 120 figures relate to Army, next 60 to Navy, and the last 60 relate to Air Force.

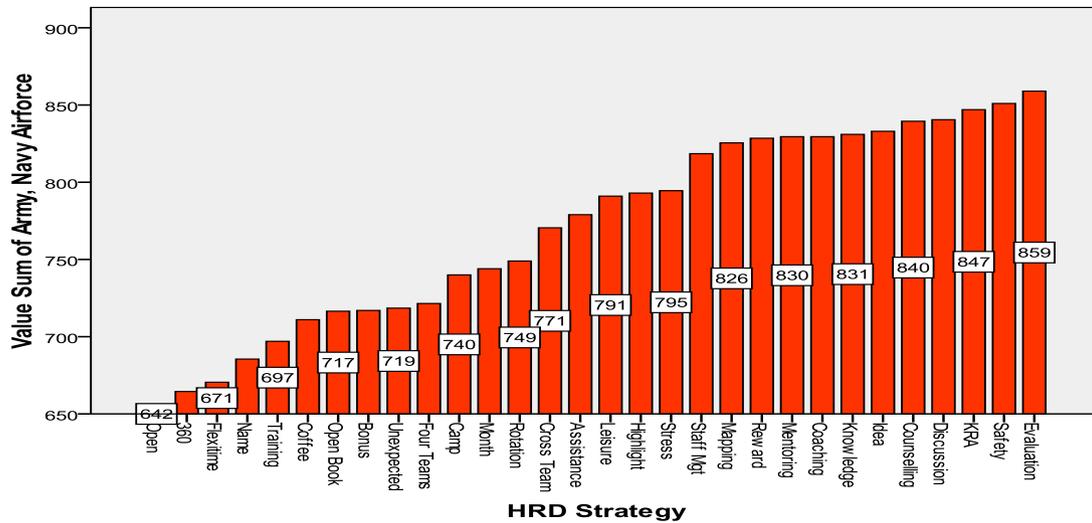
Table 2: Response to HR Practices

| S.No. | Name of HR Practice | Air Force | Navy | Army | Combined |
|-------|---|-----------|------|------|----------|
| 1 | Open Book Management Style | 282 | 220 | 429 | 931 |
| 2 | Clearly Defined and Measurable KRAs | 281 | 282 | 566 | 1129 |
| 3 | Job Rotation | 229 | 260 | 507 | 996 |
| 4 | Flexitime | 285 | 175 | 425 | 885 |
| 5 | Staff Management | 265 | 275 | 547 | 1087 |
| 6 | Stress Relieving Measures | 268 | 260 | 534 | 1062 |
| 7 | Professional Counseling Services | 273 | 285 | 563 | 1121 |
| 8 | Safe, Healthy & Happy Workplace | 282 | 288 | 570 | 1140 |
| 9 | Coaching and Mentoring | 278 | 271 | 559 | 1108 |
| 10 | Cross-Functional Training | 199 | 247 | 501 | 947 |
| 11 | Employee Assistance Programs | 262 | 260 | 503 | 1035 |
| 12 | Knowledge Sharing Sessions | 280 | 279 | 533 | 1092 |
| 13 | I4 Teams – Ingenious, Idea, Incubation & Implementation | 266 | 224 | 469 | 959 |
| 14 | Code Camp Workshop | 245 | 251 | 488 | 984 |
| 15 | Cross Functional Teams | 235 | 264 | 527 | 1026 |
| 16 | Competency Mapping | 272 | 276 | 555 | 1103 |
| 17 | Performance linked Bonus/Incentives | 266 | 245 | 412 | 923 |
| 18 | Highlight Performers | 261 | 267 | 527 | 1055 |
| 19 | Delight Employees with the Unexpected | 268 | 229 | 463 | 960 |
| 20 | Rewards and Recognition | 274 | 280 | 549 | 1103 |
| 21 | Leisure and Entertainment Activities | 280 | 270 | 533 | 1083 |
| 22 | Idea Acceptance Reward | 285 | 271 | 554 | 1110 |
| 23 | Employee of the Month | 239 | 258 | 478 | 975 |
| 24 | Calling Everyone by Name | 215 | 221 | 499 | 935 |
| 25 | Fair Evaluation System | 287 | 286 | 572 | 1145 |
| 26 | 360 Degree Performance Management Feedback System | 232 | 217 | 436 | 885 |
| 27 | Open Door Policy | 251 | 281 | 376 | 830 |
| 28 | Open House Discussions | 276 | 203 | 569 | 1125 |
| 29 | Coffee with Boss | 257 | 242 | 424 | 923 |
| 30 | Mentoring | 272 | 280 | 555 | 1107 |

Table 3: Ranking of HR Practices

| S. No. | Combined Rank | Army | Navy | Air Force |
|--------|------------------------------------|------------------------------------|------------------------------------|----------------------------|
| 1 | Fair Evaluation | Fair Evaluation | Safe, Healthy and Happy Workplace | Fair Evaluation |
| 2 | Safe, Healthy and Happy Workplace | Open House Discussion | Fair Evaluation | Idea Acceptance Reward |
| 3 | Clearly Defined and Measurable KRA | Clearly Defined and Measurable KRA | Professional Counseling Services | Knowledge Sharing Sessions |
| 4 | Open House Discussion | Safe, Healthy and Happy Workplace | Clearly Defined and Measurable KRA | Flexitime |

| | | | | |
|----|--|--|--|---|
| 5 | Professional Counseling Services | Professional Counseling Services | Mentoring | Open Book Management Style |
| 6 | Idea Acceptance Reward | Coaching & Mentoring | Open House Discussion | Safe, Healthy and Happy Workplace |
| 7 | Knowledge Sharing Sessions | Mentoring | Rewards & Recognition | Staff Management |
| 8 | Mentoring | Competency Mapping | Knowledge Sharing Sessions | Clearly Defined and Measurable KRA |
| 9 | Coaching & Mentoring | Idea Acceptance Reward | Competency Mapping | Coaching & Mentoring |
| 10 | Rewards & Recognition | Rewards & Recognition | Coaching & Mentoring | Leisure & Entertainment |
| 11 | Competency Mapping | Staff Management | Idea Acceptance Reward | Open House Discussion |
| 12 | Staff Management | Cross Function Teams | Leisure & Entertainment | Rewards & Recognition |
| 13 | Stress Relieving Measures | Knowledge Sharing Sessions | Highlight Performers | Professional Counseling Services |
| 14 | Highlight Performers | Stress Relieving Measures | Employee of the Month | Mentoring |
| 15 | Leisure & Entertainment | Highlight Performers | Cross Function Teams | Competency Mapping |
| 16 | Employee Assistance Programs | Employee Assistance Programs | Staff Management | Stress Relieving Measures |
| 17 | Cross Function Teams | Job Rotation | Employee Assistance Programs | Performance Linked Bonus |
| 18 | Job Rotation | Cross Functional Training | Stress Relieving Measures | I4 Teams |
| 19 | Employee of the Month | Calling Everyone by Name | Job Rotation | Employee Assistance Programs |
| 20 | Code Camp Workshop | Leisure & Entertainment | Code Camp Workshop | Delight Employees with Unexpected |
| 21 | I4 Teams | Code Camp Workshop | Cross Functional Training | Highlight Performers |
| 22 | Delight Employees with Unexpected | Employee of the Month | Performance Linked Bonus | Coffee with Boss |
| 23 | Performance Linked Bonus | I4 Teams | Coffee with Boss | Open Door Policy |
| 24 | Open Book Management Style | Delight Employees with Unexpected | Delight Employees with Unexpected | Code Camp Workshop |
| 25 | Coffee with Boss | 360 Degree Performance Management Feedback | I4 Teams | Employee of the Month |
| 26 | Cross Functional Training | Open Book Management Style | Calling Everyone by Name | Job Rotation |
| 27 | Calling Everyone by Name | Coffee with Boss | Open Book Management Style | Cross Function Teams |
| 28 | Flexi time | Flexi time | 360 Degree Performance Management Feedback | 360 Degree Performance Management Feed back |
| 29 | 360 Degree Performance Management Feedback | Performance Linked Bonus | Open Door Policy | Calling Everyone by Name |
| 30 | Open Door Policy | Open Door Policy | Flexi time | Cross Functional Training |



Cases weighted by Sum of Army, Navy Airforce

Graph 4: Combined ranking of HR practices by three services

It can be seen from the table 3 and graph 4 that Services have accorded priority to HR practices as per working environment and services ethos in the respective services. For example, HR Practice of “Fair & Impartial Evaluation” was placed at No 1 by Army and Air Force and at No 2 by Navy. Similarly, “Safe, Healthy and Happy Work place” has been placed at No 2 in the overall ranking but Army has put it at No 4, Navy at No 1 and Air force at No 6. There is, however, convergence of views on 13-15 HR practices of all three services for their relevance to the Armed Forces. Where ever, there

was an overwhelming response for relevance of a particular practice in a service, it has been recommended that this practice be adapted in that service. The same inference was also drawn from ABC classification.

Co-relation between the Preferences

To establish Co-relation between the preferences for HR practices, Pearson’s as well as Spearman’s Rank Correlations on the basis of Absolute Values as well as Ranked Values has been used.

Table 4 & Graph 5: Correlation Analysis (Using Pearson’s as well as Spearman’s Formula) on the basis of Absolute Values as well as Ranked Values

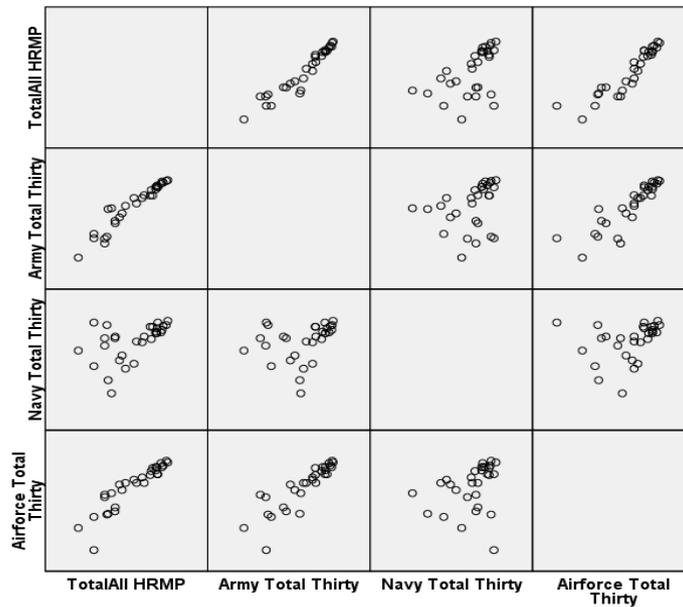
(Absolute Data)

| Correlations based upon Absolute Data : Pearson | | | | | |
|---|---------------------|----------------|-------------------|-------------------|------------------------|
| | | Total All HRMP | Army Total Thirty | Navy Total Thirty | Air force Total Thirty |
| Total All HRMP | Pearson Correlation | 1 | .958** | .525** | .917** |
| | Sig. (2-tailed) | | .000 | .003 | .000 |
| Army Total Thirty | Pearson Correlation | .958** | 1 | .306 | .872** |
| | Sig. (2-tailed) | .000 | | .100 | .000 |
| Navy Total Thirty | Pearson Correlation | .525** | .306 | 1 | .297 |
| | Sig. (2-tailed) | .003 | .100 | | .111 |
| Airforce Total Thirty | Pearson Correlation | .917** | .872** | .297 | 1 |
| | Sig. (2-tailed) | .000 | .000 | .111 | |

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

| Correlations Based upon Absolute Data : Spearman | | | | | | |
|--|------------------------|-------------------------|----------------|-------------------|-------------------|------------------------|
| | | | Total All HRMP | Army Total Thirty | Navy Total Thirty | Air force Total Thirty |
| Spearman's rho | Total All HRMP | Correlation Coefficient | 1.000 | .977** | .574** | .961** |
| | | Sig. (2-tailed) | . | .000 | .001 | .000 |
| | | N | 30 | 30 | 30 | 30 |
| | Army Total Thirty | Correlation Coefficient | .977** | 1.000 | .502** | .938** |
| | | Sig. (2-tailed) | .000 | . | .005 | .000 |
| | | N | 30 | 30 | 30 | 30 |
| | Navy Total Thirty | Correlation Coefficient | .574** | .502** | 1.000 | .486** |
| | | Sig. (2-tailed) | .001 | .005 | . | .007 |
| | | N | 30 | 30 | 30 | 30 |
| | Air force Total Thirty | Correlation Coefficient | .961** | .938** | .486** | 1.000 |
| | | Sig. (2-tailed) | .000 | .000 | .007 | . |
| | | N | 30 | 30 | 30 | 30 |

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



Graph Based upon Absolute Data

It is seen that correlation is significant in all the cases. Correlation between Navy and Army is found to be quite high and statistically significant as well. There is, however, moderate correlation between Air Force and Navy, and Air Force and Army. It is inferred from the above correlations and consequent scatter graph that Army and Navy see more in consonance with regard to relevance and adaption of HR Practices as compared to Air Force. This appears quite logical as both Army and Navy have more men behind the machines and stay together for longer duration to accomplish a mission as compared to Air Force.

VII. FINDINGS

a) HR Practices found to be relevant

Out of the 30 HR practices studied, following 15 practices which got the combined as well as service specific response '5 - Strongly Agree' from more than 50% of the respondents, have been selected as relevant for adopting in the Indian Armed forces.

1. Clearly Defined and Measurable KRAs: In the Armed forces the annual targets for achieving training standards, keeping the war fighting equipment operational worthy and financial propriety are

- discussed and defined at the beginning of a new training year. It at times also changes or is modified with the perceptions of the decision maker at the top of the ladder. These KRAs are however known to the senior executives only. These are translated into smaller and achievable objectives for the junior persons. Almost 70% of respondents have felt the need of specifying clearly defined targets to be achieved and their periodical measurement. This practice therefore needs to be formally adopted in the Armed Forces.
2. **Safe, Healthy & Happy Workplace:** It is not always possible to achieve this especially for the Army and the Navy. Army deployed in the most inhospitable places in High altitude areas, like Siachen Glacier/Kargil or in the interiors of Nagaland, Mizoram and Navy operating from the cramped spaces of a submarine or other Naval ships cannot have the ideal working place. Armed forces have taken action to make the living conditions as comfortable as possible and also provided monetary benefits to compensate for the hardships. But when the personnel are stationed in a peace station, their quality of life should be best, as is evident by a majority response recommending in adapting this practice.
 3. **Stress Relieving Measures:** Under prolonged stress, individuals tend to behave illogically and irrationally. Depending upon their personality and the nature of immediate provocation/situation, reactions have ranged from apathy, inaction, excessive violence, senseless dare-devilry, running amok and suicide. The occupational stress is propelling the soldiers toward deadly steps and simultaneously tarnishing the image of the Armed forces. The suicidal figures of the last few years reveal alarming level of stress among the Indian soldiers. In such a situation, a well administered, happy, motivated and responsive combat outfit can act as a much needed support system to mitigate stress levels. Stress busters are actually need of the hour in all organisations. 221 respondents out of 240 (88%) have recommended the formalized adoption of Stress relieving measures.
 4. **Professional Counseling Services (for personal issues only):** Counseling is the process of assisting and guiding, especially by a trained person on a professional basis, to resolve personal, social or psychological problems and difficulties. Due to long separations from the family and deployment in field areas or at sea, the stress level tends to go high both for the serving personnel and their families. At the moment, Religious Teacher or Second in Command in the unit are entrusted with the duties of counseling the personnel. Armed Forces Wives Welfare Associations the peace station take on the task of counseling the families. 97% of the respondents have felt the need of hiring professional services for counseling.
 5. **Staff Management:** It is a concept which helps the staff to have a single point of contact in the organisation to manage all issues impacting or influencing them. Introducing Staff Management concept in the Armed forces will provide timely information and faster resolution of grievances of defence personnel. At the moment in case of Forces, the issues are managed by respective Record Offices which keeps updated records of all personnel based upon the inputs received from the unit/subunit where the person is posted or serving. Pay and allowances and promotions are regulated by the Record offices. In the units the Administrative branch deals with all the documentation. Approximately 65% respondents have recommended further streamlining and adoption of this practice.
 6. **Knowledge Sharing Sessions:** Conducting knowledge sharing sessions/meetings enhances the role clarity, identifies with the objectives of the organisation and updates knowledge about latest trends thus improving effectiveness of the personnel. This is being undertaken in all the services depending upon the literacy level and "Need to know basis". Latest doctrines and thought process is also shared through various in house magazines and tri services Journals and in Seminars which are periodically organized. 65% of respondents have strongly agreed that this practice is very relevant to Armed Forces as knowledge empowers the personnel and increase the feeling of belongingness.
 7. **Coaching and Mentoring:** Coaching and mentoring of junior officers and soldiers/sailors/ airmen through training in Armed forces will facilitate their performance level and faster adaptation to the organization's environment. At present though the required coaching is being given but the mentoring has not been given its due importance. This would require to train the mentors to understand the mechanism and effectively implement it. This practice has been ranked at 7 in the combined ranking of services whereas Army has placed it at 6 and Navy at 11.
 8. **Competency Mapping:** It is a process of identifying key competencies for a particular position in an organisation and then using it for job-evaluation, recruitment, training and development, performance management, and succession planning. Competency mapping will help the Indian Armed forces in getting competent men to accomplish a task and thus enhance their performance and

effectiveness of Armed Forces. 80 out of 120 (67%) Army respondents have strongly recommended whereas the response of Navy and Air Force is approximately 61%.

9. **Fair Evaluation System:** It links the individual's performance to the goals of the organisation wherein each employee has well-defined performance reporting relationships. Performance evaluation is based on the records of periodic counseling and achievements of the employee tracked over the year. All the three services are following different 'partially open' appraisal system. Due to pyramidal structure of the Armed Forces, appraisal reports play a major role in the promotions of all ranks. There are at times feelings in the mind of persons who have been overlooked for the promotion that the organisation has not been very fair to them. Adopting a fair, transparent and objective oriented evaluation system in the Armed forces will motivate the personnel to perform even better.
 10. **Mentoring:** Mentoring is essentially grooming of team members for bigger roles in the organisation. In this process, senior members play a central role by taking up effective mentoring roles. In fact, mentoring is an integral part of the Key Performance Indicators (KPI) set for the senior managers. Many companies have developed formal programme designed to promote mentoring relationships as part of their human resource development strategy. Lt General Ata Hasnain (2014) says, 'How exactly will mentoring help the Indian Army's officer cadre? In the absence of sufficient 8-12 year seniority officers in units, young officers are being robbed off the opportunity of educated growth'. There is no formal mentoring programme, as such being followed. 70.8 % respondents have found this practice highly relevant to the Armed Forces and in service specific response with 75 % of Air Force respondents endorsing the practice.
 11. **Open House Discussions & Feedback Mechanism:** In the Armed forces a concept of a Sainik/Sailor/Airmen Sammelan is followed. This is invariably a monthly event conducted by the Commanding Officer attended by all ranks including civilian employees of the establishment. Information relating to welfare scheme, new orders and policies are disseminated. A feedback is also obtained on training and administration. This is followed by a cup of tea with all ranks where the commanding officer moves around meeting everyone. These interactions at times do not take place due to various commitments. This practice needs to be formalized and implemented.
 12. **Idea Acceptance Reward:** Idea acceptance reward encourages generation of fresh ideas to accomplish a task and lead to development of proficiency of the personnel. Ideas, however, big or small should be encouraged and suitably awarded. Service specific response for relevance of this practice shows that 95% from the Army, 96.6% from the Air Force and 96% from the Navy have endorsed this HR practice. At the moment this practice has not been formalized in the Armed Forces but it should find its place in the times to come.
 13. **Rewards and Recognition:** A shift in the culture of any organization is effective only if employees change their behaviour to support the change. For this to happen, rewards must be designed to reinforce desirable behaviour. Employees must be able to see a clear connection between their everyday work and rewards. Good work and achievements being recognized and appreciated in public also go a long way in motivating people to excel. Rewards and recognition here should not be confused with the compensation which is due to an employee for performing tasks and duties. This practice is already in vogue in the Armed Forces where awards for both gallantry and distinguished services are given to all ranks in glittering functions. Some of these awards also carry monetary benefits.
 14. **Highlighting Performers:** It is creating profiles of the top performers and making them visible through organization intranet, display boards, etc. Adopting of this practice will encourage other personnel to put in their best, thereby creating a competitive environment within the organisation. In the Armed Forces the High performers get recognized by promotions, awards conferred upon them or the postings to important and high valued appointments. There is no formal procedure being followed to officially highlight the achievement of the High performers. 235 respondents (98%) have agreed to the relevance of the practice.
 15. **Leisure and Entertainment Activities:** Many organisations organize yoga, meditation, de-stressing classes like 'Art of Living' for their staff members at the end of the day, to relax and recoup from the day's hard work,. In the Armed forces, excellent facilities for both indoor and outdoor sports in the peace stations exist. There are clubs / institutes for officers, junior commissioned officers and soldiers where they along with their families can socialize. Most of the big cantonments also have in house Conference / Seminar halls where movies are also screened. Almost all respondents have endorsed the relevance of this practice.
- b) *Service Preference for some of the HR Practices*
- It was seen that Service response to some of the HR Practices has been more favourable than the overall combined preference. These practices have not

been shortlisted in recommended 15 HR Practices. These however, in case desired after study and deliberations can be adopted in that specific service only. These are as under:-

a) *Air Force*

- i. Flexi time Unlike Army and Navy, Air Force personnel are not required to man their station for fixed timings. The requirement of Air Crew is more contingent to the mission to be accomplished. 45 out of 60 (75%) of Air Force respondent have opted for Flexible working hours. This practice therefore could be considered for adoption with some changes in Air Force, especially at the Air force bases located in big peace stations.
- ii. Open Book Management Style: Out of the 60 responses of IAF, 45 responses indicated strong preferences for Open Book Style of Management, 12 responses indicated that they preferred this practice and only 3 responses were neutral. It can be inferred that 75% of the IAF have shown strong preference and 20% have shown favourable preference.
- iii. Highlighting Performers: This has been ranked 15 in the combined ranking but the Air Force respondents have put it at serial 21 in the order of preference. Only 38% of respondents have strongly agreed to the relevance of this practice in the Air Force. This could be discussed and adapted in Air force only if desired.

b) Navy: Preference for Practice of Job Rotation. In the combined ranking by services this practice has been ranked at serial 18 whereas Navy has preferred this practice by placing it at 16 ahead of 18 of Army and 28 of Air Force.

b) *Correlation in Responses*

Correlation Analysis using Pearson's as well as Spearman's Rank Correlations on the basis of Absolute Values as well as Ranked Values have revealed that the correlation is stronger between Army and Air Force, Army and Total, Air Force and Total. But, these correlations are not that strong between Army and Navy, Air Force and Navy.

VIII. RECOMMENDATIONS

In order to implement the shortlisted HR practices in the Indian Armed forces, it is suggested that the recommended practices, suitably modified be adapted progressively in a phased manner. A board of HR experts drawn from three services be constituted to carry out study of the recommended HR practices and suitably modify them as per the specific service requirement. They should suggest suitable policy guidelines and procedure to implement these practices across the board.

These HR practices should also be included in the training curricula for officers of all levels and taught during Professional training courses, Staff Course, Higher Command Course, HDMC and SDMC etc. Various Colleges of Instructions in the Armed Forces should make concerted efforts to prepare teaching material to teach the best HR practices through HDMC, SDMC and other capsule courses. Further, the status of the implementation of the HR practices in the defence units should be audited/verified during their annual inspection. To encourage better implementation, suitable citation/award/trophy should be instituted for the best unit following the HR practices effectively.

IX. CONCLUSION

To conclude, the findings of this study are that Best HR Practices in vogue in the Corporate Sector are equally relevant to The Indian Armed forces and adoption of the recommended HR practices will surely enhance the effectiveness of the forces. Further studies can be undertaken on the ways and means of implementing the above HR practices in the Indian Armed forces, to increase the impact of these on the effectiveness of defence management in the long run.

REFERENCES RÉFÉRENCES REFERENCIAS

1. Becker, B.E., & Huselid, M.A. (1998). High Performance Work Systems and Firm Performance: A Synthesis of Research and Managerial Implications: Research in Personnel and Human Resource Management, 16, pp. 53-101.
2. Conner, K.R. (1991). A Historical Comparison of Resource-Based View and Five Schools of Thought within Industrial Organization Economics: Do We Have a New Theory of the Firm? Journal of Management; 17, (1), pp. 121-154.
3. Chang, P. L., & Chen, W. L. (2002). The Effect of Human Resource Management Practices on Firm Performance: Empirical Evidence from High-Tech Firms in Taiwan, International Journal of Management, 19 (4), pp.622-38.
4. Chiu, R.K., Luk, V.W.M. & Tang, T.L. (2002). Retaining and Motivating Employees: Compensation Preferences in Hong Kong and China, Personnel Review, 31, pp. 402-31.
5. Green, W.K., Wu, C., Whitten, D., & Medlin, B. (2006). "The Impact of Strategic Human Resource Management on Firm Performance and HR Professionals' Work Attitude and Work Performance", International Journal of Human Resource Management, 8(3), pp. 263-276.
6. Gooderham, P., Ringdal, K., & Parry, E. (2006). The Impact of Human Resource Management Practices on the Performance of European Firms. Retrieved from Paper presented at Copenhagen Business

- School, Conference on HRM and Knowledge Related Performance, September, pp. 21-22. 2006.
7. Hasnain, Ata. (2014). Mentoring: A Solution to Many Social Problems of the Indian Army. South Asia Defence & Strategic Review, November 2014.
 8. Harel, G.H., & Tzafirir, S.S. (1996). The Effects of Human Resource Management Practices on the Perceptions of Organisational and Market Performance of the Firm.
 9. Huselid, M. A., & Delaney, J. T. (1996). The Impact of Human Resource Management on Perceptions of Organisational Performance. *Academy of Management Journal*, 39(4), pp. 949-969.
 10. Katou, A. & Budhwar, P. (2006). The Effect of Human Resource Management Systems on Organizational Performance: Test of a Mediating Model, *International Journal of Human Resource Management*, 17(7), pp. 1223–1253.
 11. Lado, A.A., & Wilson, M.C., 1994. Human Resource Systems and Sustained Competitive Advantage: a Competency-based Perspective. *Academy of Management Journal* 19 (4), pp. 699–727.
 12. Lam, L.W., & White, L.P. (1998). 'Human Resource Orientation and Corporate Performance, *Human Resource Development Quarterly*, 9(4), pp. 351-364.
 13. Lee, Feng-Hui, & Lee, Fzai-Zang (2007). The relationships between HRM practices, Leadership style, competitive strategy and business performance in Taiwanese steel industry, Proceedings of the 13th Asia Pacific Management Conference, Australia: Melbourne, pp. 953-971.
 14. Mishra, Rupali. (2011). Comparative Study of Human Resource Practices in Selected Tyre Companies. shodh.inflibnet.ac.in:8080/jspui/bitstream/123456789/.../1/synopsis.pdf. A Synopsis Pandit, Rajat. Retrieved on Dec 01 2014 from The Times of India (Lucknow).
 15. Singh, K. (2003). Strategic HR Orientation and Firm Performance in India. *International Journal of Human Resource Management*, 14(4), pp.530-543.
 16. Singh, Narender (2013) www.academia.edu/5603862/AVS_Committee_and_Its_Impact.
 17. Sharma, Sakshi. Retrieved on 09 March 2014 from Daily Excelsior.
 18. Wernerfelt, B. 1984. A Resource-based View of the Firm, *Strategic Management Journal*, Vol. 5, No. 2.
 19. How Do We Recruit, Train and Retain the Right People for the Future Force?", Panel Discussion at Transformation Warfare 2007 Conference on 20 June 2007. Air Force Times, 21 June- An Army near the Breaking Point: studies & reports
 20. Panel discussion on 'HR Transformation in Armed Forces' was held on 29 Nov 10 at the College of Defence Management (CDM), Secunderabad, (Unpublished).
 21. Reports of Parliament Standing Committee on Defence 2012-13 & 2013-14.
 22. www.joinindianarmy.nic.in/ Accessed on 20 May 2015
 23. indianarmy.gov.in/writereaddata/documents/psdte311212.pdf Accessed on 20 May 2015
 24. indianarmy.nic.in/Default2.aspx?MnId...ParentID... Accessed on 20 May 2015

This page is intentionally left blank





Influence of Ethical Orientation of HRM on Ethical Decision-Making in Organizations: Research Gaps Identified towards a Conceptual Model

By De Silva, Viruli. A. & Gamage, Aruna S.

University of Sri Jayewardenepura

Abstract- This article argued how Ethical Orientation of HRM (EOHRM) could influence Ethical Decision-making (EDM) in organizations, by bridging the identified research gaps. EOHRM is a new concept in HRM literature. It is 'the extent to which HRM functions have been directed to create, enhance and maintain ethicality within employees, to generate an ethical work force in the organization'. Unethical decision-making and immoral behavior of employees in organizations have become a serious global concern for over three decades. Unethical decision is a decision that is either illegal or morally unacceptable to the society, which could impact on the behavior of employees. The role of HRM functions on organizational performance had received much scholarly attention over the years. Despite its significance in contributing towards the organizational performance, theoretical or empirical research conducted on its impact on EDM are limited.

Keywords: *ethical orientation, HRM functions, ethical decision-making, research gaps.*

GJMBR- A Classification: *JELCode: O15*



INFLUENCE OF ETHICAL ORIENTATION OF HRM ON ETHICAL DECISION MAKING IN ORGANIZATIONS RESEARCH GAPS IDENTIFIED TOWARDS A CONCEPTUAL MODEL

Strictly as per the compliance and regulations of:



RESEARCH | DIVERSITY | ETHICS

Influence of Ethical Orientation of HRM on Ethical Decision-Making in Organizations: Research Gaps Identified towards a Conceptual Model

De Silva, Viruli. A. ^α & Gamage, Aruna S. ^ο

Abstract- This article argued how Ethical Orientation of HRM (EOHRM) could influence Ethical Decision-making (EDM) in organizations, by bridging the identified research gaps. EOHRM is a new concept in HRM literature. It is 'the extent to which HRM functions have been directed to create, enhance and maintain ethicality within employees, to generate an ethical work force in the organization'. Unethical decision-making and immoral behavior of employees in organizations have become a serious global concern for over three decades. Unethical decision is a decision that is either illegal or morally unacceptable to the society, which could impact on the behavior of employees. The role of HRM functions on organizational performance had received much scholarly attention over the years. Despite its significance in contributing towards the organizational performance, theoretical or empirical research conducted on its impact on EDM are limited. This article explored the impact of ethical orientation of HRM (EOHRM) on EDM, to bridge this knowledge gap. The existent literature on HRM practices, EDM, ethical/unethical behavior of employees etc., published in refereed journals over the past 30 years, edited book chapters and text books by prominent authors on the above subjects were systematically reviewed, using the archival method recommended by Transfield et al. (2003). Six research gaps in EDM were identified, based on EOHRM in organizations. An integrated conceptual model was developed to empirically investigate the impact of EOHRM on EDM. The mediation effect of three variables: 'Ethical Attitude', Ethical Competence' and 'Personal Character' of employee on the link, 'EOHRM-EDM' were proposed in the model. The originality and unique feature of this EDM model is that, it focused on the impact of a novel concept in HRM literature, EOHRM, exposing significant research gaps towards future empirical research. Thus, this article has vital managerial implications and utility for future studies on EDM in organizations.

Keywords: ethical orientation, HRM functions, ethical decision-making, research gaps.

I. INTRODUCTION

"An ethical decision, is a decision that is both, legal and morally acceptable to the larger society (Jones, 1991, p.367)". Thus, 'ethical decision' is the fine line between ethical and unethical behavior of an employee at work. Growing unethical behavior of employees at work and their negative

consequences to the organization, economy and the society at large, had become a global issue over the past several years. Increased media attention worldwide had exposed many frauds and corrupt incidents of employees in business organizations. For more than 30 years, researchers are trying to understand why employees behave unethically at work (Kish-Gephart et al., 2010). Thus, research on business ethics and EDM have received much scholarly attention over the period to find logical solutions to this global concern. Issues relevant to 'unethical decision-making and corrupt behaviors of employees' became stimulating research topics among researchers in HRM-Ethics, Human Resource Development etc., in the recent past (Ardichvili & Jondle, 2009; Debode et al., 2013; Thite, 2013; Antonakas et al., 2014; Arulrajah, 2015). Corrupt business practices and frauds have been identified as a growing concern in many countries, in both, developed and developing economies (Antonakas et al., 2014). According to Lado and Wilson (1994), HRM is a set of unique activities, functions and processes that attract, direct and maintain an organizations human resource. Hence, HRM has a critical role to play in creating an ethical workforce in the organization, in order to ensure EDM and ethical behavior of employees at work.

According to Meyer (2004), many studies in business ethics had identified that, ethical issues are occurring as a result of ethical ignorance, ethical failure or evil intent. There is no doubt that, the business organizations should commit to create an ethical organizational context, to address this concern. Hence, research on EDM had increased sharply over the period, attempting to find solutions to this critical issue (e.g., Ferrell and Gresham, 1985; Trevino, 1986; Ferrell et al., 1989; Dubinsky and Loken, 1989; Jones, 1991; Richardson, 1994; Loe et al., 2000; O'Fallon and Butterfield, 2005; Craft, 2013 and Lehnert et al., 2015).

In a recent meta-review (Lehnert et al., 2015, p. 195) which summarized the findings of about 400 empirical research on EDM, scholars noted that many studies over the past three decades had identified number of conditions and factors that influence the EDM process of employees in organizations. Despite a large

Author ^α σ: University of Sri Jayawardenepura, Sri Lanka.
e-mails: viruli2@gmail.com, arunasgamage@gmail.com

volume of scholarly research over the period, theoretical or empirical studies on how ethical orientation of HRM (EOHRM) functions would impact the EDM process in organizations, were found to be none. Further, research on the influence of mediators or/and moderators on the link 'EOHRM and EDM' were also not explored. The article attempted to bridge this theoretical and empirical research gap in HRM and EDM literature, firstly, by identifying research gaps in EDM in organizations. Secondly, based on the identified research gaps, to propose an integrated conceptual model for EDM in organizations, to empirically investigate the impact of EOHRM on EDM, with the interaction effects of three variables: Ethical Attitude, Ethical Competence and Personal Character of employees.

II. BACKGROUND OF THE RESEARCH PROBLEM

In spite of increased scholarly attention and sophisticated ethical mechanisms implemented in organizations to promote EDM and prevent unethical/corrupt behavior of employees, high impact scandals in the business world is a common occurrence. For example, two such recent incidents as reported by the 'FORTUNE' (Fortune.com) are:(i) *Volkswagen Company Emissions Scandal*—The Company fitted software on millions of cars to make them more environmentally efficient than they were, and mislead the Environmental Protection Agency's emissions testers. (ii) *The Toshiba Company Accounting fraud* – the Company overstated their profits by about US\$ 2 billion in the past seven years. Due to the Organizational Culture in the Company, the management decisions could not be challenged, and the employees were forced to follow inappropriate accounting methods.

Recently, the USA Justice Department had exposed the settlement amounts of top ten largest global business corruption cases occurred in the USA. A sum of about US\$ 3.80 billion has been paid as settlement charges by ten prominent multinational companies operated in the USA (thefiscaltimes.com). All these top ten corruption cases were accused of being engaged in bribery, to win business contract in the USA. In addition to the above massive financial frauds, abuse of global physical resources, violation of human rights, child labor, aggressive behavior towards competitors and unfair, immoral marketing practices have received much global attention in the recent past. Ethical dilemmas are characterized by complexity and ambiguity, and carry with them high-stakes of implications for individuals and organizations alike (MacDougall et al., 2014).

The Sri Lankan business context is of no exception to the above global context, when it comes to the unethical and corrupt behavior of employees and business organizations. Many corrupt and unethical

behavior of employees in business organizations have been highlighted in the local media over the past many years. Collapse of the Pramuka Bank, swindling of money of depositors by the Golden Key Company and the Sakviti Group are examples from the past. The recent such corrupt behavior of employees reported in the local media was the HSBC Bank's 'white-collar' scam, where five senior managers have been sacked after an investigation into allegations of manipulating incentives-linked performance figures (sundaytimes.lk/ June 19, 2016). Therefore, as Trevino (1986, p. 601) noted, "uncertainty is a fact of complex, dynamic organizational life and ethical issues are ever present in uncertain conditions, where multiple stakeholders' interests and values are in conflict and laws are unclear".

a) Problem Statement

Literature revealed that, unethical decision-making and corrupt behavior of employees in organizations challenge the ethical nature and stability of business organizations, drawing immediate attention of scholars/researchers for more theoretical and empirical studies on HRM and organizational ethics. HRM could play a vital role in promoting ethics in an organization (Arulrajah, 2015), and the ability to influence ethical behavior of employees is vastly depending on the status of the HRM functions of an organization (Foote, 2001). However, scholars argued, the role of HRM in ethics is still unclear (Maxwell & Beattie, 2004), hence studies on ethics in HRM and HRD are still limited (Thite, 2013). The HRM functions (recruitment and selection; training and development; performance appraisal; pay and reward management and employee relations) can play an instrumental role in creating an ethical culture and climate in the organization (Parboteeaha et al., 2014). However, the existent literature in HRM does not include theoretical or empirical studies that investigate, how ethically oriented HRM functions could impact on EDM and behavior of employees, in order to generate an ethical workforce in an organization, to address the above global concern. Hence, the following research problem was formulated for this study:

"What is the impact of Ethical Orientation of HRM on Ethical Decision-making, through identified mediators and moderator, in creating, enhancing and maintaining ethicality within employees in organizations?"

III. METHODOLOGY

The overall objective of this article is to identify current research gaps of EDM in organizations, for future systematic empirical investigation. Existent literature in HRM functions, Ethics, Business Ethics, decision-making and EDM were reviewed using the archival method recommended by Tranfield et al., (2003). The desk review started with a general search of

text books, research articles, conference proceedings and edited book chapters, published during 1985 to 2015. Online databases: JSTOR, Springer Link, ScienceDirect.com, Wiley online library, sagepublications.com, Emerald Insight, Taylor and Francis company journals, were used to search articles in EDM published in refereed journals, using key words or combination of the key words of the topic. Reading through the abstracts of about 100 research articles, few edited book chapters and text books on the above subjects, authors selected about 60 key research articles, including five meta-reviews on EDM and few edited book chapters, directly relevant to the research topic to study in detail. The selected five meta-reviews in EDM included results of about 450 empirical research articles on EDM. The selected literature was systematically reviewed to achieve the following objectives:

- To identify research gaps in EDM in organizations.
- To propose a conceptual model in EDM, to investigate how EOHRM would impact on EDM in organizations, through the influence of mediators and moderators identified in the research gaps.

IV. LITERATURE REVIEW

To understand the influence of EOHRM on EDM and identify research gaps in EDM, it is important to first understand the nature and principles of the concepts: ethics, HRM, EOHRM and EDM.

Ethics: Scholars have defined ethics in many ways. Oxford Advanced Learner's Dictionary defined 'ethics' as a branch of knowledge that deals with moral principles. They stated that, moral principles govern individual or collective behavior. According to the Collins English Dictionary, ethics is the study of moral values of human conduct and principles that rule them. An early scholar, Byars (1992), cited in Opatha (2010) argued that, ethics is connected to decision-making behavior of individual or groups. Armstrong (2012) had a similar view: 'ethics deals with decision-making, or what is the right and wrong judgement'. Luthens (2013) too believed, ethics deals with moral issues and choices, which is connected to right and wrong behavior in decision making.

Even though scholars had many different views about ethics, authors identified a common thread among the definitions: 'Ethics are concerned with moral principles and values that governs human behavior or conduct, including decision-making behavior of individual or group, on what is right and wrong or what is good and bad'. Further, "moral principles govern an individual/collective behavior or conduct and morality is the principles that governs the distinction between right and wrong or good and bad behavior of individual/groups (Oxford Advanced Learner's Dictionary: p. 826)". Based on the above scholarly

definitions a working definition for ethics was constructed as follows:

Working definition of Ethics:

'Ethics are the philosophical study of morality, or the study of moral beliefs and rules/obligations about the distinction between right and wrong, or good and bad behavior/conduct of individuals or group'.

a) *The Role of HRM functions in EDM*

Scholars have defined HRM in many ways: Opatha, (2009, p.7) defined HRM as "the efficient and effective utilization of human resources to achieve the goals of an organization." Dessler (2013, p.4) defined HRM as a process of key HR functions, such as acquiring, training, appraising, rewarding employees, seeing to labor relations and welfare needs of employees. Many researchers (Lado & Wilson, 1994; Foote, 2001; Kangas *et al.*, 2014) over the past several years have recognized that, HRM functions play a critical role in an organization in creating an ethical context. According to researchers (Palomino & Martinez, 2011 and Parboteeah *et al.*, 2014), HRM practices are major influences on ethical/unethical decision-making and behavior of employees in organizations. Despite scholarly interest and extensive research conducted on the role of HRM practices on organizational ethical context, investigations on the link 'HRM practices-ethics of employees at work' are yet to be developed (Thite, 2013).

b) *Ethical Orientation of HRM (EOHRM)*

EOHRM is relatively a new concept and it had not been discussed until very recently (De Silva & Opatha, 2015; De Silva, Opatha & Gmage, 2016). There is an ethical dimension embedded in the HRM functions of an organization (Armstrong, 2012; Boxall *et al.*, 2007; Greenwood, 2002; Winstanley & Woodall, 2000; Luthans, 2013). In order to maintain justice, fairness and well-being towards its stakeholders, an organization should perform its HRM functions ethically (Armstrong, 2012). This is to exercise social responsibility, or to be concerned with the well-being of employees, and take ethical decisions towards the needs of employees and the community (p. 100). In other words, to take ethical decisions and behave ethically in organizations.

In addition to being concerned on the above aspect, it is equally important to focus the scholarly attention on other possible aspects of the ethical dimension of HRM. This is vital to address the recurring global issues on corrupt behaviors of employees at work. The critical, yet to explore aspect of the ethical dimension of HRM is its novel aspect, EOHRM, or 'the extent to which HRM functions have been directed to create, enhance and maintain ethicality within employees, to generate an ethical work force in the organization'.

In this study, authored developed a working definition to 'ethics': *'Ethics are the philosophical study of morality, or the study of moral beliefs and rules/obligations about the distinction between right and wrong, or good and bad behavior/conduct of individuals or group'*.

Hence, definition of 'ethics' is linked to 'moral principles and values', which governs the human behavior or conduct (individual/collective), on what is right and wrong or what is good and bad. The word 'morality' means, the principles of right and wrong, or what a person should do in order to conform to society's norms of behavior.

Therefore, the concept EOHRM, is related to enhancing ethicality, or moral principles and values of employees in organizations. Thus, when directing HRM functions (acquire, develop, retain), HRM should incorporate ethical criteria in the measurers, in order to enhance ethicality within employees, and generate an ethical workforce. 'Ethicality' is derived from the word 'ethical', which means the moral beliefs and rules or obligations about the difference between right and wrong, or good and bad behavior or conduct of individuals or groups. This process involves functional incorporation of ethics into the HRM framework. This is in contrast to performing HRM functions ethically towards the well-being of its stakeholders, or the 'social' aspect or the CSR-HRM of the ethical dimension of HRM.

In order to generate, enhance and maintain an ethical workforce, the future employees' knowledge,

Dimensions Elements

| | |
|---------|---|
| Acquire | Job Analysis, Recruitment, Selection, Hiring, Induction. |
| Develop | Performance Evaluation, Training & Development. |
| Retain | Pay Management, Welfare Management, Incentives Management, Management of Promotions, Discipline Management, Grievance Management. |

c) Ethical Decision-making in organizations

"Decision making generally refers to choosing a course of action from several possible alternatives, in order to achieve a goal or solve a certain problem" (Opatha, 2010, p.123). The Oxford Advanced Learner's Dictionary defines a decision as 'a choice or judgment that you make after thinking and talking about what is the best thing to do'.

An 'ethical decision' is "a decision that is both legal and morally acceptable to the larger community" (Jones, 1991, p. 367). Many early researchers do not mention any substantive definitions for the terms 'ethical' and 'unethical' (Ferrell and Gresham, 1985; Trevino, 1986; Hunt and Vitell, 1986; and Dubinsky and Loken, 1989, as cited in Jones, 1991). This had raised concerns among early researchers, when trying to define ethical behaviour (Cavanagh et al., 1981; Beauchamp and Bowie, 1983; and Jones, 1980, as cited in Jones, 1991). "An understanding of ethical

skills and attitudes should be complimented with ethical values or moral principles. A good Personal Character, and high moral standards are two crucial attributes that an individual should possess, in order to create, enhance and maintain ethicality within the person. HRM functions has a bigger role to play in this major task. Hiring process is the beginning of possessing an ethical work force in an organization. For example, when acquiring new employees to the organization, HRM should act attentively to attract, select and hire ethical candidates to the organization, as the initial step in making an ethical work force in the organization. To achieve this goal, HRM should include ethics screening criteria to the process of 'Acquiring' or to its relevant HRM functions: job analysis, recruitment, selection, and induction. Authors constructed a working definition for EOHRM, based on the definitions of ethics, HRM, and the above understanding on EOHRM:

Working Definition of EOHRM:

"EOHRM is the extent to which HRM functions have been directed to create, enhance and maintain ethicality within employees, in order to make an ethical work force in the organization".

EOHRM has been operationalized under three dimensions: (i) *Acquire*; (ii) *Develop* and (iii) *Retain*. The dimensions are further divided into elements, as specified below, based on popular scholarly HRM literature (Opatha, 2009; Armstrong, 2012; Jackson & Schuler, 1995).

decision-making in organizations is important to the development of organizational science (Trevino, 1986, p. 601)". "In the present organizational context, where companies are faced with intense competition, increased productivity goals and cost-cutting challenges, many employees feel pressured to cut corners, break rules, and engage in other questionable practices" (Robbins et al., 2013 p.24). Very often employees are faced with 'ethical dilemmas and ethical choices', in which they are supposed to identify right and wrong conduct. That is, if the employees discover illegal activities in their organization, should or should not they decide to tell the authorities concerned (blow the 'whistle' or not)? Do they have to follow unethical orders with which they personally do not agree? Should they give inflated performance evaluations to a subordinator to save the employee's job? and so on. When faced with a complex ethical dilemma and ethical/unethical choices, the decision employee makes

which is 'ethically appropriate' is considered as an 'ethical decision'. In other words, making an ethically appropriate decision is 'choosing a course of action from several possible alternatives, which is in line with the moral beliefs and rules or obligations with regard to right or wrong'. An ethical decisions emerge out of dilemmas that cannot be managed in advance through rules (Clegg, et al., 2007, cited in Armstrong, 2012). "Ethical decision-making (EDM) is the process of evaluating and choosing among alternatives in a manner consistent with ethical principles" (Making Ethical Decisions – Process, May 4, 2016). In the EDM process, it is important to observe and eradicate unethical options and select the best ethical alternative. Based on the above understanding and the scholarly definitions, the authors constructed a working definition for EDM for this study:

"Ethical decision-making is choosing a decision among several possible alternatives, which is in line with the

moral principles and is legally and morally acceptable to the larger community".

d) *Key research on individual ethical decision-making in organizations*

Many researchers have introduced number of EDM models to explain how individuals would make decision in organizations (Ford and Richardson, 1994). This article focused on few key research articles, including five meta-reviews on EDM, published over the past three decades (Kohlberg, 1969; Hegarty and Sims, 1978; Ferrell and Gresham, 1985; Trevino, 1986; Rest, 1986; Jones, 1991; MacDougall et al., 2014 and meta-reviews on EDM: Ford and Richardson, 1994; Loe et al., 2000; O'Fallon and Butterfield, 2005; Craft, J.L., 2013 and Lehnert et al., 2015). A summary of the selected key research in EDM, including a brief description of the study, findings and authors' observations are presented in Table 1 below.

Table 1 : Key research on EDM in organizations over the past 30 years

| Author | Year | Description of the study | Findings and authors' observations |
|--|------|---|---|
| Kohlberg (cited in Trevino, 1986: 605) | 1969 | Developed a process of ethical justification and evaluation. Characteristics of the moral development levels and stages of an individual define the construct, 'moral judgment'. | Identified six stages of moral development, under three levels for an individual: <i>Level One- Pre-conventional:</i> (i) Obedience and punishment orientation; (ii) instrumental purpose and exchange; <i>Level Two- Conventional:</i> (iii) Interpersonal accord, conformity, mutual expectations (iv) Social accord and system maintenance; <i>Level Three- Principled:</i> (v) Social contact and individual rights and (vi) Universal ethical principles. Observations: - Tests of 'moral judgment' explains how an individual think about an ethical dilemma. |
| Hegarty and Sims | 1978 | An experiment relating to EDM, and possibility of kickback payments to purchasing agents. The EDM has been assessed under different contingencies of reinforcement. | Argued, "unethical decision-making is a combination of personality, cultural and value orientation, and environmental rewards and punishments" (p. 451). Identified combination of factors for unethical or ethical decision-making. Observations: -Model discussed personality, and not the Personal Character of an individual. -Does not explain the influences of Personal Character of decision- maker on EDM or un/ethical behavior. |
| Ferrell and Gresham | 1985 | -Proposed a contingency framework (a multi-stage model). | Identified three factors that influence the decision-making of an individual: (i) <i>Individual factors</i> (cognitive): knowledge, values, attitudes, and intention; |

| | | | |
|---------|------|--|--|
| Trevino | 1986 | <p>- Suggested, behavior of employees can be influenced by the social and cultural environment of the individual.</p> <p>-A theoretical study proposed an Interactionist model of EDM.</p> <p>-The components of the model is based on Kohlberg (1969) Cognitive Moral Development Model</p> | <p>(ii) <i>organizational factors</i>: significant others (i) <i>environment related factors</i>.</p> <p>Observations:</p> <p>-Identified the impact of cognitive aspects of an individual on EDM: knowledge, values, attitudes, and intention.</p> <p>-model does not explain how the direct or indirect influence of personal character would affect EDM.</p> <p>Presented a Person-Situation Interactionist Model.</p> <p>EDM is influenced by both individual and situational factors.</p> <p>Individual factors: ego strength, field dependence, locus of control.</p> <p>Situational factors arising from the elements of immediate job context: reinforcement, other pressures.</p> <p>The above individual factors and situational factors moderate the 'cognition and ethical/unethical behavior' relationship of an individual in an ethical dilemma.</p> <p>Observations:</p> <p>-Explains how 'moral judgment' is moderated by individual and situational factors.</p> |
| Rest | 1986 | <p>-Introduced a four component model for individual EDM and behavior as a process.</p> <p>-extends Kohlberg's (1969) conceptualization of morality.</p> | <p>Four stages of an EDM process: Awareness, Judgment, Intension and Behavior.</p> <p>Each stage is conceptually distinct from the other.</p> <p>Any deficiency in one of the four stages will result in unethical decision-making of the individual.</p> <p>Observations:</p> <p>-Silent on the influence of any moderators or mediators at the four stages of EDM process.</p> |
| Jones | 1991 | <p>In contrast to the existing models, this study focused on the characteristics of the ethical issue itself.</p> | <p>Introduced an '<i>Issue-contingent model</i>' for EDM.</p> <p>Proposed a new set of variables called '<i>Moral Intensity</i>', considering the characteristics of the moral issue.</p> <p>EDM is also contingent on moral intensity (MI) of the ethical situation.</p> <p>Issues high in MI are probable to have a greater influence on the EDM process than the ones low in moral intensity.</p> <p>Observations:</p> <p>-Model depends on Rest (1986), to explain how MI influences on EDM.</p> <p>-It investigated how factors of 'MI' influence the EDM process, but had ignored the influence of ethical issue itself on the four steps.</p> <p>-Model does not explain how morality of an individual influences EDM.</p> |

| | | | |
|--------------------------|------|---|---|
| MacDougall et al., | 2014 | <p>-Conducted a review and a critique on the Progression of prominent theories in EDM literature.</p> | <p>Examined behavioral ethics and key EDM frameworks Published from Kohlberg (1969) to Mumford et al., (2008).</p> <p>Identified models/theory on EDM: Cognitive Development Approach to EDM (Kohlberg 1969; Rest 1986); Person-Situation Interactionist Approach to EDM (e.g., Trevino, 1986; Trevino et al., 2006); Issue-Contingent Approach to EDM: (e.g., Jones ,1991); Neurocognitive Approach to EDM (e.g., Reynolds, 2006) and Sense-making Approach to EDM (e.g., Sonenshein, 2007).</p> <p>Observations:</p> <p>-This meta-review gives a thorough analysis of the existing models and theory in EDM.</p> <p>-Suggests Individual factors: personality, locus of control, personal goal attainment, expertise in EDM, and ethical violations as potential factors influencing EDM with regard to future research</p> |
| Ford and Richardson | 1994 | <p>A meta-review:</p> <p>-Reviewed to find out which variables are influencing ethical believes and EDM.</p> | <p>Identified two sets: Individual and Situational factors</p> <p>Individual Factors:</p> <p>nationality, religion, sex, age, education, employment and personality (only some traits).</p> <p>Situational Factors:</p> <p>referent groups, reward and sanctions, code of conduct, type of ethical conflict, organization effect; industry and business competitiveness.</p> <p>Observations:</p> <p>-Above factors represent the sum total of the life experiences and circumstances of birth, an individual brings into its decision-making process.</p> |
| Loe et al. | 2000 | <p>A meta-review:</p> <p>-Summarized and categorized the multitude of empirical research on EDM into four groups.</p> | <p>Categorized the factors as follows:</p> <ol style="list-style-type: none"> (1) <i>Awareness</i> (2) <i>Individual factors:</i> Cognitive moral development, Moral philosophy, Gender, Age, Education and work experience, Nationality, Religion, Locus of control and Intent (3) <i>Organizational factors:</i> Opportunity, Codes of Ethics, Rewards and sanctions, Culture and climate, Significant others' (4) <i>Moral intensity</i> <p>Observations:</p> <p>-No analysis was done on the findings of the studies. Only summarized and categorized.</p> |
| O'Fallon and Butterfield | 2005 | <p>A meta-review:</p> <p>- This is a critique and a summary of EDM research conducted from 1996 to 2003.</p> <p>- Included 174 articles published in high-ranking business</p> | <p>Categorized the findings by the Dependent Variables under four sets:</p> <p>(i) Awareness; (ii) Judgment; (iii) Intent and (iv) Behavior.</p> <p>185 Studies on Judgment, and 28 on Awareness.</p> <p>Independent variables under three sets:</p> <p>(i) individual factors ; (ii) organizational factors and</p> |

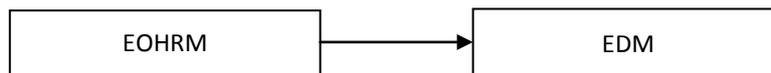


| | | | |
|-----------------------|-------------|---|--|
| <p>Craft, J.L.</p> | <p>2013</p> | <p>journals.</p> <p>A meta-review: Summarized the studies on EDM from 2004 to 2011.</p> | <p>(iii) Moral Intensity. 270 studies on Individual Factors. 52 studies on organizational factors. 32 studies on Moral Intensity.</p> <p>Observations: -A popular study among EDM researchers, as it provides many insights for future research.</p> <p>Dependent variables summarized as Rest (1986) model, EDM stages: awareness, judgment, intent and behavior.</p> <p>Observations: -Similar to O'Fallon and Butterfield (2005) study. An extension of this meta review.</p> |
| <p>Lehnert et al.</p> | <p>2015</p> | <p>A meta-review: Reviewed four key meta-reviews in EDM (Ford and Richardson, 1994; Loe et al., 2000; O'Fallon Butterfield, 2005 and Craft, 2013).</p> <p>Covered over 400 published articles on empirical research in EDM, over past 35 years.</p> <p>Review built on Craft (2013), adding 57 published to extend up to 141 articles.</p> | <p>Positive trend on integrating EDM research into various business disciplines.</p> <p>Continuing interest to research on EDM under Rest (1986).</p> <p>Judgment, Intent and Behavior were popular research areas up to 2005.</p> <p>Marked drop in studies investigating moral behavior on EDM (Craft, 2013; Lehnert et al., 2015).</p> <p>More future research needed on interaction effects (moderators and mediators) on EDM as only 8% of the total studies have investigated such effects.</p> <p>Observations: -A very comprehensive meta review on EDM research. -Previous meta-reviews have only focused summarizing results, under Rest (1986) model four stages of EDM process. -In contrast, this meta- review had identified moderators (30 studies) and mediators (23 studies) that influence the EDM of individuals in organizations. -It had highlighted key statistical and methodological concerns and trends in EDM research, which is a great contribution to EDM literature. -A good contribution for future research on EDM.</p> |

e) *Key research gaps in Ethical Decision-making (EDM)*

The above literature (Table 1) included a substantial amount (over 400 researches) of important theoretical and empirical research findings in EDM, conducted over the past 30 years. Through a detailed

analysis of the literature, authors identified six key research gaps in EDM in organizations, based on the influence of EOHRM. The gaps are discussed in detail, and finally directed towards an integrated conceptual model in EDM, towards future empirical research.



Gap 1: The influence of Ethical Orientation of HRM on Ethical Decision-making in organizations

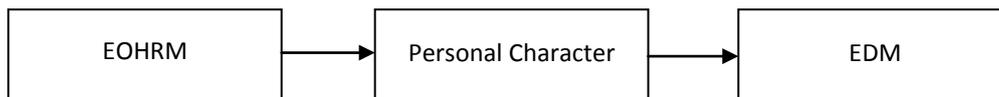
According to the existent research findings (Table 1), there are various factors that could influence EDM in organizations: *Individual factors* (cognitive: knowledge, values, attitudes, and intention;

organizational factors (significant others) and *environment related factors*, as in Ferrell and Gresham (1985); *individual and situational factors* as in Trevino (1986); four stages of *EDM process* (awareness,

intensity, intent and behavior) as in Rest (1986), *Moral Intensity of a moral situation* as in Jones (1991). Further, the five meta-reviews (Table 2) analyzed over 400 articles on EDM and identified number of factors that influence EDM in organizations. However, none of the existing studies have explored the influence of EOHRM on EDM in organizations. There are no theoretical arguments or empirical findings which suggested a relationship between EOHRM and EDM. It revealed that, the influence of EOHRM on EDM has neither been theoretically argued nor empirically tested in the local context, probably in the global context.

EOHRM is a new concept in HRM literature, and it is 'to direct HRM functions to create, enhance and

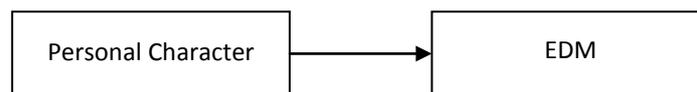
maintain ethicality within employees, in order to make an ethical work force in the organization'. There is no existing research on how ethically oriented HRM functions in major HRM fields (acquire, develop and retain) would influence EDM of employees at work. Since it is a novel concept in HRM, the influence of EOHRM on various other constructs, including EDM, has not been theoretically or empirically investigated in the existent literature, locally or internationally. Hence, the influence of EOHRM on EDM in organizations has been considered as the main research gap in this article. Based on this argument, authors identified further research gaps in EDM in organizations.



Gap 2: Interactive effect of Personal Character of employee on the relationship of 'EOHRM and EDM'

According to the recent meta-review of EDM (Lehnert et al., 2015, p. 198), "research during the past decade has enriched the EDM literature by exploring relatively unexplored, but important moderators of the EDM process ..., however, there is still a wide variety of moderators which need to be further investigated or validated to better understand the EDM process." Supporting this scholarly view, authors identified that there are no theoretical arguments or empirically tested results on the mediating or moderating effects of the 'Personal Character' of an individual, on the relationship 'EOHRM and EDM'. In other words, there are no previous research conducted on how the EOHRM and EDM relationship would be influenced by the 'Personal Character' of the employee in an organization. Hence, there is a research gap with regard to the interacting effect (as a mediator/moderator) of Personal Character of the employee, on the relationship 'EOHRM and EDM' in an organization.

Further, there may be number of other factors affecting the above link, EOHRM and EDM, as



Gap 3: The direct influence of 'personal character' of an employee on EDM'

There are no theoretical arguments or empirically tested evidence on a direct relationship between Personal Character of an employee and EDM in an organization, specifically in the Sri Lankan context. In the international context too, there are only a few research investigating the effect of different aspects of Personal Character (benevolence, empathy, compliance, retaliation, intelligence, self-control) of an individual on EDM (Lehnert et al., 2015). According to the existent research and meta-reviews on EDM (Table

moderators or mediators, which had not been captured under the existent literature (Table 1). However, authors considered the 'Personal Character' of an employee as a key influence on the above link due to its salient attributes, considered important in this relationship. As Opatha (2010) argued, the totality of persistent moral qualities of a person is reflected by its 'Personal Character'. Personal Character is defined as "a person's moral attributes" (Opatha, 2009, p. 17). This is the "degree to which a person has virtues (e.g., honesty, patience, tolerance, respect) and vices (e.g., greed, jealousy, anger, stinginess)" or, "it is a person's degree of morality and immorality (p.3)". The attributes of virtues and vices further highlight the importance of the influence of Personal Character of the employee in EDM. Hence, it is important to consider research gaps in EDM involving the Personal Character of the employee or decision-maker in organizations.

2), many early studies (Kohlberg, 1969; Trevino, 1986; Jones, 1991; Rest, 1986; O'Fallon & Butterfield, 2005) have focused on the cognitive development of 'moral stages' of the individual, in the process of EDM. Some researchers (Jones, 1991) had investigated the influence of 'moral intensity' and 'moral objective' of a moral situation on EDM in organizations. Almost none of the existent studies have explored the direct or indirect influence of Personal Character of the employee, with the composite effect of virtues and vices (discussed

under Gap 2 above), on EDM. Authors noted that, there are three studies out of the 337 in the meta-review of Lehnert, et al., (2015), have examined the influence of Machiavellianism on EDM. However, Machiavellianism is considered as a personality trait, and not an attribute of the Personal Character of an individual. Hence, the

study identified that, there is much potential in exploring the direct impact of various attributes of Personal Character of an individual on EDM. Hence, this unexplored domain is identified as a research gap in EDM in organizations.



Gap 4: Interactive effect of Ethical attitude of employees on the relationship 'EOHRM and EDM'

An 'attitude' has a significant impact on human behavior (Opatha, 2015). Dunham (1984), cited in Opatha (2015, p. 74) identified that, an 'attitude' has three different components: Cognitive (beliefs), Affective (feelings) and Behavioral (intention to behave in a particular manner). Robbins & Judge (2013) too had a similar view as they argued that, an 'attitude' is an evaluative statement/judgement about objects, an individual or an event, and it is made of three components: cognitive, affective and behavioral.

According to the literature (Table 1), the indirect influence (as a mediator/moderator) of 'ethical attitude' of the employee on the link, EOHRM and EDM, has neither been theoretically argued nor been empirically tested in the Sri Lankan context, and perhaps in the global context, as EOHRM is a new construct. Hence, this is considered as a key research gap in EDM literature.



Gap 5: Interaction effect of 'Ethical competence of employees' on the relationship 'EOHRM and EDM'

Literature review identified that, there are no previous theoretical arguments or empirically tested results on the interaction effect of Ethical Competence of employee' on the link, EOHRM-EDM. In this article the construct 'Ethical Competence of employee' has been operationalized under two dimensions: (i) Skills about ethics and (ii) Knowledge about ethics. The analysis of the above literature revealed that, there are no previous theoretical or empirical studies investigating the interaction effect of Ethical Skills and Ethical Knowledge of employees on the relationship EOHRM and EDM in organizations. Bridging this research gap in EDM is very important, to explore the EDM patterns of managers in business organizations. Hence, propose this as a key research gap in EDM.

f) Proposed Conceptual Model for EDM

Based on the literature review (Table 1) and the above specific six research gaps identified, authors proposed an integrated, Conceptual Model for EDM in organizations (Figure 1). It is a multi-level model with five variables: EOHRM, Ethical Attitude, Ethical Competence, Personal Character of employees and EDM in organization. In this model, the three variables: Ethical Attitude, Ethical Competence and Personal Character of employees are proposed as mediating variables, that could influence the direct relationship between EOHRM and EDM.

Gap 6 : The influence of EOHRM on EDM, with total interaction effects of ethical attitude, ethical competence and personal character of employees in organizations.

Literature (Table 1) identified that, no existent study had neither theoretically argued, nor empirically tested, the influence of EOHRM on EDM, with the composite interaction effects of the three variables considered: ethical attitude, ethical competence and personal character of employee. This gap in EDM literature exists specifically in the local context, perhaps in the global context, as EOHRM is a novel concept in HRM literature. Hence, authors consider this as a key research gap in EDM.

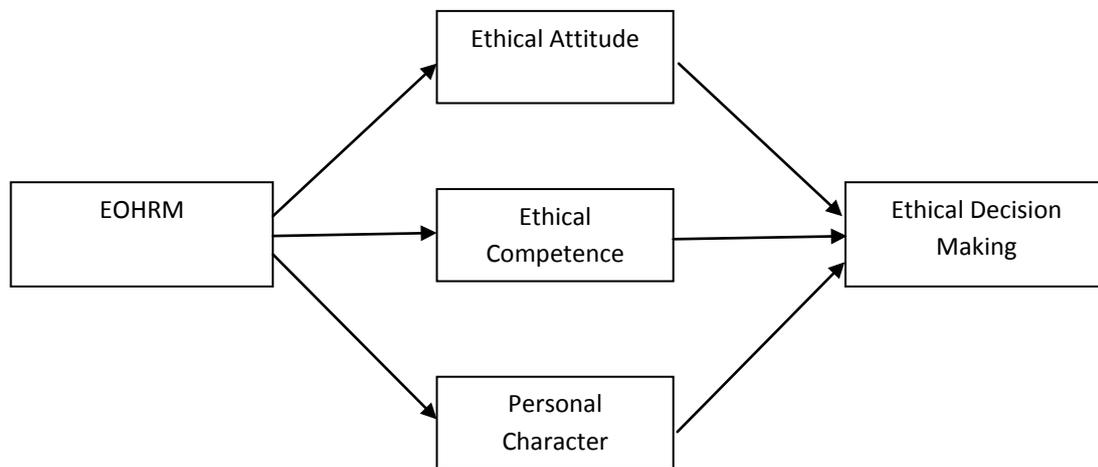


Figure 1: Proposed Integrated Conceptual Model for EDM in organization

V. RESEARCH LIMITATIONS

This study was limited to identifying the direct influence of EOHRM (acquire, develop, retain) on EDM, with mediating or moderating effects of three variables only: Ethical Attitude, Ethical Competence and Personal Character of employees. There may be other individual, situational and external variables etc., directly or indirectly influencing the link, EOHRM-EDM. Hence, based on other factors, there may be different theoretical and empirical research gaps in EDM in organizations. This fact is considered as a limitation in this study.

VI. CONCLUSION

The study reviewed key research articles on EDM, including five meta-reviews, published in refereed journals over the past 30 years. Authors identified six theoretical and empirical research gaps in EDM in organizations, in global and Sri Lankan context. Most of the previous EDM models were based on the four stages of EDM process, introduced by Rest (1986): awareness, judgment, intent and behavior. In contrast, the proposed EDM Model is based on six specific research gaps identified through existent literature on EDM, based on a novel concept, EOHRM. Based on the findings, this article proposed a multi-dimensional, integrated conceptual model for EDM in organizations. The existent literature has not investigated the influence of EOHRM on EDM. Hence, there is much potential in theoretical and empirical research in EDM, to explore the interacting effects of various factors on the relationship, EOHRM and EDM. Further, authors proposed three mediating variables: Ethical Attitude, Ethical Competence and Personal Character of employees, on the relationship between EOHRM and EDM in organizations. The identified six research gaps on EDM would formulate research questions, research objectives and relevant hypotheses, in order to guide

empirical research in the future. This article adds new theoretical knowledge to HRM, OB and EDM literature and has value in future research in EDM.

REFERENCES RÉFÉRENCES REFERENCIAS

1. Antonakas, N.P., Konstantopoulos, N. and Seimenis, I., 2014. Human Resource Management's role in the public sector and the level of corruption: The case of Greek Tax Administration. *Procedia-Social and Behavioral Sciences*, 148, pp.455-462. <http://dx.doi.org/10.1016/j.sbspro.2014.07.065>
2. Ardichvili, A. and Jondle, D., 2009. Integrative literature review: Ethical business cultures: A literature review and implications for HRD. *Human Resource Development Review*, 8(2), pp.223-244. <http://dx.doi.org/10.1177/1534484309334098>.
3. Armstrong, M., 2012. *Armstrong's handbook of management and leadership: developing effective people skills for better leadership and management*. Kogan Page Publishers.
4. Arulrajah, A.A., 2015. Contribution of Human Resource Management in Creating and Sustaining Ethical Climate in the Organisations. *Sri Lankan Journal of Human Resource Management*, 5(1), pp.31-44.
5. Beauchamp, Tom L. & Norman E. Bowie, 1983. *Ethical Theory and Business*, 2nd ed., Englewood Cliffs, N.J.: Prentice-Hall, Inc.
6. Boxall, P., 2003. HR strategy and competitive advantage in the service sector. *Human Resource Management Journal*, 13(3), pp.5-20. <http://dx.doi.org/10.1111/j.1748-8583.2003.tb00095.x>
7. Cavanagh, G.F., Moberg, D.J. and Velasquez, M., 1981. The ethics of organizational politics. *Academy of management Review*, 6(3), pp.363-374.
8. Craft, J.L., 2013. A review of the empirical ethical decision-making literature: 2004–2011. *Journal of Business Ethics*, 117(2), pp.221-259. <http://dx.doi.org/10.1007/s10551-012-1518-9>.

9. De Silva, V. and Opatha, H.H.D.N.P., 2015, December. Role of ethical orientation of HRM in establishing an ethical organizational culture: A literature review and implications. In *12th International Conference on Business Management (ICBM)*. SSRN: <http://ssrn.com/abstract=2699792>.
10. DeBode, J.D., Armenakis, A.A., Feild, H.S. and Walker, A.G., 2013. Assessing ethical organizational culture: Refinement of a scale. *The Journal of applied behavioral science*, 49(4), pp.460-484. <http://dx.doi.org/10.1177/0021886313500987>.
11. Dessler, G., 2013. *Human Resource Management*. 13th Ed. Pearson Education Inc., New Jersey: Prentice-Hall.
12. Dubinsky, A.J. and Loken, B., 1989. Analyzing ethical decision making in marketing. *Journal of Business Research*, 19(2), pp.83-107. [http://dx.doi.org/10.1016/0148-2963\(89\)90001-5](http://dx.doi.org/10.1016/0148-2963(89)90001-5).
13. Ethics, Definition, Collins, <http://www.collinsdictionary.com/dictionary/english/ethics>, accessed on July 10, 2016.
14. Ferrell, O.C. and Gresham, L.G., 1985. A contingency framework for understanding ethical decision making in marketing. *The Journal of Marketing*, pp.87-96. <http://dx.doi.org/10.2307/1251618>.
15. Ferrell, O., Gresham, L. G. and Fraedrich J., 1989. A synthesis of ethical decision models for marketing. *Journal of Macromarketing*, 9(2), pp.55-64. <http://dx.doi.org/10.1177/027614678900900207>
16. Ford, R. C., and Richardson, W. D., 1994. Ethical decision making: A review of the empirical literature. *Journal of Business Ethics*, 13(3), pp.205-221. <http://dx.doi.org/10.1007/BF02074820>.
17. Foote, D., 2001. The question of ethical hypocrisy in human resource management in the UK and Irish charity sectors. *Journal of Business Ethics*, 34(1), pp.25-38. <http://dx.doi.org/10.1023/A:1011909904150>.
18. Greenwood, M. R., 2002. Ethics and HRM: A review and conceptual analysis. *Journal of Business Ethics*, 36(3): 261-278. <http://dx.doi.org/10.1023/A:1014090411946>.
19. Hegarty, W. H. and H. P. Sims, Jr., 1978. 'Some Determinants of Unethical Decision Behavior: An Experiment', *Journal of Applied Psychology* 63 (4), pp.451- 457.
20. Hegarty, W. H. and H. P. Sims, Jr., 1979, 'Organizational Philosophy, Policies and Objectives Related to Unethical Decision Behavior A Laboratory Experiment', *Journal of Applied Psychology* 64(3), pp.331-338.
21. Hornby A.S., 2000, *Oxford Advanced Learner's Dictionary of Current English*, 6th edition, Oxford University Press, Oxford, UK.
22. Hunt, S. D., & Vitell, S., 1986. A general theory of marketing ethics. *Journal of macromarketing*, 6(1), pp.5-16.
23. Jackson, S. E., & Schuler, R. S., 1995. Understanding human resource management in the context of organizations and their environments. *Human Resource Management: Critical Perspectives on Business and Management*, 2, pp.45-74. <http://dx.doi.org/10.1146/annurev.ps.46.020195.001321>.
24. Jones, T. M., 1991. Ethical decision making by individuals in organizations: An issue-contingent model. *Academy of management review*, 16 (2), pp.366-395. <http://dx.doi.org/10.5465/AMR.1991.4278958>.
25. Kangas, M., Feldt, T., Huhtala, M., & Rantanen, J., 2014. The corporate ethical virtues scale: Factorial invariance across organizational samples. *Journal of Business Ethics*, 124(1), pp.161-171. <http://dx.doi.org/10.1007/s10551-013-1851-7>.
26. Kish-Gephart, J. J., Harrison, D. A., & Treviño, L. K., 2010. Bad apples, bad cases, and bad barrels: meta-analytic evidence about sources of unethical decisions at work. *Journal of applied Psychology*, 95(1), 1. <http://dx.doi.org/10.1037/a0017103>.
27. Kohlberg, L., 1969. "Stage and sequence: The cognitive-developmental approach to socialization". In D. A. Goslin (Ed.), *Handbook of socialization theory and research*: 347-480. Chicago: Rand McNally.
28. Lado, A. A., and Wilson, M. C., 1994. Human resource systems and sustained competitive advantage: A competency-based perspective. *Academy of management review*, 19(4), pp. 699-727. <http://dx.doi.org/10.5465/AMR.1994.9412190>.
29. Lehnert, K., Park, Y. H., and Singh, N., 2015. Research note and review of the empirical ethical decision-making literature: Boundary conditions and extensions. *Journal of Business Ethics*, 129(1), pp. 195-219. <http://dx.doi.org/10.1007/s10551-014-2147-2>.
30. Loe, T. W., Ferrell, L., and Mansfield, P. 2000. A review of empirical studies assessing ethical decision making in business. *Journal of Business Ethics*, 25(3), pp.185-204. <http://dx.doi.org/10.1023/A:1006083612239>.
31. Luthans, F., 2013. *Organizational Behavior: An Evidence-Based Approach*. 13th ed., McGraw-Hill/Irwin, New York, NY 10020.
32. MacDougall, A. E., Martin, A. A., Bagdasarov, Z., and Mumford, M. D., 2014. A review of theory progression in ethical decision making literature. *Journal of Organizational Psychology*, 14(2), 9.
33. Maxwell, G., & Beattie, R., 2004. The ethics of in-company research: an exploratory study. *Journal of*

- business ethics*, 52(3), pp.243-256. <http://dx.doi.org/10.1023/B:BUSI.0000037534.67412.b5>
34. Meyers, C., 2004. Institutional culture and individual behavior: Creating an ethical environment. *Science and Engineering Ethics*, 10(2), pp.269-276. <http://dx.doi.org/10.1007/s11948-004-0022-8>.
35. O'Fallon, M. J., and Butterfield, K. D., 2005. A review of the empirical ethical decision-making literature: 1996–2003. *Journal of business ethics*, 59(4), pp. 375-413. <http://dx.doi.org/10.1007/s10551-005-2929-7>.
36. Opatha, H.H.D.N.P., 2009. *Human Resource Management: Personnel*. Department of HRM, University of Sri Jayewardenepura, Sri Lanka.
37. Opatha, H. H. D. N. P., 2010. *Personal Quality*., Sri Lanka: Department of Human Resource Management.
38. Opatha, H.H.D.N.P., 2015. *Organizational Behavior: The Human Side of Work*. Department of HRM, University of Sri Jayewardenepura, Sri Lanka.
39. Oxford Dictionary, Language Matters, <http://www.oxforddictionaries.com>, accessed on July 10, 2016.
40. Palomino, P., and Martínez, R., 2011. Human resource management and ethical behavior: Exploring the role of training in the Spanish banking industry. *Ramon Llull Journal of Applied Ethics*, (2): 69.
41. Parboteeah, K. P., Seriki, H. T., & Hoegl, M., 2014. Ethnic diversity, corruption and ethical climates in sub-Saharan Africa: recognizing the significance of human resource management. *The International Journal of Human Resource Management*, 25(7): pp.979-1001. <http://dx.doi.org/10.1080/09585192.2013.815251>.
42. Rest, J. R., 1986. *Moral development: Advances in research and theory*. New York: Praeger.
43. Robbins, S., Judge, T. A., Millett, B., and Boyle, M., 2013. *Organizational behavior*. Pearson Higher Education AU.
44. The Fiscal Time, <http://www.thefiscaltimes.com>, accessed on July 8, 2016.
45. The Sunday Times, <http://www.sundaytimes.lk/160619/news/figure-fudging-charge-five-hsbc-senior-managers-fired-197898.html>, accessed on July 8, 2016.
46. Thite, M., 2013. Ethics and human resource management and development in a global context: case study of an Indian multinational. *Human Resource Development International*, 16(1): pp.106-115. <http://dx.doi.org/10.1080/13678868.2012.737691>.
47. Tranfield, D., Denyer, D., and Smart, P., 2003. Towards a methodology for developing evidence-informed management knowledge by means of systematic review. *British journal of management*, 14(3), pp. 207-222.
48. Trevino, L. K., 1986. Ethical decision making in organizations: A person-situation interactionist model. *Academy of management Review*, 11(3): pp.601-617. <http://dx.doi.org/10.5465/AMR.1986.4306235>.
49. Winstanley, D., & Woodall, J. (2000). The ethical dimension of human resource management. *Human Resource Management Journal*, 10(2): 5-20. <http://dx.doi.org/10.1111/j.1748-8583.2000.tb00017.x>

Websites:

50. <http://blink.ucsd.edu/finance/accountability/ethics/process.html>
51. <http://fortune.com/2015/12/27/biggest-corporate-scandals-2015/> accessed July 8, 2016





This page is intentionally left blank



GLOBAL JOURNAL OF MANAGEMENT AND BUSINESS RESEARCH: A
ADMINISTRATION AND MANAGEMENT
Volume 16 Issue 10 Version 1.0 Year 2016
Type: Double Blind Peer Reviewed International Research Journal
Publisher: Global Journals Inc. (USA)
Online ISSN: 2249-4588 & Print ISSN: 0975-5853

Determinants of Micro and Small Enterprises Performance in South West Ethiopia: The Case of Manufacturing Enterprises in Bench Maji, Sheka, and Kefa Zones

By Gemechu Abdissa & Teklemariam Fitwi

Izan-Tepi University

Abstract- The aim of this study is to investigate the factors that affect the performance of SMEs in Bench Maji, Sheka, and Kefa zone particular to manufacturing sector. In this study, mixed research methods were used. Stratified simple random sampling was used to select proportional number of samples from the study area. Both primary and secondary source of data were used. To obtain the primary data, questionnaires were distributed for 278 micro and small sized enterprises owners and managers to access the performance status of their enterprises and also to examine factors affecting their performance. Secondary data were collected from books, journals, past research works, official documents and the Internet.

Keywords: *small and medium enterprises (smes); performance, internal and external factors.*

GJMBR- A Classification: *JELCode: P42*



Strictly as per the compliance and regulations of:



Determinants of Micro and Small Enterprises Performance in South West Ethiopia: The Case of Manufacturing Enterprises in Bench Maji, Sheka, and Kefa Zones

Gemechu Abdissa^α & Teklemariam Fitwi^ο

Abstract- The aim of this study is to investigate the factors that affect the performance of SMEs in Bench Maji, Sheka, and Kefa zone particular to manufacturing sector. In this study, mixed research methods were used. Stratified simple random sampling was used to select proportional number of samples from the study area. Both primary and secondary source of data were used. To obtain the primary data, questionnaires were distributed for 278 micro and small sized enterprises owners and managers to access the performance status of their enterprises and also to examine factors affecting their performance. Secondary data were collected from books, journals, past research works, official documents and the Internet. To see the characteristics and impact of politico-legal, social, working premises, technology, infrastructure, marketing, finance, management and entrepreneurial skills on the performance of SMEs operating in Bench Maji, Sheka, and Kefa zone, descriptive and inferential statistics were employed. Pearson correlation analysis is also used to see the relationship that exists between the variables. The findings of the study show that, there exists linear and positive significant ranging from substantial to strong relationship was found between independent and dependent variable. Moreover, the selected independent variables were significantly explaining the variations in the dependent variable at 5% level of significance. Based on findings, the study suggests that small and medium enterprise managers, directors, and all stakeholders should not only be concerned about internal structures and policies, but also must consider the external environment together to improve their performance.

Keywords: *small and medium enterprises (smes); performance, internal and external factors.*

I. INTRODUCTION

The success of the government and a country, in regard to business development, is related to small business sustainability (Carrasco-Davila, 2005). Local and federal authorities had been developing programs that promote the creation of new jobs thru the small business (Plan Nacional de Desarrollo, 2007). The small and medium business sectors are recognized as an integral component of economic development and a crucial element in the effort to lift countries out of purveys. The dynamic role of

micro and small enterprises (MSEs) in developing countries as engines through which the growth objectives of developing countries can be achieved has long been recognized. Small businesses play an important role in the development of a country and serve as a means to sustain and grow economies (Ibrahim, Angelidis, & Parsa, 2008). Due to the ease in starting and simplicity in operation, small businesses are initiated for various reasons depending upon entrepreneur motives and traits (Kozan et al., 2006). Small businesses contribute to lowering unemployment as well as generate new sources of employment.

Recent empirical studies show that MSEs contribute to over 60% of GDP and over 70% of total employment in low-income countries, while they contribute over 95% of total employment and about 70% of GDP in middle-income countries. Therefore, an important policy priority in developing countries is to reform the policies that divide the informal and formal sectors, so as to enable the poor to participate in markets and to engage in higher value added business activities (Ayyagari, Beck and Demirgüç-Kunt, 2003).

Policies to promote the development of MSEs are common in both developed and developing countries (Storey, 1994; Levitsky, 1996; Hallberg, 2000). In the case of developed countries, it has become commonplace for governments during the last two or three decades to implement policies or programs designed to promote aspects of micro and small-sized enterprises (MSEs). This has coincided with an increase in the importance, in terms of contribution to employment and GDP growth, of SMEs in most of the developed economies (Storey, 1994). In the case of developing economies, policies designed to assist MSEs have been an important aspect of industrial policy and multilateral aid programs such as those of the United Nations since the 1950s (Levitsky, 1996). However, while there are wide variations across countries the traditional picture is one where the relative importance of SMEs tends to decline as a country moves up the developmental ladder (Hallberg, 2000; and Liedholm and Meade, 1999).

Author α: Lecturer, Department of management, College of Business and Economics, Mizan-Tepi University, Mizan Teferi, Ethiopia.
e-mails: gemechu.mtu@gmail.com, tfitwi@gmail.com

In addition, they also comprise a significant proportion of the business enterprises. It may therefore be argued that, purely from the viewpoint of their significance in their economies, MSEs warrant attention from governments. Storey (1994) has argued, in the UK context, that the increased importance of MSEs means that public policies towards them cannot be considered in isolation from other influences in the economy and cannot be left to those with a particular interest in MSEs. The significance of SMEs in their economies makes it important for policymakers to ensure that these enterprises do not face impediment that hamper their ability to operate efficiently and do not face tedious administrative compliance costs. As Lattimore et al. (1998) note, while economic importance provides a strong basis for public policy consultation with small business, in itself it provides little justification for specific interventions.

Despite a long history of development efforts, MSEs were perceived rather as a synthetic construction mainly of "social and political" importance (Hallberg, 2000), especially throughout the 1980's and up to late 1990's. Although domestic MSEs constituted most of what could be and what are still deemed as the private business activity in most developing countries, private sector development strategies advocated for and implemented in these countries were skewed towards the needs of large-scale business, including foreign invested ones. This type of policy advice was partly motivated by the rather disappointing (Meyer-Stamer, Jörg and Frank Waltering, 2000) results achieved through extensive MSE support systems operated in developed countries since the 1970's.

While contributions of MSEs were recognize, many programs and policies were developed to support them, their journey in many instances is short-lived with high rate of failure mostly in Africa due to several factors (Michael and Jeffrey, 2009; Lussier, 1996; Honjo, 2000; ILO, 2007; Wiboonchutikula, 2001; Zewde and Associates, 2002). There are many obstacles hindering their growth like competitions, lack of access to credit, cheap imports, insecurity, debt collection, marketing problems, lack of enough working space, identical products in the same market, change in demand and absence of market linkages, lack of raw material accessibilities (Wiboonchutikula, 2001).

Okpara & Wynn (2007) research on small-business development has shown that the rate of failure of MSEs in development countries is higher than the developed world. According to Geberhiwot and Wolday, (2006) more than 11,000 MSEs were surveyed and about 5 percent of them admitted having main constraints like lack of working space for production and marketing, shortage of credit and finance, regulatory problems (licensing, organizing, illegal business), poor production techniques, input access constraints, lack of information, inadequate management and business

skill, absence of appropriate strategy, lack of skilled human resource, low level of awareness of MSEs' as job area, low level of provision and interest for trainings and workshop. These constraints confirm with other developing countries, especially poor management, corruption, lack of training and experience, poor infrastructural development, insufficient profits and low demand for product and services.

Shiffer and Weder (2001) clearly show that there are size-based policy biases against MSEs, and more so against smaller firms in the microeconomic environment. These biases cover all areas: legal and regulatory frameworks, governance issues, such as bureaucracy and corruption, access to finance and property rights. Governmental interventions on all fronts are required. The existence of such biases point out to either market or government failure and is closely related to the capacity of the stakeholders involved. At times, markets may correct these failures. However, in some cases, removal of failures in the business environment may require adopting structuralist (selective intervention) approaches rather than market-friendly approaches, as market forces may not be sufficient to remedy the capacity deficits in the system. The choices made will be political, but they should be based on sound analyses (Lall, 2001).

Even though in the past decades the focus of Ethiopian government was mainly on large organizations, particularly on manufacturing sector, the recent wave of private sector development initiatives however shifted the policy efforts to MSEs and SMEs. This new orientation has been possible because of poor performance in most state owned companies and the tension introduced by globalization and the increased need for competitiveness (Zewde & Associates, 2002; Hamilton and Fox, 1998). Thus, the health of micro and small business sectors is very important for the overall economic growth potential and future strength of an economy since they utilize local resources, satisfying vital needs of large segment of the population with their products and services, serve as sprees of technological, marketing and management capacity and skill acquisition, and enable technological process via adoption technology (FeMSEDA, 2004).

The south west region is endowed with ample natural resource. MSEs make productive use of resources and improved the efficiency of domestic markets, thus facilitating long-term economic growth. MSEs also seem to have advantages over other large-scale competitors in that they are able to adapt more easily to market conditions and utilize the ample resources. The sector has the potential to contribute towards creating employment opportunities and reducing poverty. However, even if ample resource is available in the region they have not performed creditably well and hence have not played the expected vital role in the economic growth and development of

the country. This situation has been of great concern to the government, citizenry, operators, practitioners and the organized private sector groups.

Therefore, the basis for this study is that the government formulated some policies, and established many institutions to promote the smooth functioning of SMEs. However, the sector is not performing up to the expectations of many stakeholders as it has been suffering from several problems. Therefore, the study aims at identifying the impact of the varied problems on the performance of MSEs in Bonga, Mizan-Aman, and Teppi Towns.

II. MATERIALS AND METHODS

a) Research Design

According to Mark et al. (2009:101) mixing qualitative and quantitative approaches gives the potential to cover each method's weaknesses with strengths from the other method. In this study, a combination of qualitative and quantitative approaches of doing research was employed, which has been

practiced, as recommended by Creswell (2009:203-216).

b) Data Collection

The study employed both primary and secondary sources of data collection.

c) Target Population

In this study the target populations is all MSEs operating within three twons (Mizan-Aman, Bonga and Tepi). According to Federal Micro & Small Development Agency of Ethiopia there are 973 MSEs operating within Mizan-Aman, Bonga and Tepi (FMSAE, 2014). The study targets those enterprises within the three towns because the towns have a concentration of various MSE types and can thus be representative of most enterprise sectors in Benchi-Maji, Kaffa and Sheka zones.

d) Sample Size Determination

As to the sample size determination, from among different methods, the one which has developed by Carvalho(1984),ac cited by Zelalem(2005) was used. The method is presented in table below.

Table 1.1: Sample Size Determination

| Population Size | Sample Size | | |
|-----------------|-------------|--------|------|
| | Low | Medium | High |
| 51-90 | 5 | 13 | 20 |
| 91-150 | 8 | 20 | 32 |
| 151-280 | 13 | 32 | 50 |
| 281-500 | 20 | 50 | 80 |
| 501-1200 | 32 | 80 | 125 |
| 1201-3200 | 50 | 125 | 200 |
| 3021-10000 | 80 | 200 | 315 |
| 1001-35000 | 125 | 315 | 500 |
| 35001-15000 | 200 | 500 | 800 |

(Source: Zelalem, Issues and Challenges of Rural Water Scheme, 2005)

So, according to the above table, 278 sample size was determined for this particular study.

III. DATA PRESENTATION, ANALYSIS AND DISCUSSION OF RESULTS

a) Pearson Correlation Analysis

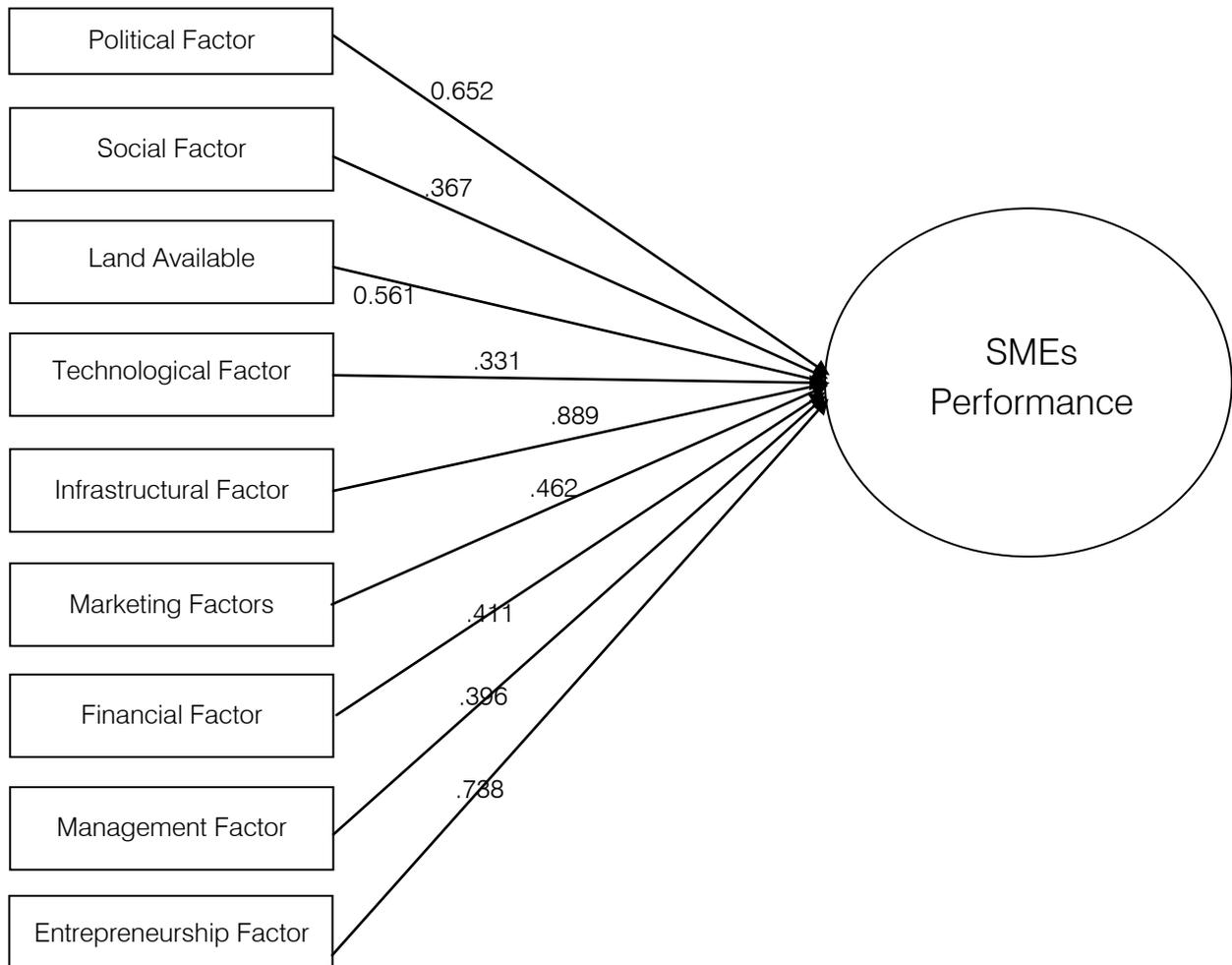
This research is investigating the strength of relationships between the studied variables. The study employs the Pearson correlation which "measures the linear association between two metric variables" (Hair et al., 2008). The Pearson correlations were calculated as measures of relationships between the independent variables and dependent variables. This test gives an indication of both directions, positive (when one variable increases and so does the other one), or negative (when one variable increases and the other one decreases (Pallant, 2010). The test also indicates the strength of a relationship between variables by a value that can range from --1.00 to 1.00; when 0 indicates no relationship, - 1.00 indicates a negative correlation, and 1.00 indicates a perfect positive correlation (Pallant, 2010). For the rest of the values is used the following guideline:-

- small correlation for value 0.1 to 0.29
- medium correlation for 0.3 to 0.49
- Large correlation for 0.50 to 1.0 (Pallant, 2010).

Like the demographic factors, the scale typed questionnaire entered to the SPSS software version16.00, to process correlation analysis. Based on the questionnaire which was filled by the SME members, the following correlation analysis was made.

b) Correlation Analysis of Manufacturing Sector and SMEs Performance

Correlation Analysis of Internal & External Factors of manufacturing Sector and SMEs Performance



As one can observe from the correlation fig 4.1 in the above, the values of correlation are also used for checking multicollinearity. The correlation between each of the independent variables is not too high, meaning that the correlation is not above value 0.5. It can be concluded that in this study there is no problem with multicollinearity. The strongest relationship between the independent variables is 0.497 between politics, entrepreneurial and marketing.

The Pearson correlations between independent variables management factor, social, marketing factors, infrastructural factor, political, financial factor, technological factor, land availability and the dependent variable SMEs performance are depicted in Figure 4.1 above.

❖ Correlation Analysis between Political factor and SMEs performance

Pearson correlation test was conducted to see the degree of relationship between the independent variable i.e. political factor and SMEs performance. The results of the correlation between these variables are shown in figure 4.1 above, there is significant correlation between Political factor and SMEs performance. In other

hand, Political factor and SMEs performance have strong relationship ($r=0.652$ with $p<0.02$).

❖ Correlation Analysis between Social factor and SMEs performance

Pearson correlation test was also conducted for these variables and the results are shown in figure above. As it is indicated in the fig 4.1, there is significant positive correlation between Social factor and SMEs performance. In other words Social factor and SMEs performance are correlated in a moderate relationship ($r=0.367$ with $p<0.01$).

❖ Correlation Analysis between Land available and SMEs performance

For these variables Pearson correlation test was conducted and the results are shown in fig 4.1 above. As it is shown in the figure, there is significant correlation between Land available and SMEs performance. In other words Land available and SMEs performance have high or strong relationship ($r=0.561$ with $p<0.03$).

❖ Correlation Analysis between technological factor and SMEs performance

For these variables Pearson correlation test was conducted and the results are shown in fig 4.1 above.

As it is shown in the fig 4.1, there is significant correlation between technological factor and SMEs performance. In other words technological dimension and SMEs performance have moderate relationship ($r=0.331$ with $p<0.01$).

❖ Correlation Analysis between Infrastructural factor and SMEs performance

Pearson correlation test was also conducted for these variables and the results are shown in fig 4.1 above. As it is indicated in the figure, there is significant positive correlation between Infrastructural factor and SMEs performance. In other words Infrastructural factor and SMEs performance are correlated in a strong relationship ($r=0.889$ with $p<0.01$).

❖ Correlation Analysis between Marketing factors and SMEs performance

Pearson correlation test was conducted to see the degree of relationship between the independent variable i.e. marketing factor and SMEs performance. The results of the correlation between these variables are shown in fig 4.1 above. As it is indicated in the fig 4.1 above, there is significant correlation between marketing factor and SMEs performance. In other hand marketing factor and SMEs performance have moderate relationship ($r=-0.462$ with $p<0.04$).

❖ Correlation Analysis between Financial factor and SMEs performance

For these variables Pearson correlation test was conducted and the results are shown in fig 4.1 above. As it is shown in the table, there is significant correlation between financial factor and SMEs performance. In other words Financial factor and SMEs performance have high or moderate relationship ($r=0.411$ with $p<0.01$).

❖ Correlation Analysis between Management factor and SMEs performance

Pearson correlation test was also conducted for these variables and the results are shown in fig 4.1 above. As it is indicated in the fig 4.1, there is significant positive correlation between Management factors and SMEs performance. In other words Management factors and SMEs performance are correlated in a moderate relationship ($r=0.396$ with $p<0.02$).

❖ Correlation Analysis between Entrepreneurship factor and SMEs performance

For these variables Pearson correlation test was conducted and the results are shown in fig 4.1 above. As it is shown in the fig 4.1, there is significant correlation between Entrepreneurship factors and SMEs performance. In other words Entrepreneurship factors and SMEs performance have high or strong relationship ($r=0.738$ with $p<0.02$).

The values of correlation are also used for checking multicollinearity. The correlation between each of the independent variables is not too high, meaning that the correlation is not above value 0.5. It can be concluded that in this study is no problem with multicollinearity.

i. Regression Analysis of the Manufacturing sector and SMEs performance

The model summary in table 4.1 presents how much of the variance in the dependent variable is explained by the model. The multiple coefficient of determination denoted as R square is 0.695. The value of the R square indicates that 69.5 percent of variance in the dependent variable was explained by the model.

Regression analysis of Manufacturing sector

Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
|-------|-------------------|----------|-------------------|----------------------------|---------------|
| 1 | .892 ^a | .796 | .695 | .521 | 2.158 |

a. Predictors: (Constant), management factor, social, marketing factors, infrastructural factor, political, financial factor, technological factor, land availability

b. Dependent Variable: performance measurement

Coefficients

| Model | | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. |
|-------|-------------------|-----------------------------|------------|---------------------------|-------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 5.815 | 1.083 | | 5.369 | .000 |
| | Political | .675 | .112 | .640 | .199 | .000 |
| | Social | .362 | .164 | .285 | 2.215 | .002 |
| | Land availability | .729 | .101 | .716 | 1.278 | .001 |

| | | | | | |
|------------------------|------|------|------|-------|------|
| Technological factor | .605 | .102 | .530 | 3.986 | .000 |
| Infrastructural factor | .982 | .177 | .844 | 2.729 | .003 |
| Marketing factors | .451 | .104 | .383 | 1.445 | .002 |
| Financial factor | .549 | .121 | .508 | 2.049 | .003 |
| Management factor | .207 | .101 | .174 | 1.460 | .000 |

a. *Dependent Variable: SMEs measurement.*

By looking at the Sig.-value in table 4.1, it is possible to interpret whether the particular independent variable has a significant relationship with the dependent variable. The relationship is significant if the Sig. value is not larger than 0.05. The results show that there is a significant relationship for political (0.000), social (0.002), land available (0.001), Technological factor (0.003), Infrastructural factor (0.002), Marketing factors (0.002), Financial factor (0.003) and Management factor (000). This means that all the variables are good predictors of the dependent variable. The multiple regression result table 4.1 indicates that, all the internal and external factors that used in this study have positive and significant influence on the explained variable. The value of ($\beta = .640, .285, .716, .530, .844, .383, .508, \text{ and } 0.174$) for political, social, land availability, technology, infrastructure, marketing, financial, and management factors respectively. Furthermore, the study aims to identify which of the variables contributed the most to prediction of the dependent variable. This information can be investigated via Standardized coefficient Beta in table table 4.1. In this study the highest Beta value is 0.844 for infrastructure factor, and second highest is 0.716 for land availability. The independent variables management factor (.174), social (.285), technology factor (.530), financial factor (.508), and political factors (.640) are also good predictors. These results indicate that the variables infrastructure factor and political factor make the strongest unique contribution in explaining the dependent variable SMEs performance.

These results enable to conclude that the model explains 69.50 percent of the variance in SMEs performance. The largest unique contribution is provided by the variables infrastructure factor, Land availability, and political factor. Thus, these variables represent good predictors of the dependent variable.

IV. CONCLUSIONS

This research was conducted in Bench Maji, Sheka and Kefa Zone capital towns (Mizan-Aman, Tepi and Bong) respectively with the prime intent of critically assessing the factors affecting the performance of MSE operators engaged in manufacturing activities. Specifically, the study attempted to examine the internal and external factors that affect the performance of MSEs, to describe the characteristics of small

enterprises operating in the study area and to recommend possible solution to alleviate the problem of MSEs. Based on the objectives and findings of the study, the following conclusions are worth drawn.

According to (Enock Nkonoki, 2010), the main factors/problems that limits small firm's success/growth into two groups; first is the factors that originate from within the firm (in other words they are internal to the firm) and the second group is factors that originate from outside the firm (these are external to the firm). Lack of a proper business plan/vision, Poor management, and lack of needed talent are among the internal factors. The External factors limiting small firm growth are Corruption, Competition, Government policy, Technological barrier, in access to finances/funding, Bureaucratic processes and Unfavorable economic factors.

In line with the Enock, 2010 findings, the regression result of this particular study showed, all the internal and external variables (factors) included in this particular study were statistically significant and therefore, affects the performance of SMEs in the study area was affected by both variables.

The finding of this research shows that, most of the MSEs operators have no efficient experience and management knowhow to perform their activities effectively and efficiently. These lead to them unsuccessful because they run their business activities without having adequate knowledge about the business environment. Lack of managerial know-how places significant constraints on SME development.

Regarding infrastructural facilities, most of MSEs operators had no adequate infrastructural facilities at the given study area, specially insufficient and interrupted electric power and water supply. These lead to them, unable to generate adequate profit by satisfying the needs of the customers. Infrastructural problem is not only the problem of the study area problem it is a country wide problem, therefore this problem is not solved by the MSEs operators rather than by the government of the country.

The result of the finding shows that majority of MSEs operators in the study area does not have enough working premises. Because of this, the MSEs operators are not perform their business related activities effectively and efficiently. And also, the location of the working premises is not suitable for attracting the new customers that means, the working premises have no access to market.

Regarding other external environmental factors, majority of MSEs operators activities are affected by external related problem such as technological related problems i.e. the MSEs operators are did not have the opportunity to get modernized technology at the given study area which made them unsuccessful. And the other external problem is, there was a problem of market linkage with the external parties such as vendor, suppliers and customers. Because of there was a problem of marketing linkage through external parties, most of the time the MSEs operators are kept their products in the store. It is true that, finance, working place, infrastructural, marketing factors are factors that affect the performance of MSEs, this does not mean that all factors are equally affect the performance of the business enterprises. As compared with the other factors, technological factors, lack of infrastructural facilities, shortage of working premises and shortage of finances for start-up and expansion purposes are the top most factors that affect the growth and success of MSEs activities at Bench Maji, Sheka and Kefa Zone.

V. ACKNOWLEDGEMENTS

Our gratitude to the many individuals who have helped shape this work cannot adequately be conveyed in a few sentences. Our heartfelt thanks go to all our friends and family who directly or indirectly contributes their unlimited initiation and facilitation in the work. Unforgettable warmest appreciation also goes to our employer Mizan-Tepi University who supports in all the finances and encourage us to finish this piece of work.

Last but not the least, we wish to give our thanks to all managers, owners of SMEs and employees for their willingness to participate in filling the questionnaires.

BIBLIOGRAPHY

- Adimasu Abera (2012). *Factors Affecting the performance of Micro and Small Enterprise in Arada and Lideta Sub-city, Addis Ababa*. Unpublished Master's Thesis.
- Arinaitwe, J.K. (2006). Factors Constraining the Growth and Survival of Small Scale Businesses: Developing Countries analysis, *Journal of American Academy of Business*, Cambridge, Vol. 8 No. 2, pp. 167-78.
- Armstrong, M. (1994). *Human Resource Management Practice*, Replika Press Ltd, India.
- Assegedech Woldelul. (2004). Marketing Strategies for Micro and Small Enterprises in Ethiopia: *Ethiopian Business Development Services Network (EBDSN)*, Addis Ababa.
- Ayyagari, Meghana., Thorsten Beck, Asli Demirgüç-Kunt (2003), "Small and Medium Enterprises Across the Globe", World Bank Policy Research Working Paper 3127, August, Washington D.C.
- Best, J.W. (1995), *Research In Education 3rded*; Englewood Cliff, NJ: Prentice Hall. Inc
- Carrasco-Davila, A. F. (2005). La micro y pequeña empresamexicana [Micro and small Mexican business]. *Observatorio de la Economía Latinoamericana*, 45. Retrieved from <http://www.eumed.net/cursecon/ecolat/mx/2005/afcd-mpyme.htm>.
- Catherine Dawson. (2009). *Introduction to research methods: A practical guide for any one undertaking a research project*, fourth edition, United Kingdom, Books Ltd.
- Creswell J. W. (2009): *Research Design: Qualitative, Quantitative, and Mixed Methods Approaches*, 3rd edition. Landon, Sega publications.
- Dildar, Hussain Muhammad, Zafar Yaqub (2010). Micro-entrepreneurs: Motivations, Challenges and Success Factors, *International Research Journal of Finance and Economics*, University of Vienna, Issue 56 (2010).
- Enock Nkonoki. (2010). What are the factors limiting the success and/or growth of small businesses in Tanzania?—An empirical study on small business growth; Arcad University of Applied Sciences, Tanzania.
- Faiza, M. & Jamal, T. (2009). *Temporal Population Growth of Lahore. Journal of Scientific Research*, 1, 53-58.
- Federal Democratic Republic of Ethiopia Ministry of Trade and Industry Micro and Small Enterprise Development Strategy, 2004, Addis Ababa, Ethiopia.
- Gebrehiwot Ageba and Wolday Amha (2006). Micro and Small Enterprises Finance in Ethiopia: Empirical Evidence, *Eastern Africa Social Science Research Review*, Michigan State University, Volume 22, Number 1, Jan., pp. 63-86.
- Geoffrey Marczyk, David DeMatteo and David Festinger. (2005). *Essentials of Research Design and Methodology*. Canada, John Wiley & Sons, Inc.
- Gottschalk, P., & Solli-Sæther, H. (2005). Critical success factors from IT outsourcing theories: an empirical study. *Industrial Management & Data Systems*, 105(6), 685-702. doi: 10.1108/02635570510606941, <http://dx.doi.org/10.1108/02635570510606941>
- Gurmeet Singh and Rakesh Belwal (2008). Entrepreneurship and SMEs in Ethiopia, Evaluating the Role, Prospects and Problems Faced by Women in this Emergent Sector, *Gender in Management: An International Journal* Vol. 23 No. 2, pp. 120-136.
- Habtamu Tezera. (n.d); *Challenges and opportunities of small and medium scale Enterprises (SMES) in Addis Ababa (The case of Arada Sub-City)*. Unpublished Master's Thesis.

19. Hafeez, K., Malak, N., & Zhang, Y. B. (2007). Outsourcing non-core assets and competences of a firm using analytic hierarchy process. *Computers & Operations Research*, 34, 3592–3608. doi:10.1016/j.cor.2006.01.004,http://dx.doi.org/10.1016/j.cor.2006.01.004
20. Hailey (1991). Regional Characteristics, Business Dynamics, and Economic Development, in *Small business dynamics: international, national and regional perspectives*.
21. Hair, J.F., R.E. Anderson, R.L. Tatham and W.G. Black (1995), *Multivariate data analysis*, Englewood Cliffs, NJ, Prentice Hall.
22. Hallberg, Kristin (2000), "A Market-Oriented Strategy for Small and Medium-Scale Enterprises", Discussion Paper No. 40, International Finance Corporation, The World Bank.
23. Hamilton, R.T. & Fox, M.A. (1998). The Financing Preference of Small Firm Owners, *International Journal of Entrepreneurial Behavior & Research*, 4 (3), 239-248.
24. Honjo, Y. (2000). Business Failure of New Firms: An Empirical Analysis Using a Multiplicative Hazard Model, *International Journal of industrial Organization*, 18, 557-574.
25. Ibrahim, N. A., Angelidis, J. P., & Parsa, F. (2008). Strategic management of family businesses: Current findings and directions for future research. *International Journal of Management*, 25(1), 95-110. Retrieved from ProQuest database. (Document ID: 1460961721).
26. ILO Report (2007). Assessing the Enabling Environment for Women in Growth Enterprises, Ethiopia Preliminary Report, Addis Ababa, and SEDP-ILO.
27. International Labor Organization (ILO). (2007). Conclusions Concerning the Promotion of Sustainable Enterprises. Presented at the International Labor Conference of the International Labor Office, Geneva.
28. Janet M. Ruane. (2006). *Essentials of Research Methods*. A Guide to Social Science Research. USA, Blackwell Publishing.
29. John Adams, Hafiz T.A. Khan, Robert Raeside and David White. (2007). *Research Methods for Graduate Business & Social Science Students*. California, Sage.
30. Kozan, M. K., Oksoy, D., & Ozsoy, O. (2006). Growth plans of small businesses in Turkey: Individual and environmental influences. *Journal of Small Business Management*, 44(1), 114-129. Retrieved from ProQuest database. (Document ID: 969304101).
31. Lall, S., (2001), "Competitiveness Indices and Developing Countries: An Evaluation of the Global Competitiveness Report", *World Development*, Vol. 29, No. 9, p. 1501-1525.
32. Liedholm, Carl and Donald C. Mead (1999), *Small Enterprises and Economic Development*, London and New York: Routledge.
33. Lussier, R.N. (1996). Reasons Why Small Businesses Fail and How to Avoid Failure, *The Entrepreneur Executive*, Vol. 1 No. 2, pp. 10-17.
34. Mark Saunders, Philip Lewis and Adrian Thornhill. (2009). *Research Methods for Business Students*. Fifth edition, FT Prentice Hall
35. McMahon E. & Holmes V.(2009), *Understanding small business: practice, theory and research*. (6th.ed.) Adelaide: Scarman Publishing.
36. Meyer-Stamer, Jörg and Frank Waltring (2000), "Behind the Myth of the Mittelstand Economy: The Institutional Environment Supporting SMEs in Germany", Institute for Development and Peace at the Gerhard-Mercator-University Duisburg, Report No. 46/2000, Duisburg.
37. Michael A. McPherson, Jeffrey J. Rous (2009). Access to Finance and Small Enterprise Growth in Ethiopia, Evaluating the Role, Prospects and Problems Faced by Women in this Emergent Sector, *Gender in Management: An International Journal* Vol. 23 No. 2, pp. 120-136.
38. Mulu Gebreyesus. (2009). Innovation and Microenterprises Growth in Ethiopia. *Word Institute for Development, Economic research*, United Nations University, No. 51.
39. Mulugeta chane wube. (2010). *Factors affecting the performance of Women Entrepreneurs in Micro and small enterprises (the case of Dessie Town)*. Unpublished Master's Thesis.
40. Mulugeta Yohanes Firasew. (2011). *The Livelihoods Reality of Micro and Small Enterprise Operators: Evidences from Woreda One of Lideta Sub-city, Addis Ababa*. Unpublished Master's Thesis.
41. OECD (2000), "Small and Medium-sized Enterprises: Local Strength, Global Reach", *Policy Brief*, Paris, June.
42. Okpara, J.O. & Wynn, P. (2007). Determinants of Small Business Growth Constraints in sub Saharan African economy, *SAM Advanced Management Journal*, Vol. 72 No. 2, pp. 24-35.
43. Pallant, J. (2010). *SPSS Survival Manual* .4th Edition, Mcgraw Hill
44. Penrose, E.T (1959) *The theory of the growth of the firm* Oxford: Basil Blackwell Sian, S. and Roberts, C. (2009) 'UK small owner/managed businesses: Accounting and Financial reporting needs', *Journal of Small Business and Enterprise Development*. 16(2)
45. Phyllis Tharenou, Ross Donohue, Brian Cooper. (2007). *Management Research Methods*. New York, Cambridge University Press

46. Plan Nacional de Desarrollo. (2007). National development plan. Retrieved from <http://pnd.calderon.presidencia.gob.mx/>.
47. Sekaran, U. (2000). *Research Methods for Business: A skill-building approach* (3ed.). New York: John Wiley & Sons, Inc.
48. Storey, D.J. (1994), *Understanding the Small Business Sector*, London: Routledge. Symeonidis, George (2000), "Price Competition and Market Structure: The Impact of Cartel Policy on Concentration in the UK", *Journal of Industrial Economics*, Vol. 48 No. 1, March, 1-26.
49. Tiruneh Abebe. (2006). Analysis of the Success Factors of Micro and Small Business Enterprises in Addis Ababa.
50. UNIDO. (2003). To enhance the contribution of an efficient and competitive small and medium-sized enterprise sector to industrial and economic development in the Islamic republic of Iran [Online] Available:http://www.unido.org/fileadmin/import/18229_AbsFinal.pdf
51. United Nations Industrial Development Organization (UNIDO). (2002). *Rural Enterprise Development Support Project*. Entrepreneurial Skills for group based SMEs. Trainers Manual.
52. Walker E. and Alan Brown A. (2004). "What success factors are important to small business owners". *International Small Business Journal*. Vol.22. No.6.
53. Wanjiku Lily Njanja. (2009). *An Investigation into Management Strategies Affecting Performance of Micro, Small and Medium Enterprises (MSMES) In Kenya*. University of South Africa.
54. Wiboonchutikula, P. (2002). Small and Medium Enterprises in Thailand: Recent Trends, *Small Business economics, International Journal of Business and Management* Vol. 5, No.11; November 201018, 213-226.
55. Zewde & Associates (2002). *Jobs, Gender and Small Enterprises in Africa Preliminary Report Women Entrepreneurs*.
56. Zikmund, W., Babin, B., Carr, J., & Griffin, M. (2010). *Business Research Methods*. 8 Edition. South Western: Cengage Learning.



This page is intentionally left blank





GLOBAL JOURNAL OF MANAGEMENT AND BUSINESS RESEARCH: A
ADMINISTRATION AND MANAGEMENT
Volume 16 Issue 10 Version 1.0 Year 2016
Type: Double Blind Peer Reviewed International Research Journal
Publisher: Global Journals Inc. (USA)
Online ISSN: 2249-4588 & Print ISSN: 0975-5853

The Influence of Compensation and Performance Management on Talent Retention

By Calvin Mabaso

Vaal University of Technology

Abstract- Retention of talented employees has been seen as the most significant to the development and achievement of the organisation's objectives in the competitive advantage. Owing to the competition for scarce skills, the retention of quality employees has emerged as the biggest challenge in human capital management in the Technical Vocational Education and Training (TVET) Colleges in South Africa. The objective of the present study is examined the influence of compensation and performance management as determinants of talent retention among academic staff in TVET Colleges in South Africa. This study employed the quantitative research method to investigate the influence of rewards on talent retention. This paper discussed retention practices that are compensation and performance since these factors affect talent retention. Results shows that the majority of employees are not satisfied with compensation, which results in considering leaving the Institution.

Keywords: *compensation, performance management, retention, academic staff, recognition.*

GJMBR- A Classification: *JEL Code: M12*



Strictly as per the compliance and regulations of:



The Influence of Compensation and Performance Management on Talent Retention

Calvin Mabaso

Abstract- Retention of talented employees has been seen as the most significant to the development and achievement of the organisation's objectives in the competitive advantage. Owing to the competition for scarce skills, the retention of quality employees has emerged as the biggest challenge in human capital management in the Technical Vocational Education and Training (TVET) Colleges in South Africa. The objective of the present study is examined the influence of compensation and performance management as determinants of talent retention among academic staff in TVET Colleges in South Africa. This study employed the quantitative research method to investigate the influence of rewards on talent retention. This paper discussed retention practices that are compensation and performance since these factors affect talent retention. Results shows that the majority of employees are not satisfied with compensation, which results in considering leaving the Institution. The findings further showed that compensation and performance management were poorly applied in TVET Colleges. Hence, there is a high turnover on academic staff for better opportunities.

Keywords: *compensation, performance management, retention, academic staff, recognition.*

I. INTRODUCTION

Higher Education Institutions (HEIs) face an increasing number of obstacles in a changing global environment. Some of these challenges must be considered by the management of these institutions inter alia, include the management of human capital within the Institutions. The goal of Higher Education Institution is to provide in-depth knowledge, seek academic development and educate students and to meet the national development of skill demands. Strydom (2011) states that human capital factors should be taken into consideration if Higher Education Institutions aim to achieve their goals. Owing to the demand for scarce skills, the attraction and retention of quality employees has emerged as the biggest challenge in human capital management and this phenomenon has also risen in Higher Education Institutions (Terera and Ngirande, 2014).

The main objective of this research was to investigate the influence of compensation, performance management and recognition as element of total rewards on talent retention among academic staff at TVET Colleges in Gauteng province. The retention of employees continues to be a key priority of human resource professionals at the TVET colleges in the

Gauteng province (Frank, Finnegan and Taylor, 2004; Giancola, 2008). Ng'ethe, Iravo and Namusonge (2012) indicate that the most valuable asset available to an organisation is its people, and consequently, retaining employees in their jobs is crucial for any organisation. Globally and in South Africa, the retention of highly skilled employees is critical, particularly because of the need to contribute to economic growth, employment opportunities, innovation and poverty eradication (National Development Plan 2011). To attract and retain employees, organisations need novel reward systems that satisfy those employees. San, Theen, and Heng (2012) suggest that compensation, performance management and recognition seen as the significant elements in motivating employees to contribute their best efforts to generate innovative ideas that lead to productivity within an organisation. Sajuyigbe, Olaoye and Adeyemi (2013) is of the opinion that these rewards are regarded as a vital instrument in employee attraction and retention.

Several studies have been conducted in the area of talent retention. Of note are the studies by Stalcup and Pearson (2001), Salamin and Hom (2005), Yousaf (2010), and Ng'ethe, Iravo and Namusonge (2012), who focused on employee retention in the education, hospitality, banking and manufacturing sector, in higher education by Mustapha (2013). Terera and Ngirande (2014) considered influence of employee rewards on employee retention. These studies are useful for providing theoretical perspectives within which to situate the present study. While these studies are useful, they do not deal with the influence of employee rewards on talent attraction and retention at TVET colleges in the Gauteng province. The rationale for this study is thus to address this gap. A report by the Human Research Social Council (2011) shows that numerous employee disruptions at TVET colleges in the Gauteng province are a sign of employee dissatisfaction with an aspect of their jobs, which impacts negatively on productivity, morale, the teaching and learning processes and student academic achievement. Furthermore, inadequate remuneration and management problems have been the major causes of these disruptions in many of the colleges. The objective of the present study is examined the influence of compensation and performance management as determinants of talent retention among academic staff in TVET Colleges in South Africa.

Author: Vaal University of Technology, Vanderbijlpark, South Africa.
e-mail: calvinm@vut.ac.za

a) *Literature review*

Human capital is significant in every organisation and it remains the backbone of every organisation. Higher education is influential in the development of a country; it does not only function as a provider of knowledge but as a pertinent sector for the nation's grown and societal well-being. The higher education institutions play a significant role in development of skills; increased economy therefore high quality of staff is required. Management at modern-day academic institutions requires special endeavours to acquire and retain highly skilled employees to operate effectively in an extremely competitive environment.

b) *Compensation*

World at Work (2015) state that compensation involves pay offered by an employer to an employee for services rendered which comprise of time, effort and skill. It consists of both fixed and variable pay attached to levels of performance. Gross, Steven, Friedman and Helen (2004) assert that compensation includes base pay, short- term and long- term incentives. Pay also can be defined in direct financial items, such as: base pay, stock, equity sharing programmes and monetary recognition programmes (Rumpel and Medcof, 2006). De Bruyn (2014) observes that when academics in higher education institutions are remunerated properly, this tends to benefit the individual as well as the institution. The benefit for the academic is the ideal lifestyle he or she is able to sustain, whereas the benefit for the institution is the retention of competent employees.

c) *Recognition*

According to World at Work (2007), recognition refers to acknowledgement or gives special attention to employee actions, efforts, behaviour or performance. It meets an intrinsic psychological need for appreciation of

one's efforts and can support business strategy by reinforcing certain behaviors like extraordinary accomplishments that contribute to organisational success. Moreover, a study by Kwenin, Muathe and Nzulwa (2013) revealed that recognition has a positive relationship with employee retention. Employees desire not only financial rewards but recognition as well. Academic staff reveals that they prefer a system of recognition of performance where various awards are established and maintained at departmental levels in the institution (Chikungwa and Chamisa, 2013).

d) *Performance management*

Brudan (2010:109) defines performance management as "a discipline that assists in establishing, monitoring and achieving individual and organisational goals". Verbeeten (2008:430) also define performance management as "the process of defining goals, selecting strategies to achieve those goals, allocating decision rights, and measuring and rewarding performance". Soni (2003) points out that a salary increase or praise may cause an employee to work harder, but only for a while. Shikongo (2011) propose that a proper performance system needs to be in place in order to assess individual or team performance, which rewards them accordingly. This will not only be a fair system to those who work hard, as they are rewarded, but will also encourage poor performers to "pull their weight" and be rewarded. In this regard, the following hypothesis is formulated for the study:

II. THEORITICAL FRAMEWORK

To implement the study following dependent and independent variables are shown in theoretical framework. Moreover, compensation, performance and recognition are independent variable while talent retention is the dependent variable.

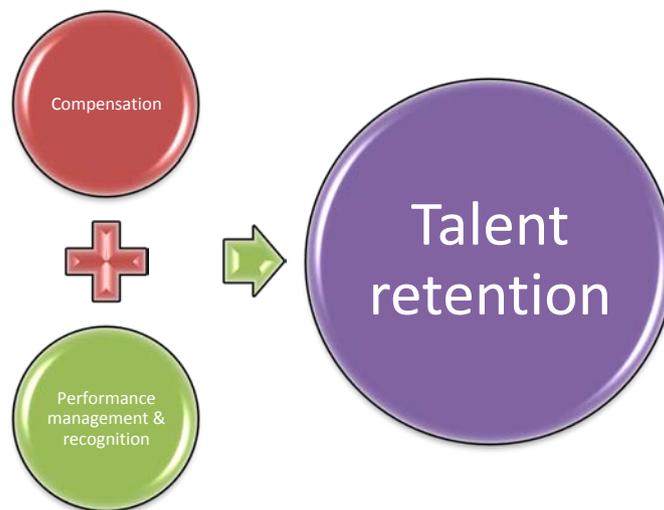


Figure 1

III. HYPOTHESIS DEVELOPMENT

Hypothesis development is essential since they both show the significance of the study. Therefore, this will be shown by acceptance and rejection of the hypothesis. Based on the literature review and theoretical framework above, the following hypothesis have been formulated:

Hypothesis 1 (H₁): There is a positive relationship between compensation and talent retention.

In order to the increase the employee commitment among employees, compensation will affect talent retention.

Hypothesis 2 (H₂): There is a positive relationship between recognition and talent retention.

If employees efforts is recognised by the organisation, this will results in talent retention.

Hypothesis 3 (H₃): There is a positive relationship between performance management and talent retention. Effective performance management will influence talent retention.

IV. METHODOLOGY

A quantitative research method and a survey design were deemed appropriate for examining the influence of rewards on talent attraction and retention. Quantitative research looks at numbers and statistical interpretation of the data gathered from questionnaires as opposed to looking at processes and meanings as in qualitative research (Creswell, 2008). Quantitative research is concerned with the facts or responses of participants. A survey method was employed for the study. A total of 205 academic staff were recruited using simple random sampling. This sampling technique ensures that all the population elements have an equal chance of being selected (Kumar 2014). All respondents were based in TVET Colleges in Gauteng and were available to take part in the study. Academic staff provided the largest response of 82.5%; 62.3% of the respondents were females and 37.7% were males. 82.5% of the responses came from black respondents while 17.5% comprised the other races. It is integral to validate a research instrument's usefulness. In this study it was necessary to assess the validity and reliability of the measuring instrument as suggested by Alumran, Hou and Hurst (2012). Cronbach's alpha values for the scale were as follows: Compensation ($\alpha=0.941$), Performance management and Recognition ($\alpha=0.905$) and Retention factors ($\alpha=0.923$).

a) Data analysis

Data was analysed with the aid of the Statistical Package for the Social Sciences (SPSS version 23.0). Initially, demographic data of the subjects, frequencies and the scores of the overall work-related factors as well as measures of central tendency were established.

Internal consistency estimates were formulated using Cronbach's alpha coefficients. Following this, a series of multivariate statistical procedures that included exploratory factor analysis, Pearson correlation analysis and linear regression were computed on all the variables. The required level of significance (p) was set at 0.01. The appropriateness of the data for factor analysis of different scale measures was determined by applying the Kaiser-Meyer-Olkin (KMO) measure of sampling and Bartlett's test of sphericity to the inter item correlation matrix of the measurement instruments. The KMO measure determines the degree of inter-correlations between the variables (Field, 2009). A KMO of 0.6 is considered acceptable for factor analysis.

V. DISCUSSION

The tenth-item scale compensation obtained an acceptable KMO measure of 0.919 for factor analysis and Bartlett's sphericity of $p=0.000$ indicated that fewer factors were possible. One factor, which explained 65.91% of the variance, resulted. It had a Cronbach Alpha reliability coefficient of 0.941 and was named "the extent of agreement with the compensation offered". The descriptive statistics, items in the factor, their mean scores are reported in Table 1. The mean score shows a disagreement towards with the compensation offered. Compensation possesses significant motivating power in as much as it symbolises intangible goals like security, power, prestige and a feeling of accomplishment and success (Ghazanfar, Chuanmin, Khan and Bashir, 2011). Respondents also disagreed that they are satisfied with their salary (mean=2.98). Respondents tended to be uncertain regarding their satisfaction with their salary (2.98) and this could reflect a degree of dissatisfaction on the part of the respondents. Studies conducted by Noordin and Jusoff (2009) and Mustapha (2013) reveal that salary / remuneration has a significant effect on lecturers level of retention which is also aligned with a study by Yang, Miao, Zhu, Sun, Liu and Wu (2008) who stated that salary increase significantly improved the retention for Chinese junior military officers. Shoib, *et al.* (2009) state that attractive remuneration packages are one of the important factors that affect talent attraction and retention.

Table 1: Items in the factor extent of agreement with compensation

| Description: To what extent do you agree/disagree with the following: | Mean | SD | Loading |
|---|------|------|---------|
| My salary is commensurate to my work | 3.07 | 1.17 | 0.77 |
| I am satisfied with my salary | 2.98 | 1.23 | 0.88 |
| My pay is competitive | 2.84 | 1.24 | 0.86 |
| I am rewarded fairly for the amount of effort that I put in my job | 2.73 | 1.24 | 0.77 |
| I am likely to get an increase every year | 3.56 | 1.26 | 0.62 |
| My pay is sufficient for my basic needs | 3.05 | 1.32 | 0.80 |
| My pay is equivalent to similar jobs in the College | 3.08 | 1.23 | 0.86 |
| I am fully conversant with my compensation | 3.11 | 1.22 | 0.88 |
| My compensation package provides the recognition I need | 2.84 | 1.19 | 0.85 |
| Overall the rewards I receive at the College are quite fair | 2.84 | 1.29 | 0.80 |

a) *Performance management and recognition*

The tenth-item scale that asked respondents about the extent to which they agree or disagreed with items relating to performance management and recognition. The items were anchored by 1 for strongly disagree and 5 for strongly agree. The correlation matrix had a KMO value of 0.905 and Bartlett's sphericity of $p < 0.0005$ indicating that a factor analytic procedure was likely to result in fewer factors than the 10 present. From the PCA with varimax rotation one factor, which explained 54.5% of the variance, resulted. It was named the extent of agreement with performance management and recognition (FE) and it had a Cronbach reliability of 0.901. The items in the factor are displayed in Table 1. The mean score of 2.92 indicates a neutrality tending towards partial disagreement with the items in the factor. Item E8 had the highest mean score of 3.39 indicating that respondents partially agreed "they may feel more motivated if they received the recognition they deserved". Item E10 (At the college recognition is often accompanied by tangible rewards) had the lowest mean

of 2.42 indicating disagreement with this item. This could be the result of tangible rewards not being solely the prerogative of college management in that the state has mandated a performance review system and hence the state or the DHET ultimately decide who receives a monetary reward as recognition for performance. The mean of 2.92 and median of 2.90 show that the data distribution is close to normal. However, one would have expected that something as important as performance management and recognition for good performance would have recorded a much higher mean score. This seems to indicate that performance management is not something, which is popular in the sample of respondents. However, it is mandated a hence a compulsory exercise. Unfortunately such externally imposed mandates suffer from a lack of college staff commitment and hence there is little to no conviction to buy into externally imposed performance management programmes. Hence TVET colleges fail to integrate such mandated programmes into both their strategic and operational structures and procedures.

Table 2: Items in the factor extent of agreement with performance management and recognition (FE)
Retention factors

| Description | Mean | S.D. | Loading |
|---|------|------|---------|
| I receive performance reviews at the College | 3.38 | 1.40 | 0.76 |
| At this College performance reviews encourage professional growth | 3.29 | 1.37 | 0.78 |
| I believe that my appraisal is fair assessment of my performance | 3.01 | 1.33 | 0.81 |
| Lecturers whose students perform well are rewarded with an appropriate merit | 2.72 | 1.41 | 0.76 |
| I feel that my pay is a good reflection of my performance | 2.64 | 1.42 | 0.78 |
| I receive a performance bonus every year | 2.66 | 1.52 | 0.62 |
| I receive praise from my manager for work well done | 2.68 | 1.34 | 0.65 |
| I feel more motivated if I receive the recognition I deserve | 3.39 | 1.40 | 0.70 |
| I am supplied with specific information on what behaviours or actions are recognised during performance reviews | 2.99 | 1.34 | 0.73 |
| At the College recognition is often accompanied by tangible rewards | 2.42 | 1.43 | 0.76 |

Retention factors asked respondents to respond to statements about aspects of employee retention practices. There were nine questions posed on an equal interval scale where 1 indicated strong disagreement and 5 strong agreement. The KMO value of 0.848 and Bartlett's sphericity of $p < 0.0005$ indicated that a reduction to fewer factors was feasible. One factor resulted, which explained 61.74% of the variance present and which had a Cronbach reliability coefficient of 0.922. It was named extent of agreement with aspects of employee retention (FG). The items in the factor are presented in Table 3. The mean score of 2.90 for aspects of employee retention indicates uncertainty.

This is again the result of a disparity of opinion among respondents because some agree and strongly agree while others disagree and strongly disagree. The standard deviation of 1.31 is relatively large, which again indicates a wide dispersion of opinion. Item (I have a healthy relationship with my immediate supervisor) had the highest mean of 3.46 indicating partial agreement. The lowest mean score was Item (My medical aid benefits are adequate), which at 2.40 shows disagreement with the item. Respondents obviously have the opinion that they need more medical aid benefits than presently is the case.

Table 3: Items in the factor the extent of agreement with aspects of employee retention (FG)

| Description - Extent of agreement with aspects of employee retention | Mean | SD | Loading |
|--|------|------|---------|
| My basic salary is adequate? | 2.55 | 1.30 | 0.81 |
| My medical aid benefits are adequate? | 2.40 | 1.40 | 0.80 |
| My pension benefits are adequate? | 2.49 | 1.39 | 0.79 |
| I am satisfied with the career development I get from the College? | 2.85 | 1.36 | 0.79 |
| My job responsibilities are satisfactory? | 3.24 | 1.24 | 0.77 |
| I am satisfied with my workload? | 3.13 | 1.22 | 0.81 |
| I have a healthy relationship with my immediate supervisor? | 3.46 | 1.27 | 0.70 |
| I have training and development opportunities? | 3.11 | 1.31 | 0.84 |
| There is flexibility in my working environment for those who are furthering their studies? | 2.89 | 1.29 | 0.76 |

The median value of 2.78 indicates that 50% of the respondents achieved this score or lower. Aspects of retention of employees are obviously important and it appears as if the respondents from the TVET campuses concerned do not believe that aspects of employee retention are receiving adequate attention. Item which asked whether respondents felt that their medical aid benefits were adequate? The mean of 2.40 indicates disagreement and correlates with Item in benefits, which asked them how important medical aid, was to them (4.43). As the same respondents answered both items one could compare them for significant differences. The results of the non-parametric Wilcoxon test were: $(\bar{X}_{G2} = 2.40; \bar{X}_{C1} = 4.43; p = 0.000; r = 0.75)$.

One would have expected a significant difference between importance (ideal) and reality (actual) and the $p < 0.0005$ clearly shows this. Also the effect size is large indicating the importance of this perception.

b) Correlation analysis

Bivariate correlations were obtained after checking the data for possible outliers. Outliers were present but scatterplots indicated that there were few and removing them would probably not make that much of a difference but the data would be lost. The factor relating to talent retention of employees (FGH2.0)

served as dependent variable and the other dependent variables served as predictors or independent variables. The SPSS programme produced the results as shown in Table 4. This correlation matrix shows that there were significant positive relationship between total rewards and talent retention as depicted in Table 4.

Compensation has a significant relationship with talent retention ($r = 0.652; p < 0.01$), representing a large effect. This means that if employees offered competitive compensation would remain with the institution, the higher the compensation the higher level of retention within the institution. This implies that well-paid employees would stay longer in their institutions. Therefore, the hypothesis is accepted.

Performance management and recognition shows a significant relationship with talent retention ($r = 0.741; p < 0.01$), which represent a larger effect. This is an indication that performance management and recognition is associated with high level of talent retention. These results mirrored results of Robyn and Du Preez (2013) who reported a significant relationship between performance and recognition and talent retention. Therefore, the hypothesis is accepted.

The data in Table 4 indicate significant correlations between talent attraction and retention (FGH2.0) and

- The extent of agreement with performance management and recognition (FE) where $r = 0.741$ and the coefficient of determination explains 54.91% of the variance present.
- The extent of agreement with performance management and recognition (FF2.0) where $r = 0.652$ and R^2 explains 42.51% of the variance present.
- The extent of agreement with compensation offered (FB) where $r = 0.652$ and R^2 explains 42.51% of the variance present.

Table 4: Pearson correlation coefficients between talent retention (FGH 2.0) and rewards

| | | Talent retention (FGH2.0) | Coefficient of determination (R^2) |
|--|---------------------|---------------------------|--|
| Talent retention (FGH2.0) | Pearson Correlation | 1 | |
| FB. Extent of agreement with compensation offered. | Pearson Correlation | .652 | 0.4251 |
| | Sig. (2-tailed) | .000** | |
| | Sig. (2-tailed) | .009** | |
| FE - Extent of agreement with performance management and recognition | Pearson Correlation | .741 | 0.5491 |
| | Sig. (2-tailed) | .000** | |
| | Sig. (2-tailed) | .000** | |

** = Statistically significant at the 1% level ($p < 0.01$)

Pearson correlation (r) – 0.10 – 0.29 small; 0.30 – 0.49 medium; 0.50 to 1.0 large

The value obtained for the correlation between talent attraction and retention (FGH2.0) and extent of agreement with performance management and recognition was rather high and possibly indicates the presence of a confounding variable, which inflates the correlation coefficient. Hence partial correlation was performed where SPSS 22.0 controlled for the effect of rewards offered. The results of this partial correlation procedure are shown in Table 4. From the data in Table 5 one can see the relationship between talent attraction and retention (FGH2.0) and performance management and recognition (FE) is not only due to the influence of FE but that other variables such as the rewards offered (FB) also influences the relationship. The r -value thus decreases from 0.741 to 0.587 and although the effect size is still large there is a substantial decrease.



Table 5: SPSS output for the semi-partial correlation between FGH2.0 and FE while removing FB

| Control Variables | | | Talent retention (FGH2.0) | Coefficient of determination R ² | |
|---|--|-------------------------|---------------------------|---|--------|
| -none ^a | Talent retention (FGH2.0) | Correlation | 1.000 | 0.5491 | |
| | | Significance (2-tailed) | . | | |
| | | Df | 0 | | |
| | FE - Extent of agreement with performance management and recognition | Correlation | .741 | | 0.4251 |
| | | Significance (2-tailed) | .000 | | |
| | | Df | 152 | | |
| | FB. Extent of agreement with compensation offered. | Correlation | .652 | | 0.4251 |
| | | Significance (2-tailed) | .000 | | |
| | | Df | 152 | | |
| FB. Extent of agreement with compensation offered | Talent retention (FGH2.0) | Correlation | 1.000 | 0.3446 | |
| | | Significance (2-tailed) | . | | |
| | | Df | 0 | | |
| | FE - Extent of agreement with performance management and recognition | Correlation | .587 | | 0.3446 |
| | | Significance (2-tailed) | .000 | | |
| | | Df | 151 | | |

a. Cells contain zero-order (Pearson) correlations.

** = Statistically significant at the 1% level ($p < 0.01$)

Pearson correlation (r) – 0.10 – 0.29 small; 0.30 – 0.49 medium; 0.50 to 1.0 large

VI. CONCLUSION

This study sought to investigate the influence of total rewards on talent retention at TVET Colleges in the Gauteng province. Research reveals that the attraction and retention of employees continues to be a key priority of human resource professionals globally and in the South African private and public institutions. A literature review showed that several studies have been conducted in the area of talent retention. These studies have focused on employee retention in various sectors including education, hospitality, banking and manufacturing industries. In this study we have argued that reward practice is essential both for reinforcing productive behaviour and as incentive or motivator for achieving overall organisational performance. Both the literature study and the empirical investigation showed that generally employees at the TVET Colleges are not satisfied with the remuneration packages that they receive from their employers. These remuneration packages seem also not to be viable in attracting and retaining the best-qualified and capable academics. Promotion and compensation have also shown to be the other factor that needs to be overhauled in order to keep employees from leaving the institution.

The empirical study further revealed that there is an unclear performance management system within the College, which in our schema may be the cause of poor

performance because the academic staff members seem to be demotivated resulting in very high staff turnover. Indeed what cannot be measured cannot be managed. Lack of professional development opportunities came out strongly in the empirical investigation. Given that the quality of employees in the institution contribute fundamentally to organisation success, productivity, branding and competitiveness, they should be valued and recognised for the work that they do. Recognition is key to a high performance culture as well as effective work performance and management. We have argued that in order for TVET College that was studied, to attract and retain talent, it should be prepared to pay salaries that are equivalent to those that are offered in the labour market or to do even better.

VII. ACKNOWLEDGEMENTS

a) Competing interests

The authors declare that they have no financial or personal relationships that may have inappropriately influenced them in writing this article.

REFERENCES RÉFÉRENCES REFERENCIAS

1. Alumran, A., Hou, X., & Hurst, C. (2012). Validity and reliability of instruments designed to measure factors influencing the overuse of antibiotics.

- Journal of Infection and Public Health, 5, 221–232. <http://dx.doi.org/10.1016/j.jiph.2012.03.003>, PMID: 22632596
2. Brudan, A. (2010). Rediscovering performance management: systems, learning and integration. *Measuring Business Excellence*, Vol 14 No 1, pp: 109-123.
 3. Chikungwa, T. and Chamisa, S. F. (2013). An Evaluation of Recognition on Performance as a Motivator: A Case of Eastern Cape Higher Education Institution. *Mediterranean Journal of social sciences*, Vol 4, No 14, p: 219.
 4. Creswell, J.W. (2008). *Educational research: Planning, conducting, and evaluating quantitative and qualitative research*. Upper Saddle River, NJ: Pearson/Merrill Education.
 5. De Bruyn, M. (2014). Job satisfaction of staff member at two faculties of an academic institution. Unpublished Masters Dissertation. University of Johannesburg.
 6. Field, A. (2009). *Discovering Statistics Using SPSS*. London. Sage
 7. Ghazanfar, F., Chuanmin, S., Khan, M.M. and Bashir, M. 2011. A Study of the Relationship between Satisfaction with Compensation and Work Motivation. *International Journal of Business and Social Science*, 2(1): 120-13. [On-line]. Available at: http://www.ijbssnet.com/journals/Vol._2_No._1%3B_January_2011/11.pdf.
 8. Gross, S.E. and Friedman, H.M. 2004. Creating an Effective Total Rewards Strategy: Holistic Approach Better Supports Business Success. *Benefits Quarterly*, Vol 20, No 3, pp: 7-12.
 9. Kumar, R. (2014). *Research methodology: a step-by-step guide for beginners*. 4th Edition. London: Sage Publications.
 10. Kwenin, D.O. Muathe, S. and Nzulwa, R. (2013). The influence of employee rewards, human resource policies and job satisfaction on the retention of employees in Vodafone Ghana Limited. *European Journal of Business and Management*, Vol 5, No 12, pp: 13-20.
 11. Mustapha, N. (2013). The Influence of Financial Reward on Job Satisfaction among Academic Staff at Public Universities in Kelantan, Malaysia. *International Journal of Business and Social Science*, Vol 4, No 3, pp:244-248.
 12. National Development Plan 2030, our future - make it work. (2011). National Planning Commission, Pretoria.
 13. Ng'ethe, J.M. Iravo, M.E. and Namusonge, G.S. (2012). Determinants of Academic Employee Retention in Public Universities in Kenya: Empirical Review. *International Journal of Humanities and Social Science*, Vol 13, No 2, pp: 205-212.
 14. Noordin, F. and Jusoff, K. (2009). Levels of job satisfaction amongst Malaysian academic staff. *Asian Social Science Journal*, Vol 5, No 5, pp: 122–126.
 15. Rumpel, S. and Medcof, J.W. 2006. Total rewards: Good fit for tech workers. *Research Technology Management*, September–October, 27–35.
 16. Sajuyigbe A.S, Olaoye B.O and Adeyemi M.A. (2013). Impact of Reward on Employees Performance in a Selected Manufacturing Companies in Ibadan. *International Journal of Arts and Commerce*, Vol 2, No 2, pp: 37-32.
 17. San, O., Theen, Y. and Heng, T. (2012). The Reward Strategy and Performance Measurement (Evidence from Malaysian Insurance Companies). *International Journal of Business, Humanities and Technology*, Vol 2, No 1, pp: 211-223.
 18. Shikongo, J.N. (2011). Staff attraction and retention: a model for a Namibian state. M-Tech Dissertation. Cape Peninsula University of Technology.
 19. Shoailb, M., Noor, A., Tirmizi, S.R. & Bashir, S. (2009). Determinants of Employee Retention in Telecom Sector in Pakistan. *Proceedings 2nd CBRC, Lahore, Pakistan*.
 20. Soni, T. J. (2003). The relationship between the big five personality dimensions and job satisfaction in a petro-chemical organization. Unpublished Masters Dissertation. North-West University.
 21. Stalcup, L.D. and Pearson, T.A. 2001. A model of the causes of management turnover in Hotels. *Journal of Hospitality and Tourism Research*, Vol 25, No 1, pp: 17-30.
 22. Verbeeten, F. H. 2008. Performance management practices in public sector organizations: Impact on performance. *Accounting, Auditing and Accountability Journal*, Vol 21 No 3, pp: 427-454.
 23. WORLD AT WORK. 2015. Total Rewards Model A Framework for Strategies to Attract, Motivate and Retain Employees. Available online at <http://www.worldatwork.org/waw/adimLink?id=28330>
 24. WORLD AT WORK. 2007. World at Work total rewards model: A framework for strategies to attract, motivate and retain employees. Online. Available at http://www.worldatwork.org/pub/total_rewards_brochure.pdf.
 25. Yang, H., Miao, D., Zhu, X., Sun, Y., Liu, X., and Wu, S. 2008. The influence of a pay increase on job satisfaction: a study with the Chinese Army. *Social Behavior and Personality: An International Journal*, Vol 36, No 10, pp: 1333-1339.
 26. Yousaf, A. 2010. *One step ahead: examining new predictors of affective and organisational occupational commitment*. PhD Thesis. University of Twente.



Factors Affecting Performance of Micro and Small Enterprises in South West Ethiopia: The Case of Bench Maji, Sheka, and Kefa Zones

By Gemechu Abdissa & Teklemariam Fitwi

Izan-Tepi University

Abstract- The aim of this study is to investigate the factors that affect the performance of SMEs in Bench Maji, Sheka, and Kefa zone particular to manufacturing, trade and service sector. In this study, mixed research methods were used. Stratified simple random sampling was used to select proportional number of samples from the study area. Both primary and secondary source of data were used. To obtain the primary data, questionnaires were distributed for 278 micro and small sized enterprises owners and managers to access the performance status of their enterprises and also to examine factors affecting their performance. Secondary data were collected from books, journals, past research works, official documents and the Internet.

Keywords: *small and medium enterprises (SMEs); internal and external factors; and performance.*

GJMBR- A Classification: *JEL Code: L39*



Strictly as per the compliance and regulations of:



Factors Affecting Performance of Micro and Small Enterprises in South West Ethiopia: The Case of Bench Maji, Sheka, and Kefa Zones

Gemechu Abdissa^α & Teklemariam Fitwi^ο

Abstract- The aim of this study is to investigate the factors that affect the performance of SMEs in Bench Maji, Sheka, and Kefa zone particular to manufacturing, trade and service sector. In this study, mixed research methods were used. Stratified simple random sampling was used to select proportional number of samples from the study area. Both primary and secondary source of data were used. To obtain the primary data, questionnaires were distributed for 278 micro and small sized enterprises owners and managers to access the performance status of their enterprises and also to examine factors affecting their performance. Secondary data were collected from books, journals, past research works, official documents and the Internet. To see the characteristics and impact of politico-legal, social, working premises, technology, infrastructure, marketing, finance, management and entrepreneurial skills on the performance of SMEs operating in Bench Maji, Sheka, and Kefa zone, descriptive and inferential statistics were employed. Pearson correlation analysis is also used to see the relationship that exists between the variables. The findings of the study show that, there exists linear and positive significant ranging from substantial to strong relationship was found between independent and dependent variable. Moreover, the selected independent variables were significantly explaining the variations in the dependent variable at 5% level of significance. Based on findings, the study suggests that small and medium enterprise managers, directors, and all stakeholders should not only be concerned about internal structures and policies, but also must consider the external environment together to improve their performance.

Keywords: *small and medium enterprises (SMEs); internal and external factors; and performance.*

1. INTRODUCTION

The success of the government and a country, in regard to business development, is related to small business sustainability (Carrasco-Davila, 2005). Local and federal authorities had been developing programs that promote the creation of new jobs thru the small business (Plan Nacional de Desarrollo, 2007). The small and medium business sectors are recognized as an integral component of economic development and a crucial element in the effort to lift countries out of purveys. The dynamic role of micro and small enterprises (MSEs) in developing

countries as engines through which the growth objectives of developing countries can be achieved has long been recognized. Small businesses play an important role in the development of a country and serve as a means to sustain and grow economies (Ibrahim, Angelidis, & Parsa, 2008). Due to the ease in starting and simplicity in operation, small businesses are initiated for various reasons depending upon entrepreneur motives and traits (Kozan et al., 2006). Small businesses contribute to lowering unemployment as well as generate new sources of employment.

Recent empirical studies show that MSEs contribute to over 60% of GDP and over 70% of total employment in low-income countries, while they contribute over 95% of total employment and about 70% of GDP in middle-income countries. Therefore, an important policy priority in developing countries is to reform the policies that divide the informal and formal sectors, so as to enable the poor to participate in markets and to engage in higher value added business activities (Ayyagari, Beck and Demirgüç-Kunt, 2003).

Policies to promote the development of MSEs are common in both developed and developing countries (Storey, 1994; Levitsky, 1996; Hallberg, 2000). In the case of developed countries, it has become commonplace for governments during the last two or three decades to implement policies or programs designed to promote aspects of micro and small-sized enterprises (MSEs). This has coincided with an increase in the importance, in terms of contribution to employment and GDP growth, of SMEs in most of the developed economies (Storey, 1994). In the case of developing economies, policies designed to assist MSEs have been an important aspect of industrial policy and multilateral aid programs such as those of the United Nations since the 1950s (Levitsky, 1996). However, while there are wide variations across countries the traditional picture is one where the relative importance of SMEs tends to decline as a country moves up the developmental ladder (Hallberg, 2000; and Liedholm and Meade, 1999).

In addition, they also comprise a significant proportion of the business enterprises. It may therefore be argued that, purely from the viewpoint of their significance in their economies, MSEs warrant attention from governments. Storey (1994) has argued, in the UK

Author α: Lecturer, Department of management, College of Business and Economics, Mizan-Tepi University, Mizan Teferi, Ethiopia.
e-mails: gemechu.mtu@gmail.com, tfitwi@gmail.com

context, that the increased importance of MSEs means that public policies towards them cannot be considered in isolation from other influences in the economy and cannot be left to those with a particular interest in MSEs. The significance of SMEs in their economies makes it important for policymakers to ensure that these enterprises do not face impediment that hamper their ability to operate efficiently and do not face tedious administrative compliance costs. As Lattimore et al. (1998) note, while economic importance provides a strong basis for public policy consultation with small business, in itself it provides little justification for specific interventions.

Despite a long history of development efforts, MSEs were perceived rather as a synthetic construction mainly of "social and political" importance (Hallberg, 2000), especially throughout the 1980's and up to late 1990's. Although domestic MSEs constituted most of what could be and what are still deemed as the private business activity in most developing countries, private sector development strategies advocated for and implemented in these countries were skewed towards the needs of large-scale business, including foreign invested ones. This type of policy advice was partly motivated by the rather disappointing (Meyer-Stamer, Jörg and Frank Waltering, 2000) results achieved through extensive MSE support systems operated in developed countries since the 1970's.

While contributions of MSEs were recognize, many programs and policies were developed to support them, their journey in many instances is short-lived with high rate of failure mostly in Africa due to several factors (Michael and Jeffrey, 2009; Lussier, 1996; Honjo, 2000; ILO,2007; Wiboonchutikula, 2001; Zewde and Associates, 2002). There are many obstacles hindering their growth like competitions, lack of access to credit, cheap imports, insecurity, debt collection, marketing problems, lack of enough working space, identical products in the same market, change in demand and absence of market linkages, lack of raw material accessibilities (Wiboonchutikula,2001).

Okpara & Wynn (2007) research on small-business development has shown that the rate of failure of MSEs in development countries is higher than the developed world. According to Geberhiwot and Wolday, (2006) more than 11,000 MSEs were surveyed and about 5 percent of them admitted having main constraints like lack of working space for production and marketing, shortage of credit and finance, regulatory problems (licensing, organizing, illegal business), poor production techniques, input access constraints, lack of information, inadequate management and business skill, absence of appropriate strategy, lack of skilled human resource, low level of awareness of MSEs' as job area, low level of provision and interest for trainings and workshop. These constraints confirm with other developing countries, especially poor management,

corruption, lack of training and experience, poor infrastructural development, insufficient profits and low demand for product and services.

Shiffer and Weder (2001) clearly show that there are size-based policy biases against MSEs, and more so against smaller firms in the microeconomic environment. These biases cover all areas: legal and regulatory frameworks, governance issues, such as bureaucracy and corruption, access to finance and property rights. Governmental interventions on all fronts are required. The existence of such biases point out to either market or government failure and is closely related to the capacity of the stakeholders involved. At times, markets may correct these failures. However, in some cases, removal of failures in the business environment may require adopting structuralist (selective intervention) approaches rather than market-friendly approaches, as market forces may not be sufficient to remedy the capacity deficits in the system. The choices made will be political, but they should be based on sound analyses (Lall, 2001).

Even though in the past decades the focus of Ethiopian government was mainly on large organizations, particularly on manufacturing sector, the recent wave of private sector development initiatives however shifted the policy efforts to MSEs and SMEs. This new orientation has been possible because of poor performance in most state owed companies and the tension introduced by globalization and the increased need for competitiveness (Zewde & Associates, 2002; Hamilton and Fox, 1998). Thus, the health of micro and small business sectors is very important for the overall economic growth potential and future strength of an economy since they utilize local resources, satisfying vital needs of large segment of the population with their products and services, serve as sprees of technological, marketing and management capacity and skill acquisition, and enable technological process via adoption technology (FeMSEDA, 2004).

The south west region is endowed with ample natural resource. MSEs make productive use of resources and improved the efficiency of domestic markets, thus facilitating long-term economic growth. MSEs also seem to have advantages over other large-scale competitors in that they are able to adapt more easily to market conditions and utilize the ample resources. The sector has the potential to contribute towards creating employment opportunities and reducing poverty. However, even if ample resource is available in the region they have not performed creditably well and hence have not played the expected vital role in the economic growth and development of the country. This situation has been of great concern to the government, citizenry, operators, practitioners and the organized private sector groups.

Therefore, the basis for this study is that the government formulated some policies, and established

many institutions to promote the smooth functioning of SMEs. However, the sector is not performing up to the expectations of many stakeholders as it has been suffering from several problems. Therefore, the study aims at identifying the impact of the varied problems on the performance of MSEs in Bonga, Mizan-Aman, and Teppi Towns.

II. LITERATURE REVIEW

According to (Enock Nkonoki, 2010), the main factors/problems that limits small firm's success/growth into two groups; first is the factors that originate from within the firm (in other words they are internal to the firm) and the second group is factors that originate from outside the firm (these are external to the firm). The Internal factors limiting small firm growth are the characteristics and attitude of the entrepreneur(s) and the firm as a whole. These factors can be impacted by the decisions made in the firm either by the entrepreneur(s) or the staff in the firm. These factors are, Lack of motivation and drive, Lack of background and experience in the business, Capital constraint, Lack of a proper business plan/vision, Theft/cheating and lack of trust in doing business, Poor management, Running informal/unregistered businesses, Lack of proper record keeping, Inadequate education and training, People factor/lack of needed talent and Improper professional advice and consultation. The External factors limiting small firm growth are the factors have to do with decisions, rules and policies that affect a small firm directly, and in response the firm has not really control over the decisions made but an influence to a change of their existence is possible. These factors originate from outside the firm, these are, Corruption, Competition, Government policy, Technological barrier, in access to finances/funding, Bureaucratic processes and Unfavorable economic factors.

According to Commission on Legal Empowerment of the Poor (2006), most MSEs in Ethiopia faces critical constraints both at the operation and start up level. Some of these constraints include lack of access to finance, access to premise, infrastructure, training in entrepreneurial and management skills, information on business opportunities, and social and cultural factors particularly related to deficient entrepreneurial culture and excessive corruption. Lack of adequate capital, sufficient loan, and inefficient financial market in terms of facilitating financial resources to entrepreneurs are the major obstacles in doing business particularly in the informal sector. Most micro and small enterprises are highly risky ventures involving excessive administrative costs and lack the experience in dealing with financial institutions and do not have a track record of credit worthiness with banks. Since most banking institutions are reluctant to provide small enterprises with loan and credits, most MSEs are

unable to secure collateral requirements. As a result of absence in financing, the creation of new enterprises and the growth and survival of existing ones will be impeded (Commission on Legal Empowerment of the Poor. 2006). According To Wolday and Gebrehiwot (2006), more than 93 percent of MSEs replied that they did not apply for bank loans for the reasons they considered themselves as discouraged potential borrowers, need credit but are discouraged from applying by the perceived or real high collateral requirement, high cost of borrowing, difficulty of processes, ineligibility, or concern about their repayment ability and uninformed (i.e. not aware of the facility, or where and how to apply, etc.). The study done by Admasu. Abera (2012), the main sources of startup and expansion finance or funds for most MSEs are personal savings followed by *iqub/idir*, family and friends/relatives. The formal financial institutions have not been able to meet the credit needs of the MSEs. Since there is high interest rate and collateral requirement, most MSEs have been forced to use the informal institutions for credit. But the supply of credit from the informal institutions is often so limited to meet the credit needs of the MSEs. In some cases this problems may be the inability of many operators to meet formal financial institutions requirements for example business plan, governance systems and other accountability issues which are linked to business risk. This shows that the studied operators accessed finance mainly from informal sources.

According to Minster of Urban Development and Construction, (2013), the study also identified a number of challenges and constraints hindering the growth of MSEs in Selected Major Cities of Ethiopia. These challenges were manifested in terms of capital, technology and employment growth trends. Enterprises from the regional cites indicated that shortage of finance (42 percent) to expand their business was their principal challenge, followed by lack of working premise (28.3 percent); and lack of access to market or absence of linkage to market. The study also showed that lack of access to land has been one of the most crucial bottlenecks (26.4 percent) in Addis Ababa, problem of finance (25.6 percent) and access to market (25.1 percent) were among the strong factors inhibiting the growth of these enterprises in the capital. The findings of Mulu (2007) also indicate that banks and MFIs do not seem to support MSEs expansion. Due to this 85 percent of the respondents have never received credit from these formal sources. The availability of other informal sources of finance, however, affects growth positively and significantly. This shows that in the absence of formal source of credit, informal networks appear more appealing for MSEs. Hence, firms with better network to borrow from informal sources such as, relatives, friends, and suppliers better loosen credit constraints, and grow faster.

The other major constraints identified by various studies on MSEs in Ethiopia are associated with market and finance problems. The causes of market-related problems of MSEs engaged in metal and wood work are shortage or absence of marketing skills, poor quality of products, absence of marketing research, shortage of market information, shortage of selling places, and absence of sub-contracting (FMSEDA, 2006). The product line of MSE activities in Ethiopia is relatively similar (Asseggedech Woldelul, 2004 and cited in Admasu, Abera, 2012). Accordingly she states that: lack of product diversity, however, is prevalent and as a result similar products are over-crowding the market. Some micro enterprises shift from one product to another, and in doing so, capture better market opportunities. Nevertheless, as soon as the market has established itself, a multitude of further micro enterprises start off in the same business and this causes the selling price to fall immediately. According to Mulugeta (2011 and cited in Admasu, Abera, 2012) has identified and categorized the critical problems of MSEs in to market-related problems, which are caused by poor market linkage and poor promotional efforts; institution-related problems including bureaucratic bottlenecks, weak institutional capacity, lack of awareness, failure to abide policies, regulations, rules, directives, absence of training to executives, and poor monitoring and follow-up; operator-related shortcomings like developing a dependency tradition, extravagant and wasting behavior, and lack of vision and commitment from the side of the operators; MSE-related challenges including lack of selling place, weak accounting and record keeping, lack of experience sharing, and lack of cooperation within and among the MSEs and finally society-related problems such as its distorted attitude about the operators themselves and their products.

III. MATERIALS AND METHODS

In order to analyze the potential impacts of factors on performance of MSEs, this study made use of a research methodology. This section provides an overview of the study's research approach which lays within the mixed methods strategies. The chapter discusses procedures and activities under taken, focusing on namely the study's research design, questionnaire design, data collection, sampling strategy, data processing and analysis and instrument development. Besides, the section deals with a discussion on the ethical issues.

a) Research Design

Research design is the blueprint for fulfilling research objectives and answering research questions (John A.H. et al., 2007:20-84). In other words, it is a master plan specifying the methods and procedures for collecting and analyzing the needed information. It ensures that the study would be relevant to the problem

and that it uses economical procedures. The same authors discusses three types of research design, namely exploratory (emphasizes discovery of ideas and insights), descriptive (concerned with determining the frequency with which an event occurs or relationship between variables) and explanatory (concerned with determining the cause and effect relationships). The types of research employed under this study were descriptive and explanatory research. The major purpose of descriptive research is description of the state of affairs as it exists at present. Then this study describes and critically assesses the factors affecting the performance of MSEs in three towns of Bench Maji, Sheka and Kefa Zones. Second, the study employs explanatory in that the relationship between variables is correlated with an aim of estimating the integrated influence of the factors on performance.

Moreover, the study utilized cross-sectional in the sense that all relevant data was collected at a single point in time. The reason for preferring a cross-sectional study is due to the vast nature of the study and the limitation of time. And obtaining information from a cross-section of a population at a single point in time is a reasonable strategy for pursuing many descriptive researches (Janet M. Ruane, 2006:94).

According to Mark et al. (2009:101) mixing qualitative and quantitative approaches gives the potential to cover each method's weaknesses with strengths from the other method. In this study, a combination of qualitative and quantitative approaches of doing research was employed, which has been practiced, as recommended by Creswell (2009:203-216).

b) Data Collection

i. Sources of Data

The study employed both primary and secondary sources of data collection.

a. Primary Sources

In order to realize the target, the study used well-designed questionnaire as best instrument. This was completed by the owner managers/or operators of the enterprises.

b. Secondary Sources

Secondary data from files, pamphlets, office manuals, circulars and policy papers were used to provide additional information where appropriate. Besides, variety of books, published and/or unpublished government documents, websites, reports and newsletters were reviewed to make the study fruitful.

c) Target Population

In this study the target populations is all MSEs operating within three twons (Mizan-Aman, Bonga and Tepi). According to Federal Micro & Small Development Agency of Ethiopia there are 973 MSEs operating within Mizan-Aman, Bonga and Tepi (FMSAE, 2014). The study

targets those enterprises within the three towns because the towns have a concentration of various MSE types and can thus be representative of most enterprise sectors in Benchi-Maji, Kaffa and Sheka zones.

d) *Sample Size Determination and Sampling Techniques*

Stratified simple random sampling was used to get information from different sectors of the MSEs. This technique is preferred because it is used to assist in minimizing bias when dealing with the population. With this technique, the sampling frame can be organized into relatively homogeneous groups (strata) before selecting elements for the sample. According to Janet (2006:94), this step increases the probability that the final sample is representative in terms of the stratified groups. The strata's are sectors including: manufacturing, trade and service.

According to Catherine Dawson (2009:54), the correct sample size in a study is dependent on the nature of the population and the purpose of the study. Although there are no general rules, the sample size usually depends on the population to be sampled.

According to Federal Micro & Small Development Agency of Ethiopia (FMSAE, 2013) MSEs operating within the three towns are 973 which includes

Trade (434), Manufacturing (355) and Service (184). The sample size selected here is considered as representative of trade, manufacturing and service and also large enough to allow for precision, confidence and generalibility of the research findings.

In order to determine sample size Yemane (1967) finite and large population sample size formula with 95% confidence level is employed. The formula used to obtain this sample size is presented below.

$$n = \frac{N}{1 + N(e)^2}$$

Where:

n= Number of sample taken

N= Population size

e = sampling error /level of precision.

Accordingly the target population results, the following samples.

$$n = \frac{973}{1 + 973(0.05)^2} = 278$$

As to the sample size determination, from among different methods, the one which has developed by Carvalho (1984), ac cited by Zelalem (2005) was used. The method is presented in table below.

Table 1: Sample Size Determination

| Population Size | Sample Size | | |
|-----------------|-------------|--------|------|
| | Low | Medium | High |
| 51-90 | 5 | 13 | 20 |
| 91-150 | 8 | 20 | 32 |
| 151-280 | 13 | 32 | 50 |
| 281-500 | 20 | 50 | 80 |
| 501-1200 | 32 | 80 | 125 |
| 1201-3200 | 50 | 125 | 200 |
| 3021-10000 | 80 | 200 | 315 |
| 1001-35000 | 125 | 315 | 500 |
| 35001-15000 | 200 | 500 | 800 |

(Source: Zelalem, *Issues and Challenges of Rural Water Scheme*, 2005)

So, according to the above table, the following sample size was determined for this particular study.

Table 3.1: Sample Size According to Sector

| Sector | Number of SMEs | Sample size |
|-------------|----------------|-------------|
| Manufacture | 355 | 105 |
| Trade | 184 | 70 |
| Service | 434 | 103 |
| Total | 973 | 278 |

IV. DATA PRESENTATION, ANALYSIS AND DISCUSSION OF RESULTS

a) *Pearson Correlation Analysis*

This research is investigating the strength of relationships between the studied variables. The study employs the Pearson correlation which "measures the linear association between two metric variables" (Hair et

al., 2008). The Pearson correlations were calculated as measures of relationships between the independent variables and dependent variables. This test gives an indication of both directions, positive (when one variable increases and so does the other one), or negative (when one variable increases and the other one decreases (Pallant, 2010). The test also indicates the strength of a relationship between variables by a value that can range

from --1.00 to 1.00; when 0 indicates no relationship, -1.00 indicates a negative correlation, and 1.00 indicates a perfect positive correlation (Pallant, 2010). For the rest of the values is used the following guideline:-

- small correlation for value 0.1 to 0.29
- medium correlation for 0.3 to 0.49
- Large correlation for 0.50 to 1.0 (Pallant, 2010).

Like the demographic factors, the scale typed questionnaire entered to the SPSS software version 16.00, to process correlation analysis. Based on the questionnaire which was filled by the SME members, the following correlation analysis was made.

b) Correlation Analysis of Production, Trade and Service Sector and SMEs Performance

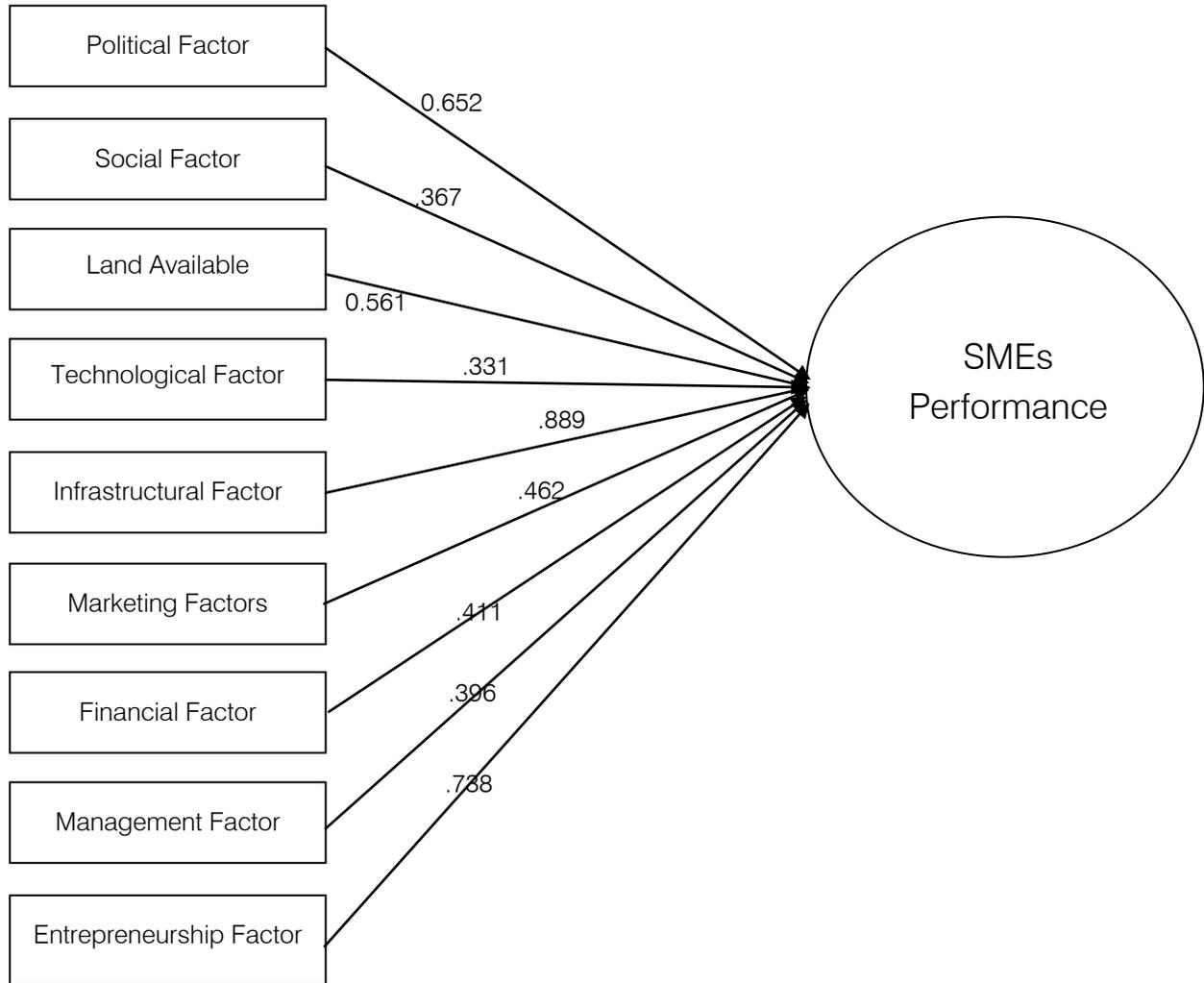


Fig. 4.1: Correlation Analysis of Internal & External Factors of Production Sector and SMEs Performance

As one can observe from the correlation fig 4.1 in the above, the values of correlation are also used for checking multicollinearity. The correlation between each of the independent variables is not too high, meaning that the correlation is not above value 0.5. It can be concluded that in this study there is no problem with multicollinearity. The strongest relationship between the independent variables is 0.497 between politics, entrepreneurial and marketing.

The Pearson correlations between independent variables management factor, social, marketing factors,

infrastructural factor, political, financial factor, technological factor, land availability and the dependent variable SMEs performance are depicted in Figure 4.1 above.

❖ Correlation Analysis between Political factor and SMEs performance

Pearson correlation test was conducted to see the degree of relationship between the independent variable i.e. political factor and SMEs performance. The results of the correlation between these variables are

shown in figure 4.1 above, there is significant correlation between Political factor and SMEs performance. In other hand, Political factor and SMEs performance have strong relationship ($r=0.652$ with $p<0.02$).

❖ Correlation Analysis between Social factor and SMEs performance

Pearson correlation test was also conducted for these variables and the results are shown in figure above. As it is indicated in the fig 4.1, there is significant positive correlation between Social factor and SMEs performance. In other words Social factor and SMEs performance are correlated in a moderate relationship ($r=0.367$ with $p<0.01$).

❖ Correlation Analysis between Land available and SMEs performance

For these variables Pearson correlation test was conducted and the results are shown in fig 4.1 above. As it is shown in the figure, there is significant correlation between Land available and SMEs performance. In other words Land available and SMEs performance have high or strong relationship ($r=0.561$ with $p<0.03$).

❖ Correlation Analysis between technological factor and SMEs performance

For these variables Pearson correlation test was conducted and the results are shown in fig 4.1 above. As it is shown in the fig 4.1, there is significant correlation between technological factor and SMEs performance. In other words technological dimension and SMEs performance have moderate relationship ($r=0.331$ with $p<0.01$).

❖ Correlation Analysis between Infrastructural factor and SMEs performance

Pearson correlation test was also conducted for these variables and the results are shown in fig 4.1 above. As it is indicated in the figure, there is significant positive correlation between Infrastructural factor and SMEs performance. In other words Infrastructural factor and SMEs performance are correlated in a strong relationship ($r=0.889$ with $p<0.01$).

❖ Correlation Analysis between Marketing factors and SMEs performance

Pearson correlation test was conducted to see the degree of relationship between the independent variable i.e. marketing factor and SMEs performance. The results of the correlation between these variables are shown in fig 4.1 above. As it is indicated in the fig 4.1 above, there is significant correlation between marketing factor and SMEs performance. In other hand marketing factor and SMEs performance have moderate relationship ($r=-0.462$ with $p<0.04$).

❖ Correlation Analysis between Financial factor and SMEs performance

For these variables Pearson correlation test was conducted and the results are shown in fig 4.1 above. As it is shown in the table, there is significant correlation

between financial factor and SMEs performance. In other words Financial factor and SMEs performance have high or moderate relationship ($r=0.411$ with $p<0.01$).

❖ Correlation Analysis between Management factor and SMEs performance

Pearson correlation test was also conducted for these variables and the results are shown in fig 4.1 above. As it is indicated in the fig 4.1, there is significant positive correlation between Management factors and SMEs performance. In other words Management factors and SMEs performance are correlated in a moderate relationship ($r=0.396$ with $p<0.02$).

❖ Correlation Analysis between Entrepreneurship factor and SMEs performance

For these variables Pearson correlation test was conducted and the results are shown in fig 4.1 above. As it is shown in the fig 4.1, there is significant correlation between Entrepreneurship factors and SMEs performance. In other words Entrepreneurship factors and SMEs performance have high or strong relationship ($r=0.738$ with $p<0.02$).

The values of correlation are also used for checking multicollinearity. The correlation between each of the independent variables is not too high, meaning that the correlation is not above value 0.5. It can be concluded that in this study is no problem with multicollinearity.

The Pearson correlations between independent variables management factor, social, marketing factors, infrastructural factor, political, financial factor, technological factor, land availability and the dependent variable SMEs performance in the Trade sector of SME in Teppii town, Bonga town and Mizan- Aman town are depicted in Fig. 4.2 below.



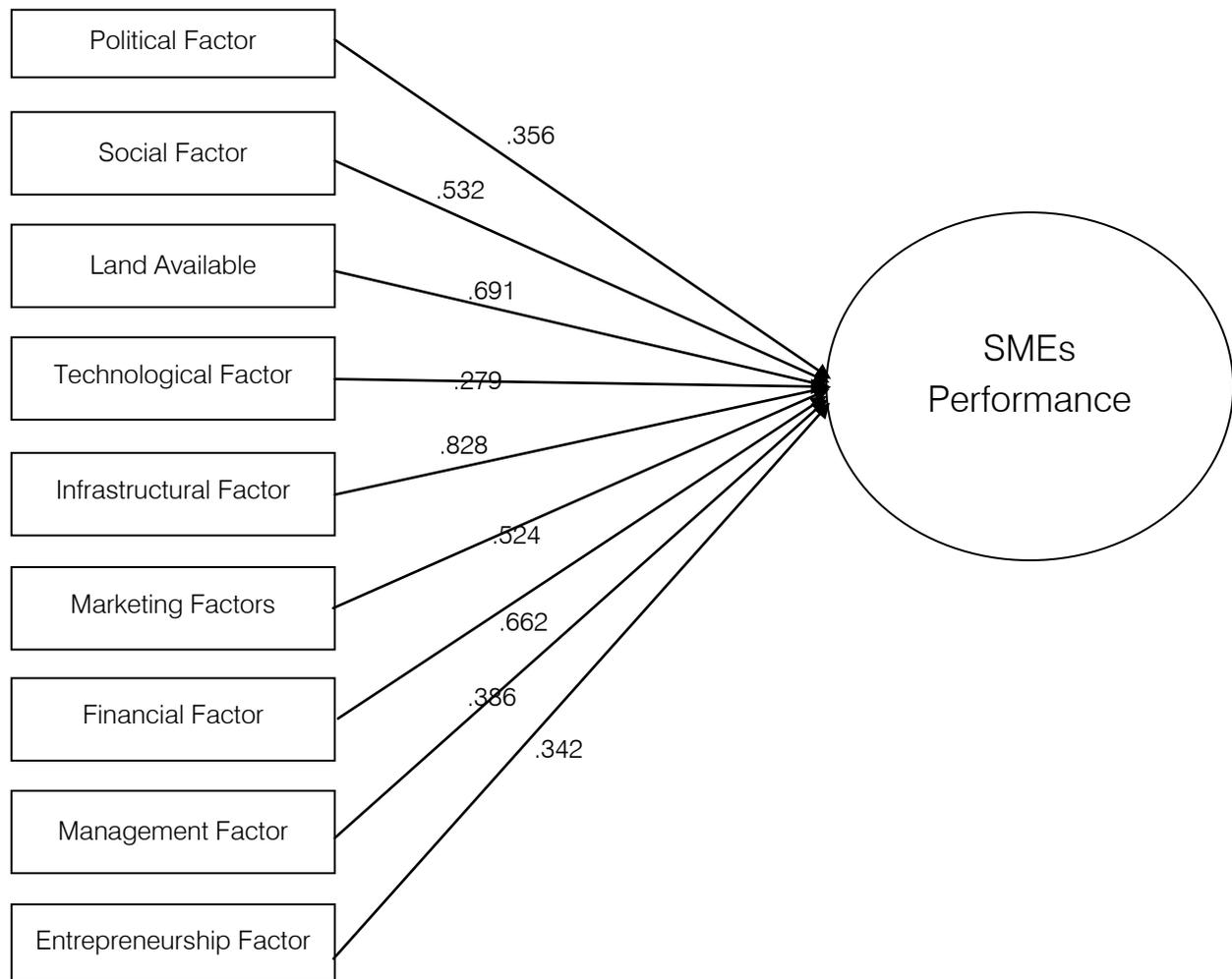


Fig 4.2: Correlation analysis of Trade sector and SMEs performance

❖ Correlation Analysis between Political factor and SMEs performance

Pearson correlation test was conducted to see the degree of relationship between the independent variable i.e. political factor and SMEs performance. The results of the correlation between these variables are shown in Fig. 4.2. As it is indicated in the Fig. 4.2, there is significant correlation between Political factor and SMEs performance. In other Political factor and SMEs performance have moderate relationship ($r=0.356$ with $p<0.05$).

❖ Correlation Analysis between Social factor and SMEs performance

Pearson correlation test was also conducted for these variables and the results are shown in Fig. 4.2 above. As it is indicated in the Fig. 4.2, there is significant positive correlation between Social factor and SMEs performance. In other words Social factor and SMEs performance are correlated in a strong relationship ($r=0.532$ with $p<0.01$).

❖ Correlation Analysis between Land available and SMEs performance

For these variables Pearson correlation test was conducted and the results are shown in Fig. 4.2 above.

As it is shown in the Fig. 4.2, there is significant correlation between Land available and SMEs performance. In other words Land available and SMEs performance have high or strong relationship ($r=0.691$ with $p<0.01$).

❖ Correlation Analysis between technological factor and SMEs performance

For these variables Pearson correlation test was conducted and the results are shown in Fig. 4.2 above. As it is shown in the Fig. 4.2, there is significant correlation between technological factor and SMEs performance. In other words technological dimension and technological have small relationship ($r=0.279$ with $p<0.02$).

❖ Correlation Analysis between Infrastructural factor and SMEs performance

Pearson correlation test was also conducted for these variables and the results are shown in Fig. 4.2 above. As it is indicated in the figure, there is significant positive correlation between Infrastructural factor and SMEs performance. In other words Infrastructural factor and SMEs performance are correlated in a strong relationship ($r=0.828$ with $p<0.01$).

❖ Correlation Analysis between Marketing factors and SMEs performance

Pearson correlation test was conducted to see the degree of relationship between the independent variable i.e. marketing factor and entrepreneur performance. The results of the correlation between these variables are shown in Fig. 4.2 above. As it is indicated in the Fig. 4.2, there is significant correlation between marketing factor and SMEs performance. In other Political factor and SMEs performance have strong relationship ($r = -0.524$ with $p < 0.01$).

❖ Correlation Analysis between Financial factor and SMEs performance

For these variables Pearson correlation test was conducted and the results are shown in Fig. 4.2 above. As it is shown in the Fig. 4.2, there is significant correlation between financial factor and SMEs performance. In other words Financial factor and SMEs performance have high or strong relationship ($r = 0.662$ with $p < 0.03$).

❖ Correlation Analysis between Management factor and SMEs performance

Pearson correlation test was also conducted for these variables and the results are shown in Fig. 4.2 above. As it is indicated in the Fig. 4.2, there is significant positive correlation between Management factors and SMEs performance. In other words Management factors and SMEs performance are correlated in a moderate relationship ($r = 0.386$ with $p < 0.01$).

❖ Correlation Analysis between Entrepreneurship factor and SMEs performance

For these variables Pearson correlation test was conducted and the results are shown in Fig. 4.2 above. As it is shown in the Fig. 4.2, there is significant correlation between Entrepreneurship factors and SMEs performance. In other words Entrepreneurship factors and SMEs performance have moderate relationship ($r = 0.342$ with $p < 0.02$).

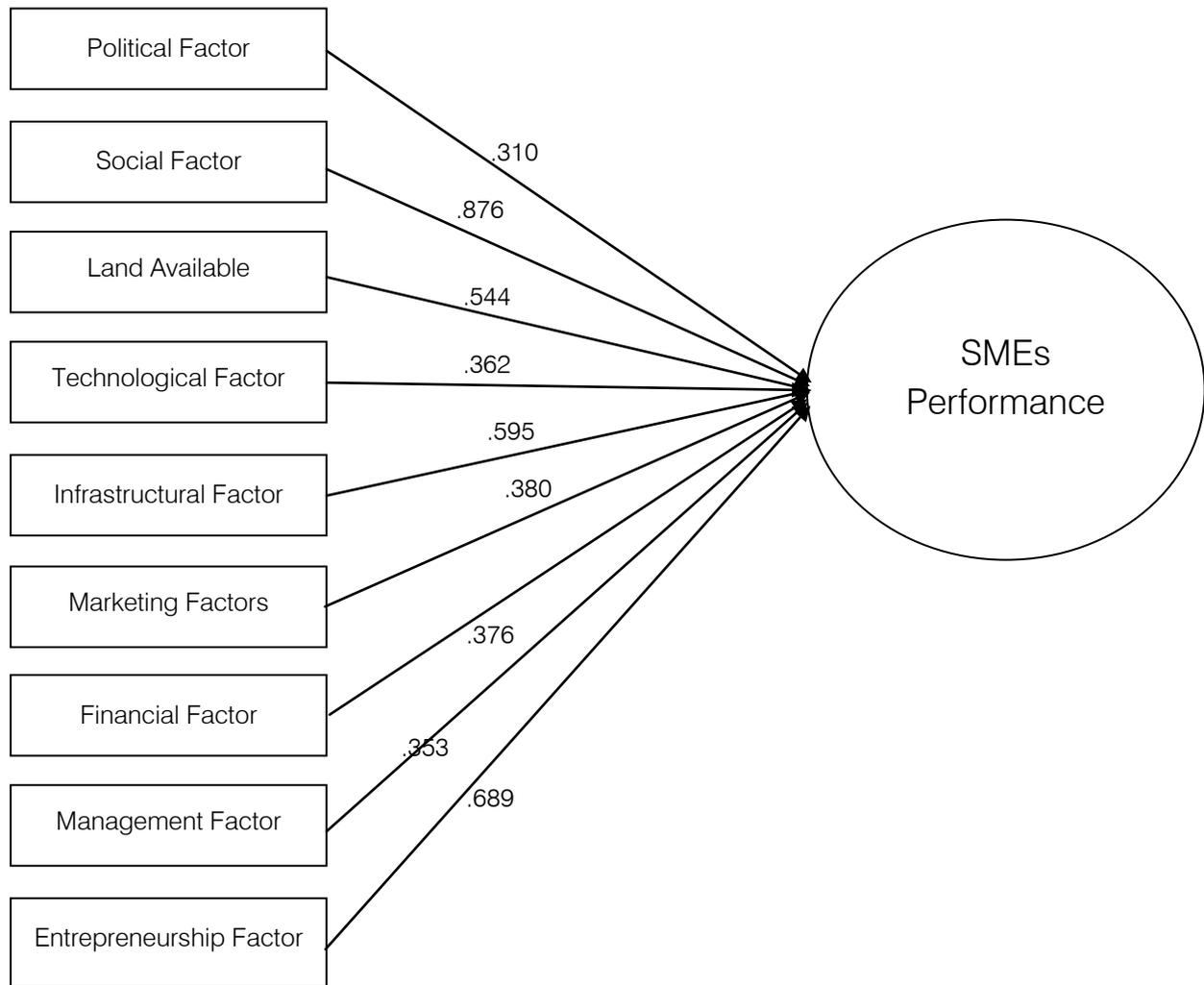


Fig. 4.3: Correlation analysis of Service sector and SMEs performance

The values of correlation are also used for checking multicollinearity. The correlation between each of the independent variables is not too high, meaning that the correlation is not above value 0.5. It can be concluded that in this study is no problem with multicollinearity.

The Pearson correlations between independent variables management factor, social, marketing factors, infrastructural factor, political, financial factor, technological factor, land availability and the dependent variable SMEs performance in the Trade sector of SME in Teppi town, Bonga town and mizan Aman town are depicted in Fig.4.3 above.

❖ **Correlation Analysis between Political factor and SMEs performance**

Pearson correlation test was conducted to see the degree of relationship between the independent variable i.e. political factor and SMEs performance. The results of the correlation between these variables are shown in Fig.4.3 above. As it is indicated in the Fig.4.3, there is significant correlation between Political factor and SMEs performance. In other Political factor and SMEs performance have moderate relationship ($r=0.310$ with $p<0.01$).

❖ **Correlation Analysis between Social factor and SMEs performance**

Pearson correlation test was also conducted for these variables and the results are shown in Fig.4.3 above. As it is indicated in the fig 4.3, there is significant positive correlation between Social factor and SMEs performance. In other words Social factor and SMEs performance are correlated in a strong relationship ($r=0.876$ with $p<0.02$).

❖ **Correlation Analysis between Land available and SMEs performance**

For these variables Pearson correlation test was conducted and the results are shown in Fig.4.3 above. As it is shown in the Fig.4.3, there is significant correlation between Land available and SMEs performance. In other words Land available and SMEs performance have high or strong relationship ($r=0.544$ with $p<0.03$).

❖ **Correlation Analysis between technological factor and SMEs performance**

For these variables Pearson correlation test was conducted and the results are shown in Fig.4.3 above. As it is shown in the Fig.4.3, there is significant correlation between technological factor and SMEs performance. In other words technological dimension and technological have moderate relationship ($r=0.362$ with $p<0.01$).

❖ **Correlation Analysis between Infrastructural factor and SMEs performance**

Pearson correlation test was also conducted for these variables and the results are shown in Fig.4.3

above. As it is indicated in the figure, there is significant positive correlation between Infrastructural factor and SMEs performance. In other words Infrastructural factor and SMEs performance are correlated in a strong relationship ($r=0.595$ with $p<0.01$).

❖ **Correlation Analysis between Marketing factors and SMEs performance**

Pearson correlation test was conducted to see the degree of relationship between the independent variable i.e. marketing factor and entrepreneur performance. The results of the correlation between these variables are shown in Fig.4.3 above. As it is indicated in the Fig.4.3, there is significant correlation between marketing factor and SMEs performance. In other Political factor and SMEs performance have moderate relationship ($r=0.380$ with $p<0.01$).

❖ **Correlation Analysis between Financial factor and SMEs performance**

For these variables Pearson correlation test was conducted and the results are shown in Fig.4.3 above. As it is shown in the Fig.4.3, there is significant correlation between financial factor and entrepreneur performance. In other words Financial factor and SMEs performance have moderate relationship ($r=0.376$ with $p<0.01$).

❖ **Correlation Analysis between Management factor and SMEs performance**

Pearson correlation test was also conducted for these variables and the results are shown in Fig.4.3 above. As it is indicated in the fig 4.3, there is significant positive correlation between Management factors and SMEs performance. In other words Management factors and SMEs performance are correlated in a moderate relationship ($r=0.353$ with $p<0.02$).

❖ **Correlation Analysis between Entrepreneurship factor and SMEs performance**

For these variables Pearson correlation test was conducted and the results are shown in Fig.4.3 above. As it is shown in the Fig.4.3, there is significant correlation between Entrepreneurship factors and SMEs performance. In other words Entrepreneurship factors and SMEs performance have high or strong relationship ($r=0.689$ with $p<0.02$).

c) *Regression Analysis*

The multiple regression analysis is “an analysis of association in which the effects of two or more independent variables on a single, interval scaled dependent variable are investigated simultaneously” (Zikmund et al., 2010). The results of this analysis indicate how well a set of variables is able to predict the dependent variable. Furthermore, it shows how much unique variance in the dependent variable is explained by each of independent variables (Pallant, 2010).

Regression analysis was conducted to know by how much the independent variable explains the

dependent variable. It is also used to understand by how much each independent variable (management factor, social, marketing factors, infrastructural factor, political, financial factor, technological factor, land availability) explains the dependent variable.

When a small sample is involved the Adjusted R square value in the sample tends to be a rather optimistic overestimation of the true value in the population. The adjusted R square statistic corrects this value to provide a better estimation of the true population value, rather than the normal R square value (Pallant, 2010).

So, for the whole regression analysis of this study the adjusted R square were considered to provide a better estimation of the true population than the

normal R square. The results of the regression analysis are as following.

For the purposes of determining the extent to which the explanatory variables explain the variance in the explained variable, regression analysis was employed. The results of such analysis for production, trade and service sector were narrated under.

i. *Regression Analysis of the Manufacturing sector and SMEs performance*

The model summary in table 4.1 presents how much of the variance in the dependent variable is explained by the model. The multiple coefficient of determination denoted as R square is 0.695. The value of the R square indicates that 69.5 percent of variance in the dependent variable was explained by the model.

Table 4.1: Regression analysis of production sector

Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
|-------|-------------------|----------|-------------------|----------------------------|---------------|
| 1 | .892 ^a | .796 | .695 | .521 | 2.158 |

a. Predictors: (Constant), management factor, social, marketing factors, infrastructural factor, political, financial factor, technological factor, land availability

b. Dependent Variable: performance measurement

Coefficients

| Model | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. |
|------------------------|-----------------------------|------------|---------------------------|-------|------|
| | B | Std. Error | Beta | | |
| 1 (Constant) | 5.815 | 1.083 | | 5.369 | .000 |
| Political | .675 | .112 | .640 | .199 | .000 |
| Social | .362 | .164 | .285 | 2.215 | .002 |
| Land availability | .729 | .101 | .716 | 1.278 | .001 |
| Technological factor | .605 | .102 | .530 | 3.986 | .000 |
| Infrastructural factor | .982 | .177 | .844 | 2.729 | .003 |
| Marketing factors | .451 | .104 | .383 | 1.445 | .002 |
| Financial factor | .549 | .121 | .508 | 2.049 | .003 |
| Management factor | .207 | .101 | .174 | 1.460 | .000 |

a. Dependent Variable: SMEs measurement

By looking at the Sig.-value in table 4.1, it is possible to interpret whether the particular independent variable has a significant relationship with the dependent variable. The relationship is significant if the Sig. value is not larger than 0.05. The results show that there is a significant relationship for political (0.000), social (0.002), land available (0.001), Technological factor (0.003), Infrastructural factor (0.002), Marketing factors (0.002), Financial factor (0.003) and Management factor (000). This means that all the

variables are good predictors of the dependent variable. The multiple regression result table 4.1 indicates that, all the internal and external factors that used in this study have positive and significant influence on the explained variable. The value of (β= .640, .285, .716, .530, .844, .383, .508, and 0.174) for political, social, land availability, technology, infrastructure, marketing, financial, and management factors respectively. Furthermore, the study aims to identify which of the variables contributed the most to prediction

of the dependent variable. This information can be investigated via Standardized coefficient Beta in table 4.1. In this study the highest Beta value is 0.844 for infrastructure factor, and second highest is 0.716 for land availability. The independent variables management factor (.174), social (.285), technology factor (.530), financial factor (.508), and political factors (.640) are also good predictors. These results indicate that the variables infrastructure factor and political factor make the strongest unique contribution in explaining the dependent variable SMEs performance.

These results enable to conclude that the model explains 69.50 percent of the variance in SMEs performance. The largest unique contribution is provided by the variables infrastructure factor, Land availability, and political factor. Thus, these variables represent good predictors of the dependent variable.

ii. Regression Analysis of Trade sector

The model summary in table 4.2 presents how much of the variance in the dependent variable entrepreneur performance in trade sector is explained by the model.

The Results of regression analysis against SMEs performance can be seen in table 4.2. The result shows that explanatory variables have the power to explain SMEs performance. In this case the results of correlation of explanatory variables and SMEs performance and adjusted R Square (.631) were taken into consideration. The regression analysis model summary indicates that an explanatory variable which is entered into the regression model on SPSS has relationship with SMEs performance with correlation coefficient of 0.471. The adjusted coefficient of determination (R^2) 0.631 indicates the highest effect/variability of explanatory variables on SMEs performance.

Therefore, it is pointed out that 63.1 percent of explanatory variables can explain the dependent variable that is SMEs performance. As it is indicated in the ANOVA table, the total explanatory variables is considered as predictors of SMEs performance and reported high level of significance $p < 0.01$. And also the adjusted R square value of 0.631 confirming that, 63.1 percent of the variation in SMEs performance is explained by explanatory variables. Explanatory variables as used for prediction were found to be significantly related to SMEs performance as the p-value is less than 0.01.

By looking at the Sig.-value in Table 4.2, it is possible to interpret whether the particular independent variable has a significant impact on the dependent variable. The relationship is significant if the Sig.-value is not larger than 0.05. The results show that there is a significant relationship for political (0.001), social (0.000), land availability (0.032), technological (0.027), infrastructural (0.002), market (0.002), motivational

(0.000), management (0.004). This means that the variables political, social, land available, technology, infrastructure, market, financial and management factors are good predictors of the dependent variable which is SMEs performance, are a good predictors.

The multiple regression result table 4.13 indicates that the explanatory variables have positive and significant influence on entrepreneurial performance. The value of ($\beta = 0.572, 0.496, 0.643, 0.542, 0.526, 0.391, 0.322, 0.158, \& 0.419$.) for political, social, land availability, technology, infrastructural, marketing, financial, management and entrepreneurial factors respectively show that there is a positive direction and its influence is significant at $p < 0.05$ the dependent variable and these are good predictors.

Furthermore, the study aims at identifying which of the variables contributed the most to prediction of the dependent variable. This information can be investigated via Standardized coefficient Beta in table 4.2. The standardized coefficients mean that "values for each of the different variables have been converted to the same scale so they can be compared (Pallant, 2010). In this study the highest Beta value is 0.643 for land availability, 0.572 political and 0.526 for infrastructure. Both independent variables are statistically significant since the Sig. value is less than 0.05. These results indicate that the variables land availability, political and infrastructure makes the strongest unique contribution in explaining the dependent variable SMEs performance.

These results enable to conclude that the model explains 63.1 percent of the variance in SMEs performance. The largest unique contribution is provided by the variables land availability, political and infrastructure. Thus, these variables represent good predictors of the dependent variable.

iii. Regression Analysis of Service sector

Again here the researcher analyzes the conceptual framework of independent variables were entered into the multiple regression equation: (management factor, social, marketing factors, infrastructural factor, political, financial factor, technological factor, land availability and entrepreneurial). The model summary in table 4.3 presents how much of the variance in the dependent variable is explained by the model. The multiple coefficient of determination denoted as adjusted R square is 0.562. The value of the adjusted R square indicates that 56.2 percent of variance in the dependent variable was explained by the model.

Table 4.3: Regression Analysis of Service sector
Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
|-------|-------------------|----------|-------------------|----------------------------|---------------|
| 1 | .789 ^a | .622 | .562 | .513 | 2.165 |

- a. Predictors: (Constant), management factor, land available, social, marketing factors, political, infrastructural factor, technological factor, financial factor.
 b. Dependent Variable: SMEs performance measurement.

Coefficients

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------|------------------------|-----------------------------|------------|---------------------------|-------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 5.284 | 1.204 | | 4.387 | .000 |
| | Poetical | .542 | .115 | .405 | .368 | .004 |
| | Social | .255 | .181 | .199 | 1.413 | .005 |
| | Land available | .647 | .117 | .591 | 1.248 | .003 |
| | technological factor | .658 | .111 | .564 | 3.578 | .001 |
| | Infrastructural factor | .469 | .184 | .349 | 2.558 | .002 |
| | Marketing factors | .402 | .105 | .371 | 1.336 | .000 |
| | Financial factor | .277 | .136 | .355 | 2.038 | .004 |
| | Management factor | .286 | .107 | .214 | 1.555 | .003 |
| | Entrepreneurial factor | .541 | .173 | .419 | 1.413 | .000 |

By looking at the Sig.-value in table 4.3, it is possible to interpret whether the particular independent variable has a significant impact on the dependent variable. The relationship is significant if the Sig.-value is not larger than 0.05. The results show that there is a significant relationship for political (0.000), social (0.002), land available (0.001), Technological factor (0.003), Infrastructural factor (0.002), Marketing factors (0.002), Financial factor (0.003), management factor, motivational factor (000) and entrepreneurial factor (000). This means that all the variables are good predictors of the dependent variable of the service sector.

The multiple regression result table 4.3 indicates that the explanatory variables have positive and significant influence on SMEs performance. The value of ($\beta = 0.405, 0.199, 0.591, 0.564, 0.349, 0.371, 0.355, 0.214, \& 0.419$) for political, social, land availability, technology, infrastructural, marketing, financial, management and entrepreneurial factors respectively show that there is a positive direction and its influence is significant at $p < 0.05$ the dependent variable and these are good predictors.

Furthermore, the study aims to identify which of the variables contributed the most to prediction of the dependent variable. This information can be investigated via Standardized coefficient Beta in table 4.3. In this study the highest Beta value is 0.591 for land availability, and second highest is 0.564 for technological factor. The independent variables management factor (.214), social (.199), infrastructural factor (.349), political factor (.405), financial factor (.355) are also significantly related to the variable performance and these are also good predictors. These results indicate that the variables and Land availability Technological factor make the strongest unique contribution in explaining the dependent variable performance.

These results enable to conclude that the model explains 56.2 percent of the variance in dependent variable. The largest unique contribution is provided by the variables and Land availability Technological factor. Thus, these variables represent good predictors of the dependent variable.

According to Commission on Legal Empowerment of the Poor (2006), most MSEs in

Ethiopia faces critical constraints both at the operation and start up level. Some of these constraints include lack of access to finance, access to premise, infrastructure, training in entrepreneurial and management skills, information on business opportunities, and social and cultural factors particularly related to deficient entrepreneurial culture and excessive corruption.

According to Minster of Urban Development and Construction, (2013), the study also identified a number of challenges and constraints hindering the growth of MSEs in Selected Major Cities of Ethiopia. These challenges were manifested in terms of capital, technology and employment growth trends. Enterprises from the regional cities indicated that shortage of finance (42 percent) to expand their business was their principal challenge, followed by lack of working premise (28.3 percent); and lack of access to market or absence of linkage to market. The study also showed that lack of access to land has been one of the most crucial bottlenecks (26.4 percent) in Addis Ababa, problem of finance (25.6 percent) and access to market (25.1 percent) were among the strong factors inhibiting the growth of these enterprises in the capital. The findings of Mulu (2007) also indicate that banks and MFIs do not seem to support MSEs expansion. Due to this 85 percent of the respondents have never received credit from these formal sources. The availability of other informal sources of finance, however, affects growth positively and significantly. This shows that in the absence of formal source of credit, informal networks appear more appealing for MSEs. Hence, firms with better network to borrow from informal sources such as, relatives, friends, and suppliers better loosen credit constraints, and grow faster.

Generally, in line with Poor (2006), Mulu (2007), and Minster of Urban Development and Construction (2013), our finding also shows that MSEs that operate in Bench Maji, Sheka & Kefa Zone suffer from lack of access to finance, working premises, infrastructure, social and cultural, Political and legal factors.

V. CONCLUSIONS AND RECOMMENDATIONS

a) Conclusions

This research was conducted in Bench Maji, Sheka and Kefa Zone capital towns (Mizan-Aman, Tepi and Bong) respectively with the prime intent of critically assessing the factors affecting the performance of MSE operators engaged in production, trade and service activities. Specifically, the study attempted to examine the internal and external factors that affect the performance of MSEs, to describe the characteristics of small enterprises operating in the study area and to recommend possible solution to alleviate the problem of MSEs. Based on the objectives and findings of the study, the following conclusions are worth drawn.

According to (Enock Nkonoki, 2010), the main factors/problems that limits small firm's success/growth into two groups; first is the factors that originate from within the firm (in other words they are internal to the firm) and the second group is factors that originate from outside the firm (these are external to the firm). Lack of a proper business plan/vision, Poor management, and lack of needed talent are among the internal factors. The External factors limiting small firm growth are Corruption, Competition, Government policy, Technological barrier, in access to finances/funding, Bureaucratic processes and Unfavorable economic factors.

In line with the Enock, 2010 findings, the regression result of this particular study showed, all the internal and external variables (factors) included in this particular study were statistically significant and therefore, affects the performance of SMEs in the study area was affected by both variables.

The finding of this research shows that, most of the MSEs operators have no efficient experience and management knowhow to perform their activities effectively and efficiently. These lead to them unsuccessful because they run their business activities without having adequate knowledge about the business environment. Lack of managerial know-how places significant constraints on SME development.

Regarding infrastructural facilities, most of MSEs operators had no adequate infrastructural facilities at the given study area, specially insufficient and interrupted electric power and water supply. These lead to them, unable to generate adequate profit by satisfying the needs of the customers. Infrastructural problem is not only the problem of the study area problem it is a country wide problem, therefore this problem is not solved by the MSEs operators rather than by the government of the country.

The result of the finding shows that majority of MSEs operators in the study area does not have enough working premises. Because of this, the MSEs operators are not perform their business related activities effectively and efficiently. And also, the location of the working premises is not suitable for attracting the new customers that means, the working premises have no access to market.

Regarding other external environmental factors, majority of MSEs operators activities are affected by external related problem such as technological related problems i.e. the MSEs operators are did not have the opportunity to get modernized technology at the given study area which made them unsuccessful. And the other external problem is, there was a problem of market linkage with the external parties such as vendor, suppliers and customers. Because of there was a problem of marketing linkage through external parties, most of the time the MSEs operators are kept their products in the store. It is true that, finance, working

place, infrastructural, marketing factors are factors that affect the performance of MSEs, this does not mean that all factors are equally affect the performance of the business enterprises. As compared with the other factors, technological factors, lack of infrastructural facilities, shortage of working premises and shortage of finances for start-up and expansion purposes are the top most factors that affect the growth and success of MSEs activities at Bench Maji, Sheka and Kefa Zone.

b) Recommendations

As one can observe from this study, both internal and external factors determine Small and Medium Enterprises performance in South Western part of the SNNP regional state of the country. Thus, Small and Medium Enterprise managers, directors, governmental bodies and all stakeholders should not only be concerned about internal structures and policies, but also must consider the external environment together in designing out strategies to improve their performance.

Regarding the internal factors (management and entrepreneurial skills), enterprises owned by individuals with previous management experience have better performance as compared with those MSEs operators who have no previous management experience. Therefore, Bench maji, Sheka and Kefa Zone micro and small enterprise agency in cooperation with Mizan Tepi University and other government bodies are better to work on preparing training programs on management issues and creating experience sharing opportunities especially to those enter into the sector without any previous business background.

In relation to the external factors (politico-legal, social, working premises, technology, infrastructure, marketing and finance) the following possible recommendations were forwarded;

- ❖ The MSEs operators are better to enhance their marketing skills through proper training and experience sharing with other successful medium and large scale enterprises. In addition to this marketing skills, such as setting competitive price for their products, creating good interpersonal relationship with customers and the way of promoting their outputs to the customers in an effective manner. Moreover, the government bodies such as Bench maji, Sheka and Kefa Zone micro and small enterprise agency and the other stakeholders are better to assist them by searching market for their products which is produced by the MSEs operators, by doing this, they are try to save them from losses.
- ❖ To overcome the problems related to establishing and starting the MSEs businesses, it is needed primarily to conduct market assessment. This can identify and prioritize the type of MSE business, to

pin point the sources of inputs to identify the working place and other premises to establish and to start the type of business. Moreover, it is required to train and council the MSEs in developing saving culture and to generating initial capital by themselves.

- ❖ Concerning to the source of finance, the major sources of finance or funds for most of MSEs operators at the study area are by borrowing money from microfinance institutions. The reason for emphasizing on informal sector is that the requirement of collateral/guaranty is relatively rare as compared with formal sectors like banks but the informal sectors like MFIs are unable to provide/supply enough credit to them as they want. Therefore, Bench Maji, Sheka and Kefa Zone micro and small enterprise agency in cooperation with other government bodies have to develop comfortable source of finance for MSEs by organizing and supporting the performance of MFIs and other source of finance. This can be done by communicating with the banks and other credit institutions to minimize their requirements to provide fund. By doing so, the MSEs can get enough access to finance for their business activities.
- ❖ There are infrastructural facility problems in the study area, like power interruption, inadequate supply of water, and transportation problems. Therefore, the government and the other concerned body have to give attention to minimize such kind of problems to improve the performance of MSEs.
- ❖ Finally, the study sought to investigate the internal and external factors that influence performance of SMEs that operates in Bench Maji, Sheka and Kefa Zone. However, the variables used in the statistical analysis did not include all factors that can affect SMEs performance in the area. Thus, future researchers could incorporate external factors such as corruption, size of the enterprise and inflation rate.

VI. ACKNOWLEDGEMENTS

Our gratitude to the many individuals who have helped shape this work cannot adequately be conveyed in a few sentences. Our heartfelt thanks go to all our friends and family who directly or indirectly contributes their unlimited initiation and facilitation in the work. Unforgettable warmest appreciation also goes to our employer Mizan-Tepi University who supports in all the finances and encourage us to finish this piece of work.

Last but not the least, we wish to give our thanks to all managers, owners of SMEs and employees for their willingness to participate in filling the questionnaires.

BIBLIOGRAPHY

1. Adimasu Abera (2012). *Factors Affecting the performance of Micro and Small Enterprise in Arada and Lideta Sub-city, Addis Ababa*. Unpublished Master's Thesis.
2. Arinaitwe, J.K. (2006). Factors Constraining the Growth and Survival of Small Scale Businesses: Developing Countries analysis, *Journal of American Academy of Business*, Cambridge, Vol. 8 No. 2, pp. 167-78.
3. Armstrong, M. (1994). *Human Resource Management Practice*, Replika Press Ltd, India.
4. Assegedech Woldelul. (2004). Marketing Strategies for Micro and Small Enterprises in Ethiopia: *Ethiopian Business Development Services Network (EBDSN)*, Addis Ababa.
5. Ayyagari, Meghana., Thorsten Beck, AsliDemirgüç-Kunt (2003), "Small and Medium Enterprises Across the Globe", World Bank Policy Research Working Paper 3127, August, Washington D.C.
6. Best, J.W. (1995), *Research In Education 3rded*; Englewood Cliff, NJ: Prentice Hall. Inc
7. Carrasco-Davila, A. F. (2005). La micro y pequeña empresamexicana [Micro and small Mexican business]. *Observatorio de la Economía Latinoamericana*, 45. Retrieved from <http://www.eumed.net/cursecon/ecolat/mx/2005/afc-d-mpymem.htm>.
8. Catherine Dawson. (2009). *Introduction to research methods: A practical guide for any one undertaking a research project*, fourth edition, United Kingdom, Books Ltd.
9. Creswell J. W. (2009): *Research Design: Qualitative, Quantitative, and Mixed Methods Approaches*, 3rd edition. Landon, Segal publications.
10. Dildar, Hussain Muhammad, Zafar Yaqub (2010). Micro-entrepreneurs: Motivations, Challenges and Success Factors, *International Research Journal of Finance and Economics*, University of Vienna, Issue 56 (2010).
11. Enock Nkonoki. (2010). What are the factors limiting the success and/or growth of small businesses in Tanzania?—An empirical study on small business growth; Arcada University of Applied Sciences, Tanzania.
12. Faiza, M. & Jamal, T. (2009). *Temporal Population Growth of Lahore*. *Journal of Scientific Research*, 1, 53-58.
13. Federal Democratic Republic of Ethiopia Ministry of Trade and Industry Micro and Small Enterprises Development Strategy, 2004, Addis Ababa, Ethiopia.
14. Gebrehiwot Ageba and Wolday Amha (2006). Micro and Small Enterprises Finance in Ethiopia: Empirical Evidence, *Eastern Africa Social Science Research Review*, Michigan State University, Volume 22, Number 1, Jan., pp. 63-86.
15. Geoffrey Marczyk, David DeMatteo and David Festinger. (2005). *Essentials of Research Design and Methodology*. Canada, John Wiley & Sons, Inc.
16. Gottschalk, P., & Solli-Sæther, H. (2005). Critical success factors from IT outsourcing theories: an empirical study. *Industrial Management & Data Systems*, 105(6), 685-702. doi: 10.1108/02635570510606941, <http://dx.doi.org/10.1108/02635570510606941>
17. Gurmeet Singh and Rakesh Belwal (2008). Entrepreneurship and SMEs in Ethiopia, Evaluating the Role, Prospects and Problems Faced by Women in this Emergent Sector, *Gender in Management: An International Journal* Vol. 23 No. 2, pp. 120-136.
18. Habtamu Tezera. (n.d); *Challenges and opportunities of small and medium scale Enterprises (SMES) in Addis Ababa (The case of Arada Sub-City)*. Unpublished Master's Thesis.
19. Hafeez, K., Malak, N., & Zhang, Y. B. (2007). Outsourcing non-core assets and competences of a firm using analytic hierarchy process. *Computers & Operations Research*, 34, 3592 – 3608. doi: 10.1016/j.cor.2006.01.004, <http://dx.doi.org/10.1016/j.cor.2006.01.004>
20. Hailey (1991). Regional Characteristics, Business Dynamics, and Economic Development, in *Small business dynamics: international, national and regional perspectives*.
21. Hair, J.F., R.E. Anderson, R.L. Tatham and W.G. Black (1995), *Multivariate data analysis*, Englewood Cliffs, NJ, Prentice Hall.
22. Hallberg, Kristin (2000), "A Market-Oriented Strategy for Small and Medium-Scale Enterprises", Discussion Paper No. 40, International Finance Corporation, The World Bank.
23. Hamilton, R.T. & Fox, M.A. (1998). The Financing Preference of Small Firm Owners, *International Journal of Entrepreneurial Behavior & Research*, 4 (3), 239-248.
24. Honjo, Y. (2000). Business Failure of New Firms: An Empirical Analysis Using a Multiplicative Hazard Model, *International Journal of industrial Organization*, 18, 557-574.
25. Ibrahim, N. A., Angelidis, J. P., & Parsa, F. (2008). Strategic management of family businesses: Current findings and directions for future research. *International Journal of Management*, 25(1), 95-110. Retrieved from ProQuest database. (Document ID: 1460961721).
26. ILO Report (2007). *Assessing the Enabling Environment for Women in Growth Enterprises, Ethiopia Preliminary Report*, Addis Ababa, and SEDP-ILO.

27. International Labor Organization (ILO). (2007). Conclusions Concerning the Promotion of Sustainable Enterprises. Presented at the International Labor Conference of the International Labor Office, Geneva.
28. Janet M. Ruane. (2006). *Essentials of Research Methods*. A Guide to Social Science Research. USA, Blackwell Publishing.
29. John Adams, Hafiz T.A. Khan, Robert Raeside and David White. (2007). *Research Methods for Graduate Business & Social Science Students*. California, Sage.
30. Kozan, M. K., Oksoy, D., & Ozsoy, O. (2006). Growth plans of small businesses in Turkey: Individual and environmental influences. *Journal of Small Business Management*, 44(1), 114-129. Retrieved from ProQuest database. (Document ID: 969304101).
31. Lall, S., (2001), "Competitiveness Indices and Developing Countries: An Evaluation of the Global Competitiveness Report", *World Development*, Vol. 29, No. 9, p. 1501-1525.
32. Liedholm, Carl and Donald C. Mead (1999), *Small Enterprises and Economic Development*, London and New York: Routledge.
33. Lussier, R.N. (1996). Reasons Why Small Businesses Fail and How to Avoid Failure, *The Entrepreneur Executive*, Vol. 1 No. 2, pp. 10-17.
34. Mark Saunders, Philip Lewis and Adrian Thornhill. (2009). *Research Methods for Business Students*. Fifth edition, FT Prentice Hall
35. McMahan E.& Holmes V.(2009), *Understanding small business: practice, theory and research*. (6th.ed.) Adelaide: Scarman Publishing.
36. Meyer-Stamer, Jörg and Frank Waltring (2000), "Behind the Myth of the Mittelst and Economy: The Institutional Environment Supporting SMEs in Germany", Institute for Development and Peace at the Gerhard-Mercator-University Duisburg, Report No. 46/2000, Duisburg.
37. Michael A. McPherson, Jeffrey J. Rous (2009). Access to Finance and Small Enterprise Growth in Ethiopia, Evaluating the Role, Prospects and Problems Faced by Women in this Emergent Sector, *Gender in Management: An International Journal* Vol. 23 No. 2, pp. 120-136.
38. Mulu Gebreeyesus. (2009). Innovation and Microenterprises Growth in Ethiopia. *Word Institute for Development, Economic research*, United Nations University, No. 51.
39. Mulugeta chane wube. (2010). *Factors affecting the performance of Women Entrepreneurs in Micro and small enterprises (the case of Dessie Town)*. Unpublished Master's Thesis.
40. Mulugeta Yohanes Firasew. (2011). *The Livelihoods Reality of Micro and Small Enterprise Operators: Evidences from Woreda One of Lideta Sub-city, Addis Ababa*. Unpublished Master's Thesis.
41. OECD (2000), "Small and Medium-sized Enterprises: Local Strength, Global Reach", *Policy Brief*, Paris, June.
42. Okpara, J.O. & Wynn, P. (2007). Determinants of Small Business Growth Constraints in sub Saharan African economy, *SAM Advanced Management Journal*, Vol. 72 No. 2, pp. 24-35.
43. Pallant, J. (2010). *SPSS Survival Manual* .4th Edition, Mcgraw Hill
44. Penrose, E.T (1959) *The theory of the growth of the firm* Oxford: Basil Blackwell Sian, S. and Roberts, C. (2009) 'UK small owner/managed businesses: Accounting and Financial reporting needs', *Journal of Small Business and Enterprise Development*. 16(2).
45. Phyllis Tharenou, Ross Donohue, Brian Cooper. (2007). *Management Research Methods*. New York, Cambridge University Press.
46. Plan Nacional de Desarrollo. (2007). National development plan. Retrieved from <http://pnd.Calderon.presidencia.gob.mx/>.
47. Sekaran, U. (2000). *Research Methods for Business: A skill-building approach* (3ed.). New York: John Wiley & Sons, Inc.
48. Storey, D.J. (1994), *Understanding the Small Business Sector*, London: Routledge. Symeonidis, George (2000), "Price Competition and Market Structure: The Impact of Cartel Policy on Concentration in the UK", *Journal of Industrial Economics*, Vol. 48 No. 1, March, 1-26.
49. Tiruneh Abebe. (2006). Analysis of the Success Factors of Micro and Small Business Enterprises in Addis Ababa.
50. UNIDO. (2003). To enhance the contribution of an efficient and competitive small and medium- sized enterprise sector to industrial and economic development in the Islamic republic of Iran [Online] Available: http://www.unido.org/fileadmin/import/18229_AbsFinal.pdf
51. United Nations Industrial Development Organization (UNIDO). (2002). *Rural Enterprise Development Support Project*. Entrepreneurial Skills for group based SMEs. Trainers Manual.
52. Walker E. and Alan Brown A. (2004). "What success factors are important to small business owners". *International Small Business Journal*. Vol.22. No.6.
53. Wanjiku Lily Njanja. (2009). *An Investigation into Management Strategies Affecting Performance of Micro, Small and Medium Enterprises (MSMES) In Kenya*. University of South Africa.
54. Wiboonchutikula, P. (2002). Small and Medium Enterprises in Thailand: Recent Trends, *Small Business economics*, *International Journal of*

Business and Management Vol. 5, No.11;
November 201018, 213-226.

55. Zewde & Associates (2002).Jobs, Gender and Small Enterprises in Africa Preliminary Report Women Entrepreneurs.
56. Zikmund, W., Babin, B., Carr, J., & Griffin, M. (2010). *Business Research Methods*.8 Edtion. South Western: Cengage Learning.





The Relationship between Manpower Development and Lecturers' Productivity in Colleges of Education in Delta State

By Uyeri Ajiri Oghene

Delta State University

Abstract- This study was conducted to examine the relationship between manpower development and lecturers productivity in Delta State Colleges of Education. To guide the study, three research questions were raised and three hypotheses were formulated. The study was a correlation study. The population of this study was 842 lecturers in Delta State Colleges of Education in the 2014/2015 academic year. The sample used for the study was 252 lecturers of the Colleges of Education respectively selected from a population of 842 lecturers in the 2014/2015 academic year. The sampling procedure used was the random sampling technique. A survey instrument titled 'Manpower Development and Lecturers' Productivity Questionnaire (MDLPQ) was developed by the researcher to obtain data for the study. Data were analyzed using mean scores and Pearson "r".

Keywords: *relationship, manpower development, lecturers' productivity, Nigeria.*

GJMBR- A Classification: *JEL Code: I25*



Strictly as per the compliance and regulations of:



The Relationship between Manpower Development and Lecturers' Productivity in Colleges of Education in Delta State

Uyeri Ajiri Oghene

Abstract- This study was conducted to examine the relationship between manpower development and lecturers productivity in Delta State Colleges of Education. To guide the study, three research questions were raised and three hypotheses were formulated. The study was a correlation study. The population of this study was 842 lecturers in Delta State Colleges of Education in the 2014/2015 academic year. The sample used for the study was 252 lecturers of the Colleges of Education respectively selected from a population of 842 lecturers in the 2014/2015 academic year. The sampling procedure used was the random sampling technique. A survey instrument titled 'Manpower Development and Lecturers' Productivity Questionnaire (MDLPQ) was developed by the researcher to obtain data for the study. Data were analyzed using mean scores and Pearson "r". Findings of the study revealed that there is a relationship between manpower development and lecturers' productivity in Colleges of Education in Delta State, there are challenges to manpower development and lecturers' productivity in Colleges of Education in Delta State, positive relationship exists between productivity of lecturers before and after manpower development. Based on the findings of the study, some recommendations were made as follows: That manpower training should be given top priority so as to achieve productivity in the institutions. Since manpower development enhances productivity in Delta State colleges of education, the staff should be encouraged to participate in manpower development.

Keywords: *relationship, manpower development, lecturers' productivity, Nigeria.*

I. INTRODUCTION

There are number of factors that contribute to the success of any organization. These factors include: capital, equipment, manpower, etc. These factors are important but the most significant factor is the human factor. Since it is the people that will put the other resources to work, it should be viewed as such by management by giving it due attention in order to achieve its organizational goals and objectives. Manpower planning aims at ensuring that the right person is available for the right job at the right time. This involves formulating a forward looking plan to ensure that the necessary human effort to make it possible for the survival and growth of the organization, thus it

becomes imperative to develop the employee, (Onuka, 2006).

Manpower development is a process of intellectual and emotional achievement through providing the means by which people can grow on their jobs. It relates to series of activities, which an enterprise would embark upon to improve its managerial capacity. Manpower development is important in any discussion of strategic human resources management. This emphasis on manpower and development is influenced by the belief that it is now desirable to focus more attention on areas which in the past has been relatively neglected because every organization regardless of its size must provide for the needs, interest and desire of its employee within the work environment if it is to earn loyalty, dedication, involvement and commitment necessary to compete effectively, (Onuka, 2006).

In fact, human being constitutes the ultimate basis of a nation's wealth. This proposition applies to the organization, which implies that with daily increase and complexity in the organizational activities and the problem ensuring optimum productivity which is fast becoming a challenge as well as imperative for the management of organization, thus, training and development of staff on whom the huge responsibility of furthering these goals rest, must take top priority if the organization must continue to enjoy maximum performance from the staff. The development of indigenous manpower to serve as the propelling force for national growth and development is no doubt a key to Nigeria's socio-economic and political development. This is quite indispensable considering the argument of the concept of transfer of technology as a propelling force for the development of the developing countries of which Nigeria is one.

However, it is important to state that the lack of adequate emphasis on manpower development as a tool for development in Nigeria on the part of government as well as the organized private sector could not be far-fetched. This is based on lack of understanding of both the concept and methods for manpower development in a post-colonial Nigerian State in which the process of human resource development for national growth was distorted by colonialism with the attendant negative orientation that was injected into political leadership. Thus, manpower

*Author: Department of Educational Administration and Policy Studies, Delta State University, Abraka - Nigeria.
e-mail: ajiriuyer@gmail.com*

development became an elitist design that was geared to favour capitalist mode of production in which labour was relegated to the background among the factors of production.

Thus, the central idea underlying manpower development in any sector, including the education sector, is how best to keep employees current, vibrant and versatile so that they can continuously perform their roles effectively in this age of rapid socio-economic, political, scientific and technological changes and globalization. In fact, it has been emphasized, in education, teachers are the foundation of quality; they hold trust for the implemented curriculum of formal education and therefore, are at the centre of the educative process. In fact, no education system can rise above the quality of its teachers (NERDC, 2004). This is even all the more important with the institutions of higher learning whose mission include research-the expansion of the frontiers of knowledge, teaching and community services, (Peretomode and Chukwuma 2005).

Manpower development has become an accepted phenomenon in organizations. In tertiary institutions, lecturers' development programmes are considered very critical. They are planned activities which focus on increasing and enlarging the capabilities, improving the technical and conceptual skills of lecturers so that they can possess the necessary abilities to handle complex situations and better perform their job. Through renewal activities, lecturers avoid becoming rustic. The need for lecturers to improve their knowledge, skills, attitudes and behaviours while on the job is even more critical now in developing nations than ever before for a number of reasons. For instance, academic programmes in our universities rarely adequately prepare candidates as "finished" products for their future positions and their accompanying responsibilities. There is also the issue of knowledge explosion. Tertiary institutions are also in constant flux and there are willing and unwilling lecturers to be trained and retrained on regular basis as globalization and the economy and competition for talents is becoming worldwide.

The above situation implies that lecturers need to keep abreast of the time and the trends of knowledge development in their discipline so as not to become obsolete and redundant. The ultimate goal of self-development is the enhancement of individual's job satisfaction and the optimization of skills, talent and task accomplishment. Manpower development of lecturers in tertiary institutions should be geared towards acquiring or sharpening the capabilities of lecturers required in performing various obligations, tasks, and functions associated with or related to their present or future expected roles. The benefits of training and development of lecturers have been identified to include increase in knowledge, skills and the development of positive attitude to work, increased personal and

organizational productivity, and quality services. It can bring about improvement in morale, inculcate sense of belongingness, reduce absenteeism and turnover rate among lecturers, and importantly lead to better coordination of both human and material resources within institutions of higher learning.

II. STATEMENT TO THE PROBLEM

The human resource (manpower) is considered the most critical aspect of educational survival when adequate supply of materials and financial resources that will bring about the desired productivity is available in the institution. The importance of lecturers' professional renewal in colleges of education cannot be over emphasized. In spite of its apparent merit, there are still many employers particularly in the education industry who do not commit sufficient funds to the development of their employees. They consider staff development as a waste of meagre resources because of the high cost involved. However, educational institutions plan meticulously for their investment in physical and capital resources and these plans are reviewed with utmost attention while the institution pay less attention to human capital investment in which the capital and equipment provided will be in vain if there is no human resource to manage them. There is speculation that colleges of education do not consider the necessity for a well-defined and sustained training and development for staff in order to upgrade their performance.

Colleges of education in Delta State have lecturers of different academic status. The principal criterion for promoting lecturers from one level to the other is the lecturer's productivity defined in terms of research output or publications in referred national and international journals and text books. Some of these lecturers have participated in self-sponsored staff development activities and few others have benefited from their institution's sponsored staff development programmes. One thing that is not certain or that has not been determined empirically is whether those who have participated in manpower development programmes are more productive than their counterparts who have not. Hence, the need of the researcher to examine the extent to which manpower development enhances the productivity of lecturers in Colleges of Education in Delta State.

III. RESEARCH QUESTIONS

The following research questions were raised to guide the study.

1. What is the relationship between manpower development and lecturers' productivity in Colleges of Education in Delta State?

2. What is the relationship between the techniques used for manpower development and lecturers' productivity in Colleges of Education in Delta State?
3. What are the challenges of manpower development and lecturers' productivity in Colleges of Education in Delta State?

a) *Hypotheses*

The following hypotheses were formulated in the study.

1. There is no significant relationship between manpower development and lecturers' productivity in Colleges of Education in Delta State.
2. There is no significant relationship between the challenges of manpower development and lecturers' productivity in Colleges of Education in Delta State.
3. There is no significant relationship between manpower development as related to the productivity of male and female lecturers in Colleges of Education in Delta State.

IV. REVIEW OF RELATED LITERATURE

Human capital development theory appears to be most appropriate for this study. Human capital theory as propounded by Becker (1964) is the most influential economic theory of western education, setting the framework of government policies since the early 1960's. It is seen increasingly as a key determinant of economic performance. It is recognized that the growth of physical capital stock depends to a large extent on the existence and accumulation of well developed human capital. This entails the process of increasing knowledge, skills and the capabilities of all people of the country. Becker (1964) suggested that education or training raises the productivity of workers by imparting useful knowledge and skill. Adam (2012) and Veenstra, (2011) highlighted the significance of human capital development in production. Marshal viewed education as a national investment and the most valuable of all capital is that invested in human beings. In his book "The Wealth of the Nations" (2012) Adam formulated the basis of what was later to become the science of human capital. Over the past two centuries, two schools of thought can be distinguished. The first school of thought (Classical School of Thought) distinguished between the acquired capacities that were classified as capital and the human beings themselves who were not. The second school of thought (Neo – Classical School of Thought) claimed that human beings themselves were capital. In modern human capital theory, all human behaviour is based on the economic self – interest of individual operating freely within competitive markets. Other forms of behaviours are excluded or treated as distortions of the model.

Kwon, (2009) presented a prominent explanation that a recent reformation of Human Capital Theory which has stressed the significance of education

and training as the key to participation in the new global economy. In 2010, the Organization of Economics Co – operation and Development (OECD) encouraged the governments of advanced economies to embrace policies to increase innovation and knowledge in products and services as an economical path to continued prosperity. Economists are in support that it is lack of investment in human capital that has been the bane of the slow growth of less developed countries. The reason that poor countries develop less is considered to be the insufficient stock of capital. Unless such economists formulate and pursue an articulate course capital by spreading education, knowledge and know – how and raise the level of skills and physical efficiency of the people, the productivity of the physical capital is reduced especially in the educational system, (Kwon, 2009).

Human capital development theory is relevant to this study. Since human capital is the backbone of human development and economic development in every nation. Thus at the macro-level, human capital management is about three key capacities, the capacity to develop talent, the capacity to deploy talent, and the capacity to draw talent from elsewhere. These three capacities form the backbone of any country's human capital competitiveness. There is strong evidence that organizations that possess and cultivate their human capital outperform other organizations lacking human capital.

a) *Concept of Manpower Development and Productivity*

Manpower development is a long term educational process whereby managerial personnel and other category of employees learn conceptual and theoretical knowledge for general purposes, (Alimi, Bukar and Ahmadu 2012). Prior to this, there must be a sort of human resource planning. Invariably, this is a process of systematically forecasting the future manpower requirements of an organization and providing plans to acquire develop and deploy the human resources required to achieve the objective of that organization, (Babalola, 2007). Manpower development which aims at preparing the employees for higher responsibilities in the future can be a valuable aid or can complement training but it is usually difficult to carry out effectively. Here, staff personnel or career development are used to mean the same thing; namely, the systematic development of the individuals career so that his interest and abilities, education, formal and informal training and work responsibilities are related to each other with the intention of realizing his full potentials. Apparently, it has two complementary objectives. In the first instance, it is intended to help the individuals to make the most of his abilities and thus to do as well as possible in his career. Secondly, it aims to help the service as a whole by improving the motivation and effectiveness of the individual, (Alimi, et al 2012).



Development on the other hand, is a systematic process of educating, training and growth by which persons acquire and apply information, knowledge, skill, attitudes and perceptions. It is a long term educational process whereby managerial personnel learn conceptual and theoretical knowledge for general purpose. For other scholars development is a course of action designed to enable the individual to realize his potential growth in the organization. It also involves the preparing of employees for higher responsibilities in the future. To develop staff is to make them grow with the organization so that they can be best fitted for available higher positions within their capacity, (Dabalén, and Oni, 2010; Humble 2012 in Armstrong, 2008).

Organization experts assert that planned human resources development programme through training is essential in any organization in terms of increased productivity, heightened morale, reduced costs and greater organizational stability and flexibility to adapt to changing external requirements. For a plan to be effective, training and development should start with induction and to continue systematically and progressively throughout the subsequent services. That it should include on the job training, instruction on semi-skilled work, specialist training for highly technical work and also training for supervisors and training for managements (www.wikipedia.com). However, the role that training can play in human resource development especially in our modern day institution and organization is inestimable and unquantifiable. It is a truism of course that training of staff enhances productivity.

Ultimately, the causes of inadequate performance are due to such factors as work location, organizational constraints, and low motivation, (Isyaku 2010). In a nutshell, manpower development is a systematic process of developing all levels of effective managers/employees to meet the requirement of their organization in general and educational institution in particular which involve the analysis of the present, the existing, and potential skills of employees and meet this requirement. Harbison and Myers (2014) defined manpower training as 'the organized producer by which people learn knowledge/skills for definite purpose', while development as they put it " is a broad method of training that is less job oriented but more career oriented" The focus is to harness employee potential, once it can be recognized. By and large, a training and development activities in an organization to some extent is dependent on the policy and strategies of the organization.

b) *Productivity in Higher Education*

Inyang (2005) defined productivity as the output and input ratio within a given time frame and with special attention to quality and the efficient use of resources. The National Productivity Centre (2011) in the information booklet defines productivity as doing the

right things the right way, getting more output within less input, getting more output with the same input, punctuality and promptness, elimination of wastes in all forms, justifying your pay, improvement in all aspects of life, producing more and more of better quality. The summary of all definitions of productivity is the balance between all factors of production that will give the greatest returns for the smallest efforts, (Oladunni, 2008). Since staff personnel are the essential in all organizations, especially the educational sector, the effective management of staff personnel no doubt has a great influence on productivity.

Productivity is a measure produced by input/output analysis. It can be expressed as the Naira value output per man-hour work. Measurement experts on work management agree that productivity could and can be measured. However, there is differing opinion amongst experts as how precise the productivity of the individual or organization could be ascertained especially in such areas as the service industry like the school system. Productivity can be measured at the national, organizational and individual levels. Technically speaking, when productivity is measured, we are actually measuring the efficiency of the organization or the individual in question. Given different industries as well as the fact that there are many interpretations of productivity, the different industries employ different yardsticks to measure productivity. It is generally accepted that productivity measure indicates a rate of growth in capabilities of respective companies and organizations to accomplish and indeed fulfil their mission goals and ensuring that consumers receive the goods and services in good condition, promptly and at affordable prices (Oladunni, 2008).

In the service industry, the relationship between output and input is complex hence it is not to be viewed in a simplistic manner. Indeed experts opine that outcome resulting from the input/output calculations and the standards by which outcomes are measured are often ambiguous. In education, a service industry, one preoccupation with productivity is to look at the main causes of low productivity with a view to promoting higher production. According to Nwachukwu (2012) the major causes of low productivity in Nigeria are economic, sociological, managerial and technological.

Economic Factors: There should be correlation between effort expended by an employee and the reward that he receives in the organization when an employee believes that equity does not prevail, he is bound to withhold a measure of his productivity. Because of inadequate compensation to employees, there appears to be no commitment. *Sociological Factors:* Employees treasure a sense of belonging to their organization and would resent any effort on the part of management to perceive and treat them only as agents of production. Many Nigerian employees lack a sense of belonging to their organization and they behave as strangers.

c) *Relevance of Manpower Development and Lecturers' Productivity*

Once an applicant has been selected and placed properly by his organization, the next step is to transform him to meet the future requirements of the organization. Such transformation is done by means of training and development. For organizational goals and objectives to be attained; effective, proficient and adept human resource is vital and imperative in every outfit. This is because human beings constitute a vital part of any organization, thus, acts as building blocks and backbones of any organization and determines the level of productivity in the organization. Abiodun (2009) said human resources are the most potent assets that any organization possesses. Without them, machinery/equipment, materials and even capital of the company will amount to nothing as nothing gets done without the input of the manpower resource of the organisation. Similarly, Resis (2013) affirmed that all activities of any enterprise are initiated and determined by the persons that make up these institutions. He said further that the plants, computers, automated equipment and all other machines that a modern organization uses are unproductive except for human effort and direction. He therefore concluded that every aspect of a firm's activity is determined by the competence and effectiveness of its human beings.

According to Adeniyi (2005) manpower or staff training and development is a necessary work activity that makes a very significant contribution to the overall effectiveness and profitability of an organization, for Fajana (2012) the effectiveness and success of an organization lies on the people who form and work within the organization. The observation of Onuka (2006) implies that it is the developed human capital of a nation that constitutes its wealth. It follows, therefore, that employees' performance in respect of achieving organizational goals and successes is a function of the quantum of the relevant skills and knowledge, and positive work attitude they have been able to acquire from constant manpower development programmes whether through committee/on the job training or in-house training programmes of out of work training courses they attended.

Omole (2014) posits that manpower development involves providing learning and development opportunities, making training intervention and planning, conducting and evaluating training programmes. The need for improved productivity in an organization has become universally accepted phenomenon that depends on efficient and effective manpower development. It has further become necessary, in view of modern global advancement, to invest in human capital training and development. Thus, the role played by staff training and development can no longer be over-emphasized. By implication, therefore, the need for organizations to take staff development

programme for their employees seriously has become an undisputable imperative. Absence of such staff development programmes in an organisation often manifests tripartite problems of incompetence, inefficiency and ineffectiveness. Oribabor (2010) submits that training and development is aimed at developing competences such as technical, human, conceptual and managerial for the furtherance of individual and organizational growths; while Isyaku (2010) postulates that the process of training and development is a continuous one.

Man is dynamic in nature, the need to be current and relevant in all spheres of human endeavour makes staff development a necessity in order to keep track with current event and methods. Griffin (2008); Ajibade (2013); Akintayo (2005); Abiodun (2009) have all drawn attention of all and sundry to the inestimable value of training and development. According to them, it is an avenue to acquire additional and new knowledge; and develop further the skills and techniques to function effectively in the ever dynamic world in which we belong and live. Thus, training is obviously indispensable not only in the development of the individuals but also in facilitating the productive capacity of the workers and thus that of the company. Training is not coaxing or persuading people to do what is wanted but rather a process of creating organizational conditions that will cause personnel to strive for better performance.

Researchers like Griffin (2008), Akintayo (2006) and Lawal (2006) observe the usefulness of training and development in an organization and identified the functions of training as follows: it increases productivity; improves the quality of work; enhances skills, knowledge, understanding and attitude; engenders the use of tools and machine; reduces waste, accidents, turnover, lateness, absenteeism and other overhead costs; eliminates obsolescence in skills, technologies, methods, products, capital management; enhances the implementation of new policies and regulations; prepares people for achievement, improves manpower development and ensures the survival and growth of the enterprise.

Pitfield (2012) is of the opinion that the objectives of training are to: provide the skills, knowledge and aptitudes necessary to undertake required job, and efficiently develop the workers so that if they have the potentials, they would make progress, increase efficiency by reducing spoilt work, misusing of machines and lessening physical risks. Olabisi (2006) submits that training and development aimed at developing competences such as technical know-how to lead others; the need to perform one's job efficiently and the desire to meet organizational objectives of higher productivity and profitability. According to her, the main objective of setting up a company is to make profit and to achieve this organizational goal, adequate

manpower and development programmes should be put in place to enhance workers' performance.

Training and development may probably mean the same things to a lot of people because they both lead to the improvement of an individual productivity in an organization but there are some significant differences. Training means to educate someone normally, mainly by instruction, drill, and discipline. It is regarded as applying principally to the improvement of skills and hence to learning how to perform specific tasks. In contrast, development emphasizes an unfolding process of bringing to an advanced state; significant consequence of continuous growth, progress and innovativeness, (Onuka and Ajayi 2012). Nwachukwu (2012) is of the view that an organization may have employees with the ability and determination, with appropriate equipment and managerial support yet productivity could still fall below expected standards. This missing link is often caused by the lack of acquisition and by extension utilization of adequate skills and knowledge as well as positive work attitude by employees, which are normally acquired through training and development. For an organization to survive and achieve a reasonable return on investment, the need to train and develop available staff to handle the operations of the organization is essential. Every organization must have a system, which informs its employees about the job requirement; develop knowledge and skill to perform the job efficiently; and this system is built through the mechanism of manpower training and development.

Therefore, the concept of manpower development encompasses organizational subsisting staff training and re-training programmes in order to meet up with organizational goals and objectives, as well as the sustaining human resource needs for organizational growth and development. The availability of human capital and its regular development must be combined with effective utilization of all other resources if were not to be a mirage. Thus, manpower development in an organization is the main stay of an organization provided it is put to effective use, (Onuka and Ajayi 2012). Human resource is very critical to any organizational survival and accomplishment of the desired goals of any organisation. However, it has been generally observed that there has been a progressive decline in the ability of the available manpower in Nigeria to cope with the challenges facing many organizations. This trend could be viewed to have resulted to inadequate level of skill acquisition by the employees or their inability to keep abreast with the new modern technological development because of the absence of appropriate and sufficient staff training efforts by organisations, (Onuka and Ajayi 2012).

d) *Techniques Used for Manpower Development and Lecturers' Productivity*

Nakpodia (2013) explained the techniques used for manpower development as follows: case study, conferences and seminars, T-Group section, in basket techniques, program instruction and computer assisted learning (CAL), simulation and gaming, video and audio self development program, lab training, correspondence courses, managerial grid section, a systematic approach, peer teaching, technology as a tool to engage and deliver, follow-up implementation strategies.

Case study: In this the individual or institution personnel is required to identify problem, develop alternative solutions and evaluate the problem. It demands discussion and participation by all participants. The case study techniques are mostly used to develop skills for analysing and solving complex and unstructured problems. Conferences and seminars: This involves a lecture delivered by a speaker. It may be a workshop without a speaker. Participants discuss and share common problems. This group discussion encourages analytical thinking. However the success of this technique depends on a good conference leader, who simulates discussion, keeps it on track and summarises consensus.

T-Group section: This is designed to help participants learn about themselves and their ways of relating to others. Members become aware of the impression they create in others and sensitivity to their reactions and feelings. It is most suitable for developing better understanding in organisation goals.

In basket techniques: This technique presents trainee or school personnel with sample problems in an in-tray or mail-box. A limited time is given to trainees to give solutions to each problem in the entire class to determine the best solution or action. This develops decision making skill of the personnel.

Program instruction and computer assisted learning (CAL): This is designed to train many personnel individually or simultaneously. It is a technique designed to lead the learner step by step toward a desired objective. It is disadvantageous to both slow and fast learners.

Simulation and gaming: With this technique an educational situation could be created in the school system. An individual trainee maybe asked to take an action on any event, get result and make a report. Information, decision data, result etc, could be stored in the computer. This technique develops decisions making skill.

Video and audio self development program: Lecturers and note learning maybe given on video and audio equipment. This method allow participant to go at their own pace and it also help in building developmental skills.

Lab training: It is designed for a group in the school system to clarify their values, attitude and problems in order to change attitude of members in the school system and increase problem solving probabilities in an educational institution.

Correspondence courses: Convenience is the greatest single advantage of the course. It allows the learner to complete a series of lessons at their own pace. Personnel receive training materials by mail and answers are mailed back to the institution. It covers wide range of subjects. It is suitable for development of technical and manual skill for the individual.

Managerial grid section: It is a phase program that can last from three to five years. It is usually done with the aim of upgrading the skill of administrators in the institution. It goes in phases. It has the group improvement, inter group improvement, total planning of the organisation unity, it gets to evaluation phase. It is suitable for large organisation.

A Systematic Approach: Professional development is an important component of instruction at every school and in every district, yet many schools struggle with and fail to define a systematic approach to staff development. As a result, many training sessions are not deemed meaningful (Holler, Callender and Skinner, 2007). Effective professional development should reflect the best of what we know from data-driven improvement efforts. The process should begin by referencing the mission, values and goals of the organization, as well as identifying gaps between current reality and the desired future (DuFour, 2005). Evidence such as student achievement data, school climate surveys and feedback from students and the community should be used to indicate focus areas. Once these focus areas have been established, the following principles should guide the professional development planning process: grouping messages into content chunks, peer teaching, use of technology, and use of humour and follow-up.

Peer Teaching: Learning is a social act, and the experience is deepened when adults are able to learn from one another. DuFour (2005) proclaimed that coaching and peer teaching are critical, integral parts of professional development. Joyce and Showers (2005) echoed that teamwork and partnering are needed to support new learning. However in cooperative learning, peer teachings or group learning, simple focus on working with others allows sharing of responsibilities and tasks, as well as the reinforcement of social skills. Powerful teacher and administrator education is more than a matter of learning and practicing promising techniques and best practices; it involves engagement with others in the exploration of pressing challenges and issues (Bullough, 2007).

Technology as a Tool to engage and Deliver: Technology can be used to engage participants in manpower development activities and to deliver content

at individual workstations in the area of study. While it may be appropriate to have professional development offerings that are specific to particular technology tools, the value of the resources is magnified when technology is embedded into ongoing work related to student achievement areas. As with other types of professional development, the likelihood of retaining and implementing technology skills increases with regular exposure, rather than isolated, one-time events (Glatthorn & Jailall, 2005). In the words of Southern California-based technology expert and consultant Sharon Adelgais, "Today's students are dependent upon technology for most facets of their life and want to be educated with it as well. Our professional development needs have shifted focus to meet those needs. We have to train our teachers not only to use technology themselves, but on how they can best utilize it as a teaching tool to keep our students engaged in learning."

Follow-Up Implementation Strategies: The ineffectiveness of the often misused "sit and get" approach to training is no secret. The very strategies that teachers are taught to use to engage students for brain-based learning and retention of information are seldom used in the training of adults (Gardner, 2008; McCarthy, 2009). Frequent discussions are needed to support the new professional development conversations and to address the challenges when trying to implement anything new. Unfortunately, that follow up component is the one most often disregarded when time runs short (Byrne-Jimenez & Orr, 2007). Regardless of how powerful and meaningful the training, the follow-up activities are what matter most. Depth of learning and daily use of new skills are attributed to a system where educators continuously seek and share learning, and then act on their learning in subsequent trainings, meetings and informal discussions (Bullough, 2007).

e) *Challenges of Manpower Development and Lecturers' Productivity*

The end of the teacher shortage simultaneously with the reduction in funding for the encouragement of innovation returns that burden of program improvement squarely to local school districts throughout the nation. Although assistance will continue from intermediate units, state education department and to some extent, federal agencies and philanthropic foundations, a much greater effort must be generated at the local level. The major vehicle for meeting this challenge appears to be assuming the form of staff development strategies, (Firth, 2007). Staff development strategies are usually associated with certain problems and these problems as opted by Firth (2007) include: concept, basic purpose, common priorities, strategies, participation and alternatives.

Concept: The issue of staff development strategies focuses on the extent to which the concept can be

continuous and integrated into education. Too often administrators view change in limited perspective, taking comfort in changes that occur one step at a time. Each change is intended to bring faculty members into line with current practice, to emulate neighbouring schools, or perhaps to eliminate the most obvious weaknesses. Teachers currently are developing a strong philosophical commitment to change as a professional credo. They also share the same tendency to consider change in small doses. Teachers tend to move down a particular path to a specific point or, in more graphic terms, to jump from rock to rock. Administrators must create an environment with long-range perspective that assumes that a change is merely a plateau enroute to another. In like manner, if teachers aspire to attain status as professionals, they must accept the fact that their circumstance have change, are changing and will continue to change.

Basic purpose: This issue concerns the degree to which agreement can be reached on basic purposes for staff development. Administrators expect conformation to program requirements and situation responsibilities. Their belief persists that staff development is something that is done to and for teachers. Many administrators attempt to set the standards that they consider acceptable and, with more candidates available than teaching vacancies to fill, attempt to enforce these standards upon teachers. Teachers desire improvement of their own particular capabilities and professional careers. In many states, teachers have taken responsibility for staff development into their own hands in the belief that such program should be controlled by the teachers themselves. Through contract negotiation, litigation, and other means, teachers have demonstrated the intention to exert a stronger influence in shaping their own destiny. Administrators must recognize the collision course that is inevitable and perhaps imminent if they press to impose their demands upon teachers. The latter must recognize the need to temper their demands with the realization that the school is making a substantial investment in the program. If staff development is to be successful, administrators and teacher must collaborate to establish purposes that encourage teachers to improve their skills within a program that concurrently advances the school enterprise compatible with the intentions of the administration.

Common priorities: This issue involves the extent to which direction can be set on common priorities for staff development. Administrators expect to determine the desired changes to be sought in member of the faculty. They seem to provide leadership in installing changes that are deemed appropriate to a particular school situation. The setting of even general priorities to which all schools can subscribe is extremely difficult. Teachers expect to determine their own personal needs for

improvement. Preferences often are set on the basis of general needs or frequency of requests. Differences in preparation and experience tend to be perpetuated by the single salary schedule, but far more significant differences in intelligence, personality, interests and similar factors that affect responses to student behaviour and learning styles are not taken into account. Priorities often are set on the basis of general factors or the frequency of requests.

Strategies: The strategies itself is another major concern in staff development, the extent to which appropriate strategies or activities for staff development can be selected. Administrators seeking change in the school program utilize strategies that modify the environment in which the teachers function. Some introduce an element or a change in the school agent from outside the system into the existing situation. Others retain a task force or team typically composed of individual demonstrating potential for leadership by brief immersion in a different situation before returning to operate in the target system. Still others concentrate personnel supportive of the change by redeployment, transfer, or removal from a particular school.

Participation: This issue focuses on the extent to which participation can be obtained in staff development activities. Administrators expect all staff members to engage in most activities that those leaders conduct or approve. In attempting to involve as many as possible in a brief time period, leaders invariably sacrifice quality. The obsession to involve the staff in the same program ignores the fact that one program, no matter how comprehensive or flexible, cannot serve the needs of all teachers simultaneously. Even a highly efficient operation is unable to bring all teachers to the same level of competence. Staff losses due to resignation, retirement, or new teaching assignments, and new entrants as replacement or additions make "single treatment" staff development programs impractical. Unless a range of activities is available, those who cannot benefit from one program must bide their time until the next phase can be created.

Nakpodia (2013) stated the following as the problems facing staff development strategies in Nigeria context.

Cost: The cost of developing content and materials for the program has been come so high especially with economic recession that carrying out development program regularly becomes a colossal problem.

Lack of equipment in school: Access to instructional materials like computer, video, and other technical aids are so expensive that so many schools do not have them. This makes development rather incomplete.

Lack of technical ability: To develop techniques like program instruction, simulation and gaining and even the use of lacking materials in our schools.

Cost of living: The economy is beating very hard on people that most people are no more interested in learning, theirs is to struggle from morning till night to keep body and soul together that they hardly remember to take courses in developing themselves on the job.

Failure to organise development program: Nigerian secondary schools now hardly organise programs such as seminars and workshop, conference etc, the work force has been dominant because of this.

number of variables and their relationship simultaneously. The design is considered the most appropriate, since the study presents relationship analysis by comparing conditions between Manpower Development and Lecturers' Productivity.

b) *Population of the Study*

The population of this study was 842 lecturers in Colleges of Education in Delta State in the 2014/2015 academic year.

V. MATERIALS AND METHOD

a) *Research Design*

In this study, correlation survey was used. Correlation research allows for the measurement of

Table 1: Population Distribution of Lecturers in Delta State Colleges of Education, 2014/2015 Academic Year

| S/N | Names of institution | No of lecturers | 30% of lecturers |
|--------------|---|-----------------|------------------|
| 1. | College of Education Agbor | 268 | 80 |
| 2. | Fed. Govt. College of Education (Technical) Asaba | 148 | 44 |
| 3. | College of Education Warri | 426 | 128 |
| Total | | 842 | 252 |

Source: Researcher's Field Survey

c) *Sample and Sampling Technique*

The sample used for the study was 252 lecturers of the Colleges of Education respectively selected from a population of 842 lecturers in the 2014/2015 academic year. The sample represented 30% of the each college population.

d) *Research Instrument*

A survey instrument titled 'Manpower Development and Lecturers' Productivity Questionnaire (MDLPQ) was developed by the researchers to obtain data for the study after an extensive review of the related literature on manpower development and productivity. The questionnaire consisted of two sections. Section A was use to seek for demographic variables. While section B respondents were required to rate in four-point Likert-type scoring scale of 1-4 with 4 = strongly Agree, 3 = Agree, 2 = Disagree and 1 = Strongly Disagree.

e) *Validity of the Instrument*

The face and content validity of the instrument were established by the researcher's supervisor and some lecturers in Educational Administration and Policy Study and Measurement and Evaluation department to evaluate the suitability and appropriateness of each item

and the adequacy of the instrument. Their useful comments, corrections and suggestions for improvement were taken into consideration in preparing the final survey instrument for the study.

f) *Reliability of the Instrument*

The reliability of the instrument was determined by the test-re-test method. The instrument was administered to 20 lecturers, from College of Education Ekiadoro Edo State an institution outside the area of study. After two weeks, the same survey instrument was again administered on the same lecturers. Thereafter, the test-re-test reliability coefficient was calculated using the Cronbach Alpha and 0.77 Coefficients was obtained. This high positive reliability coefficients were indications on evidence of the reliability of the constructed instrument.

VI. RESULTS AND DISCUSSION

a) *Hypothesis 1*

There is no significant relationship between manpower development and lecturers' productivity in Colleges of Education in Delta State.

Table 2: Pearson 'r' on Manpower Development and Lecturers' Productivity

| Variables | Mean | DF | r | r-crit. | Level of significant | Decision |
|-------------------------|-------|-----|------|---------|----------------------|-------------|
| Manpower development | 172.3 | 250 | 1.00 | 0.139 | 0.05 | Significant |
| Lecturers' productivity | 79.7 | | | | | |

Table 8 showed that the r-calculated of 1.00 is higher than the r-critical value of 0.139 at 0.05 level of significant the null hypothesis of there is no significant relationship between manpower development and lecturers' productivity in Colleges of Education in Delta State was retained. While the alternative hypothesis of there is a significant relationship between manpower

development and lecturers' productivity in Colleges of Education in Delta State was accepted.

b) Hypothesis 2

There is no significant relationship between the challenges of manpower development and lecturers' productivity in Colleges of Education in Delta State.

Table 3: Pearson 'r' on Challenges of Manpower Development and Lecturers' Productivity

| Variables | Mean | Df | r | r-crit. | Level of significant | Decision |
|------------------------------------|-------|-----|------|---------|----------------------|-------------|
| challenges of manpower development | 174.9 | 250 | 0.98 | 0.139 | 0.05 | Significant |
| Lecturers' productivity | 79.7 | | | | | |

Table 9 showed that the r-calculated of 0.98 is higher than the r-critical value of 0.139 at 0.05 level of significant the null hypothesis of there is no significant relationship between the challenges of manpower development and lecturers' productivity in Colleges of Education in Delta State was retained. Thus the alternative hypothesis of there is a significant relationship between the challenges of manpower

development and lecturers' productivity in Colleges of Education in Delta State was accepted.

c) Hypothesis 3

There is no significant relationship between manpower development as related to the productivity of male and female lecturers in Colleges of Education in Delta State.

Table 4: Pearson 'r' on Techniques Used for Manpower Development and Lecturers' Productivity

| Variables | Number | Mean | DF | r | r-crit. | Level of significant | Decision |
|------------------|--------|-------|-----|------|---------|----------------------|-------------|
| Male Lecturers | 87 | 20.13 | 250 | 0.88 | 0.139 | 0.05 | Significant |
| Female Lecturers | 165 | 20.69 | | | | | |

Table 10 showed that the r-calculated of 0.88 is higher than the r-critical value of 0.139 at 0.05 level of significant the null hypothesis of there is no significant relationship between manpower development as related to the productivity of male and female lecturers in Colleges of Education in Delta State was retained. Thus the alternative hypothesis of there is a significant relationship between manpower development as related to the productivity of male and female lecturers' in Colleges of Education in Delta State was accepted.

make them grow with the organization so that they can be best fitted for available higher positions within their capacity. Planned human resources development programme through training is essential in any organization in terms of increased productivity, heightened morale, reduced costs and greater organizational stability and flexibility to adapt to changing external requirements.

d) Discussion of Findings

The finding on manpower development and lecturers' productivity agrees with Alimi, Bukar and Ahmadu (2012) who stated that manpower development is a long term educational process whereby managerial personnel and other category of employees learn conceptual and theoretical knowledge for general purposes. Manpower development which aims at preparing the employees for higher responsibilities in the future can be a valuable aid or can complement training but it is usually difficult to carry out effectively. The study is also in line with Humble, (2012) and Armstrong, (2008) who stated that manpower development involves the preparing of employees for higher responsibilities in the future. To develop staff is to

The study is also in line with Yusufu, (2010) who opines that training of lecturers in higher institution enhance productivity. According to him "education and training are generally indicated as the most important direct means of upgrading the human intellects and skills for productive employment". Also, the study is in line with Oguntimehin, (2011) who argued that effective manpower training help brings incumbent to that level of performance which needs the performance for job, enhance the implementation of new policies and regulations; prepares people for achievement, improves manpower development and ensure survival and growth of the organization.

However, the study disagreed with Dyer (2010), who stated that not all professional problems can be solved by training. Training should therefore not be used when: the potential benefits of the training are

questionable in view of the necessary expenditure of resources, the time required for the training is not justifiable in terms of the potential benefits, the resulting changes in behaviour are not functional or useful given goals of the organization, more effective results may be achieved by methods that cost less and or require less time. Abiodun (2009), who said human resources, is the most potent assets that any organization possesses. Without them, machinery/equipment, materials and even capital of the company will amount to nothing as nothing gets done without the input of the manpower resource of the organisation.

Similarly, Resis (2013) affirmed that all activities of any enterprise are initiated and determined by the persons that make up these institutions. He said further that the plants, computers, automated equipment and all other machines that a modern organization uses are unproductive except for human effort and direction. He therefore concluded that every aspect of a firm's activity is determined by the competence and effectiveness of its human beings. According to Adeniyi (2005) manpower or staff training and development is a necessary work activity that makes a very significant contribution to the overall effectiveness and profitability of an organization, for Fajana (2012) the effectiveness and success of an organization lies on the people who form and work within the organization. The observation of Onuka (2006) implies that it is the developed human capital of a nation that constitutes its wealth. It follows, therefore, that employees' performance in respect of achieving organizational goals and successes is a function of the quantum of the relevant skills and knowledge, and positive work attitude they have been able to acquire from constant manpower development programmes whether through committee/on the job training or in-house training programmes of out of work training courses they attended.

Omole (2014) posits that manpower development involves providing learning and development opportunities, making training intervention and planning, conducting and evaluating training programmes. The need for improved productivity in an organization has become universally accepted phenomenon that depends on efficient and effective manpower development. It has further become necessary, in view of modern global advancement, to invest in human capital training and development. Thus, the role played by staff training and development can no longer be over-emphasized. By implication, therefore, the need for organizations to take staff development programme for their employees seriously has become an undisputable imperative. Absence of such staff development programmes in an organisation often manifests tripartite problems of incompetence, inefficiency and ineffectiveness.

Oribabor (2010) submits that training and development is aimed at developing competences such

as technical, human, conceptual and managerial for the furtherance of individual and organizational growths; while Isyaku (2010) postulates that the process of training and development is a continuous one. Graig (2006), Akintayo (2006) and Oguntimehin (2011) observe the usefulness of training and development in an organization and identified the functions of training as follows: it increases productivity; improves the quality of work; enhances skills, knowledge, understanding and attitude; engenders the use of tools and machine; reduces waste, accidents, turnover, lateness, absenteeism and other overhead costs; eliminates obsolescence in skills, technologies, methods, products, capital management; enhances the implementation of new policies and regulations; prepares people for achievement, improves manpower development and ensures the survival and growth of the enterprise.

Pitfield (2012) is of the opinion that the objectives of training are to: provide the skills, knowledge and aptitudes necessary to undertake required job, and efficiently develop the workers so that if they have the potentials, they would make progress, increase efficiency by reducing spoilt work, misusing of machines and lessening physical risks. Olabisi (2006) submits that training and development aimed at developing competences such as technical know-how to lead others; the need to perform one's job efficiently and the desire to meet organizational objectives of higher productivity and profitability. According to her, the main objective of setting up a company is to make profit and to achieve this organizational goal, adequate manpower and development programmes should be put in place to enhance workers' performance. The finding on techniques used for manpower development and lecturers productivity agrees with Nakpodia (2013) who explained the techniques used for manpower development. These include; case study, conference and seminar, lecture method, T-Group section, in basket techniques, program instruction and computer assisted learning, simulation and gaming, video and audio self development program. The study is also in line with DuFour (2005) who proclaimed that coaching and peer teaching are critical, integral parts of professional development. Joyce and Showers (2005) echoed that teamwork and partnering were needed to support new learning. The finding on challenges to manpower development and lecturers productivity agrees with Firth (2007) who opted that the issues associated with staff development strategies include the following; concept, basic purpose, strategies, participation and alternatives.

VII. CONCLUSION AND RECOMMENDATIONS

a) Findings

The following findings were arrived at in the study.

1. There is a relationship between manpower development and lecturers' productivity in Colleges of Education in Delta State.
2. There is a relationship between the techniques used for manpower development and lecturers' productivity in Colleges of Education in Delta State.
3. Challenges of manpower development and lecturers' productivity in Colleges of Education in Delta State include; there is lack of technical ability for manpower development, cost has been a major problem why you do not attend manpower development program, the concept being taught in manpower development training is limited, the basic purpose why you attend staff development training is not being achieved, there is always a failure to organise staff development training, the strategies used in staff development training are not new to you, what is being learnt from staff development training cannot be practiced because of lack of school equipment and staff are not given an opportunity to participate in staff development training.
4. Positive relationship exists between productivity of lecturers before and after manpower development.
5. Manpower development is related to the productivity of male and female lecturers in Colleges of Education in Delta State.

b) Conclusion

From the findings in the study, it was concluded that there is a relationship between manpower development and lecturers' productivity in Colleges of Education in Delta State. Relationship exists between the techniques used for manpower development and lecturers' productivity in Colleges of Education in Delta State. Challenges are being encountered in manpower development and lecturers' productivity in Colleges of Education in Delta State. Positive relationship exists between productivity of lecturers before and after manpower development. Manpower development is related to the productivity of male and female lecturers in Colleges of Education in Delta State.

c) Recommendations

Based on the results of this study, the researcher presents the following recommendations; that manpower training should be given top priority so as to achieve productivity in the institution. Since manpower development enhances productivity in Colleges of Education in Delta State, the staff should be encouraged by the institution administration to participate in manpower development. More techniques should be developed for manpower development; this will enable the staff not to see the techniques as what

they are used to thereby not having interest in partaking on manpower development programs. Government should show concern in the development of staff in colleges of education through financing staff development programme. This will help reduce the financial cost of attending manpower development program.

REFERENCES RÉFÉRENCES REFERENCIAS

1. Adams, J.S (2012) *Equity In Social Change*. Advances in Experimental Social Psychology, Edited By L. Berbouritz, New York: Academic Press.
2. Alimi B.G.; Bukar J. and Ahmadu I. (2012) Relevance of Manpower Training, Development And Challenges In Organizations, *Journal Of Social Science And Policy Review*, Volume 4, September 2012.
3. Babalola, J.B (2007) *Reinventing Nigerian Higher Education for Youth Employment in a Competitive Economy*, University of Calabar, Calabar – Nigeria.
4. Becker, G.S (1964) "An Economic Analysis of Fertility." Demographic and Economic Change in Developed Countries, a Conference of the Universities–National Bureau Committee for Economic Research. Princeton, NJ: Princeton University Press.
5. Fajana, S. (2012) *Human Resource Management: An Introduction*. 1st Edition, Macmillan Publisher, 455-469.
6. Harbison, F & Myers, C (2013) *Education, Manpower and Economic Growth, Strategies of Human Resources Development*, New York.
7. Isyaku, I.A (2010) Training and Retraining of Teachers through Distance Education. A Paper Presented At The National Workshop On Distance Education At Abuja, Nigeria 27– 29.
8. Nakpodia, E.D (2013) *Human Resource Development*. Warri: Jonakase Nig. Co.
9. Nwachukwu, S. (2012) The Crisis of Development in Africa: The Democratic Imperatives. *Journal of Social Development*. Vol. 1(4), 84-87.
10. Omole, M.A.L (2014) Training and Re-Training: A Variable of Technological Development. *Journal of Industrial Education*. Vol. 14 (2), 76-85
11. Onuka, A.O.U (2006) Management Manpower Development in the Context of Globalisation An Evaluation. *In International Journal of African African-American Studies*. Vol. 5(1), 17-28
12. Onuka, A.O.U and Ajayi, K.O (2012) Effects of Manpower Development on Workers' Job Performance. *European Journal of Educational Studies*. Vol. 4(3)
13. Peretomode, V.F and Chukwuma, R.A (2005) Manpower Development and Lecturers' Productivity In Tertiary Institutions In Nigeria. *European Scientific Journal June Edition*. Vol. 8(13)

14. Pitfield, R.C (2012) *Effective Human Resource Development*. California: Jossey Bass Inc. P Publishers.
15. Resis, P. (2013) *The Human Organization*: Macmillan Company New York.



This page is intentionally left blank



GLOBAL JOURNAL OF MANAGEMENT AND BUSINESS RESEARCH: A
ADMINISTRATION AND MANAGEMENT

Volume 16 Issue 10 Version 1.0 Year 2016

Type: Double Blind Peer Reviewed International Research Journal

Publisher: Global Journals Inc. (USA)

Online ISSN: 2249-4588 & Print ISSN: 0975-5853

Comprendre L'impact Du Conservatisme Sur La Performance Internationale Des Entreprises Familiales: Un Etat De L'art

By Hind Hourmat Allah

Cadi Ayyad University

Abstract- The objective of this paper is to reflect on the relationship between conservatism as a state of mind and the international performance of family businesses. To achieve this, we opted for a dialectical approach associated with a narrative synthesis. Thus, two theses were highlighted. The first considers conservatism as a factor inhibiting internationalization. Because of their emotional attachment to the business and the stability of property, family businesses generally show a greater reduction in their innovativeness and their proactive than non-family businesses. The second theory considers conservatism as neutral or sometimes challenging internationalization. Great importance was given to the complex social resources which are the product of interactions between family members, and which are likely to ensure greater international performance.

Keywords: *conservatism, family business, culture, internationalization, performance.*

GJMBR- A Classification: *JEL Code: D19*



COMPRENDRE L'IMPACT DU CONSERVATISME SUR LA PERFORMANCE INTERNATIONALE DES ENTREPRISES FAMILIALES UN ETAT DE L'ART

Strictly as per the compliance and regulations of:



Comprendre L'impact Du Conservatisme Sur La Performance Internationale Des Entreprises Familiales: Un Etat De L'art

Hind Hourmat Allah

Résumé- L'objectif de ce papier consiste à mener une réflexion sur la relation susceptible d'exister entre le conservatisme en tant qu'état d'esprit et la performance internationale des entreprises familiales. Pour y parvenir, nous avons opté pour une démarche dialectique associée à une synthèse narrative. Ainsi, deux thèses ont été mises en exergue. La première considère le conservatisme comme un facteur inhibant l'internationalisation. En raison de leur attachement émotionnel aux affaires et à la stabilité de la propriété, les entreprises familiales montrent généralement une plus grande réduction de leur innovativité et de leur proactivité que les entreprises non familiales. La seconde thèse considère le conservatisme comme un facteur neutre ou parfois stimulant de l'internationalisation. Une importance singulière est alors accordée aux ressources sociales complexes qui sont le produit des relations entre les membres de la famille et qui sont à même d'assurer une plus grande performance à l'international.

Mots clés: conservatisme, entreprise familiale, culture, internationalisation, performance.

Abstract- The objective of this paper is to reflect on the relationship between conservatism as a state of mind and the international performance of family businesses. To achieve this, we opted for a dialectical approach associated with a narrative synthesis. Thus, two theses were highlighted. The first considers conservatism as a factor inhibiting internationalization. Because of their emotional attachment to the business and the stability of property, family businesses generally show a greater reduction in their innovativeness and their proactive than non-family businesses. The second theory considers conservatism as neutral or sometimes challenging internationalization. Great importance was given to the complex social resources which are the product of interactions between family members, and which are likely to ensure greater international performance.

Keywords: conservatism, family business, culture, internationalization, performance.

I. INTRODUCTION

La littérature portant sur les spécificités culturelles et institutionnelles des entreprises familiales met souvent l'accent sur la posture conservatrice de la famille. Une telle attitude se répercute naturellement sur la gouvernance, la stratégie et l'organisation de l'entreprise dirigée par l'un des membres de cette famille. Les croyances et les convictions fondamentales

de celle-ci sont intégrées à l'entreprise. Il en résulte un certain conservatisme familial pouvant influencer l'engagement de l'entreprise sur les marchés étrangers. Cet engagement est généralement soumis aux règles de la prise de décision établies au sein de la famille et ordonné par une recherche de la sécurité, le conformisme et la tradition.

Dans cette perspective, l'entreprise familiale manifeste un degré de conservatisme élevé surtout lorsque la stratégie déjà en place présente une certaine efficacité. Le sentiment de stabilité et la rentabilité acquise constituent un obstacle devant la volonté de découvrir de nouveaux débouchés pour les produits de l'entreprise. Une stratégie qui fonctionne ou qui a bien fonctionné par le passé à toutes les chances de se voir érigée en paradigme stratégique de l'entreprise. Dans ces conditions, les dirigeants seront réticents à chercher d'autres voies et préféreront s'en tenir à la politique qui a fait ses preuves par le passé (Jenseter et Malone, 1991).

La littérature suggère que le système familial tente de créer et de maintenir une certaine cohésion qui sous-tend le paradigme familial. Il s'agit des hypothèses, des croyances et des convictions centrales que se fait la famille quant à son environnement (Gudmunson et al., 1999). Le conservatisme se manifeste par une résistance à toute information non-conforme à ce paradigme, ce qui n'entraîne qu'un faible changement (Davis, 1983). Le conservatisme entraîne la stagnation et augmente le risque d'insularité. L'entreprise privilégie alors une position défensive avec protection de sa niche.

Sur un autre registre, et pour beaucoup d'entreprises familiales, la condition de déclenchement et de réussite de l'internationalisation existe. Elle est exprimée par la volonté de changement, un renouveau stratégique et une adaptation aux nouvelles exigences de l'environnement. Dans cet ordre d'idée, certains travaux de recherche ont mené à une relation positive des caractéristiques de la sphère familiale sur la performance de l'entreprise. Berle et Means (1932) notent que la propriété concentrée ajoute de la valeur à une entreprise lorsque les conflits entre les propriétaires et gestionnaires sont contrôlés. De leur côté, Anderson et Reeb (2003) concluent que les entreprises familiales ont de meilleures performances que les autres

*Author: Enseignante-Chercheure GREFSO, Faculté de Droit-Marrakech.
e-mail: hourmat_hind@yahoo.fr*

entreprises, particulièrement s'il y a une présence continue de la famille fondatrice. Dans une autre étude sur les entreprises coréennes, Lee (2004) arrive au même résultat en montrant qu'une entreprise familiale dont la présence des propriétaires est forte dans la gestion augmente l'efficacité, la productivité et la performance à l'international.

En recourant à une approche dialectique, nous mènerons une réflexion sur la relation susceptible d'exister entre conservatisme et la performance internationale des entreprises familiales. D'une part, nous chercherons à comprendre comment les dimensions du conservatisme peuvent constituer des facteurs inhibant le déclenchement de l'internationalisation. D'autre part, nous tenterons d'expliquer comment, malgré cette configuration culturelle conservatrice de la famille et le poids non négligeable des anciennes générations, certaines entreprises familiales arrivent quand même à réaliser de belles performances internationales.

Le reste du papier est organisé comme suit. La section 2 rappelle les définitions et les dimensions du conservatisme familial. La section 3 présente les courants de pensée qui soutiennent l'idée du conservatisme comme facteur de blocage de l'internationalisation des entreprises. La section 4 expose les courants de la neutralité du conservatisme vis-à-vis de l'internationalisation. Enfin, la conclusion présente une synthèse et quelques implications d'ordre managérial.

II. LE CONSERVATISME FAMILIAL: DE QUOI PARLE-T-ON ?

L'idéologie conservatrice défend des idées de stabilité dans les valeurs considérées (à tort ou à raison) comme traditionnelles, et une certaine stase culturelle et religieuse. Le conservatisme est la disposition et la tendance à préserver ce qui est établi ; opposition au changement (Neilson, 1958 : 568).

Dans les entreprises familiales, les croyances et les convictions fondamentales de la famille sont intégrées à l'entreprise. Il en résulte un certain conservatisme familial pouvant influencer la prise de décision. Au sein de l'entreprise familiale, la famille influence toutes les étapes du processus stratégique (Harris et al., 1994). Posa et Messer (2001) observent, par exemple, que les épouses des dirigeants jouent un rôle clé, souvent invisible, dans la majorité des entreprises contrôlées par les familles. De même Ward (1988) note que les entreprises familiales formulent leurs stratégies en fonction de la famille.

a) Définitions

Le « conservatisme » renvoie généralement à une opinion ou un état d'esprit de ceux qui refusent le changement et qui tendent à conserver l'ordre établi et les pratiques traditionnelles. Il s'apparente parfois au

conformisme ou au traditionalisme et s'oppose donc au progressisme. Cette notion est très employée dans le domaine politique, où l'on distingue généralement le conservatisme *ex post* et le conservatisme *ex ante* (Dearden, Ickes et Samuelson, 1990). Le premier consiste en une sorte de prudence élevée quant aux choix préférés et effectués par un groupe. Quant au second, il consiste en une aversion à tester de nouvelles idées.

Au sein d'une organisation, le conservatisme induit un comportement managérial prudent, souvent attaché aux valeurs du passé (Timur, 1988). Des valeurs telles que la modération, l'ordre social, la sécurité, la tradition et la réciprocité des faveurs sont décisives dans les sociétés conservatrices (Basly, 2007 :171). L'accent est généralement placé sur l'entretien du *statu quo* et aussi des rapports harmonieux non seulement au sein du groupe, mais aussi au sein de la société.

Müller distingue quatre formes de conservatisme : le conservatisme sociologique, le conservatisme méthodologique, le conservatisme philosophique et le conservatisme esthétique. Le conservatisme sociologique représente l'idéologie d'un groupe social particulier, qui cherche à préserver ses intérêts (Müller, 2006 : 361). Quant au conservatisme méthodologique, il incarne une sorte de «particularisme prudentiel» centré sur l'idée que dans la gestion du processus de changement, les conservateurs tiendront compte de «ce qui est déjà là». Et pour ce qui est du conservatisme philosophique, il renvoie à une situation où le conservateur poursuit certaines valeurs de fonds, notamment les valeurs associées à la hiérarchie sociale, jugées centrales par l'auteur. Enfin, le conservatisme esthétique est décrit par Müller reprenant la définition d'Oakeshott (1991). Ce dernier définit le conservateur comme celui qui préfère le familier à l'inconnu, qui préfère ce qui a déjà été utilisé à ce qui ne l'a jamais été, qui préfère le fait au mystère, le vrai au possible, le limité au flou, ce qui est proche plus que ce qui est distant, le suffisant à l'excédent, le convenable au parfait (Oakeshott, 1991 :408). Cependant, Müller va plus loin à travers l'établissement d'un lien avec divers éléments nostalgiques dans les œuvres littéraires comme la poésie et peut-être même dans d'autres formes d'art (Müller, 2006 :361).

Pour Schwartz (1994), le conservatisme est rattaché à la culture collective. Il est reconnu à travers certaines caractéristiques, en particulier, la recherche de l'harmonie sociale, l'attachement à la sécurité et au conformisme, et enfin la préservation des traditions. La première caractéristique implique, entre autres, la consécration de l'intérêt du groupe au détriment de l'intérêt individuel même si les décisions collectives vont à l'encontre de ce que les individus préfèrent. La deuxième caractéristique, en l'occurrence la sécurité et le conformisme, contribue à ce que les conflits soient évités, et à ce que les normes du groupe ne soient pas

transgressées. Enfin, les traditions constituent l'expression de la solidarité du groupe, car elles expriment sa valeur singulière et contribuent à sa survie. Elles prennent souvent la forme de rites religieux, de croyances, et de normes de comportement.

b) *Les dimensions du conservatisme familial*

En se référant à Pesqueux (2009), il est possible d'appréhender le conservatisme à travers trois dimensions : la procrastination, l'anomie et la conservation.

i. *La procrastination*

Le terme procrastination renvoie à la « tendance à remettre au lendemain les décisions à prendre ou à les exécuter, à les ajourner, à temporiser » (Le Robert). A travers les âges le mot a évolué et pris des formes multiples. Il peut être répréhensible car considéré comme un comportement déviant, dysfonctionnel voire pathologique ou bien il peut être considéré comme une tactique sage (Ferrari et Emmons, 1994).

Lay (1986) définit la procrastination comme la tendance à reporter à plus tard ce qui est nécessaire voire indispensable à la poursuite et à la concrétisation d'une intention. Ce report se traduit par un allongement de l'écart entre la formation de l'intention et la réalisation du comportement correspondant. Le procrastinateur prend plus de temps que nécessaire pour mettre en œuvre son intention. Ferrari (1993) place l'intention au centre de sa définition. Pour lui, la procrastination est la tendance chronique à reporter ou à retarder le début ou l'achèvement d'une activité intentionnelle ou le report d'une prise de décision (Ferrari, 2001).

Owens, Bowman et Dill (2008) soulignent la nécessité de différencier l'état de procrastination du trait de personnalité. En ce sens, la possession de cette caractéristique personnelle correspondrait à une forte probabilité de report de l'initiation de l'action dans diverses situations. L'état de procrastination se réfère à l'évitement de la tâche c'est-à-dire que l'objet du report est la tâche à effectuer dans une situation spécifique.

C'est avec les travaux des psychologues thérapeutes et cliniciens (Ellis et Knaus, 1977) que l'intérêt du concept a émergé. En effet, les écrits scientifiques présentent la procrastination comme une variable pouvant jouer un rôle important dans la relation entre intention et comportement (Van Hooff, Born, Taris, Van der Flier et Blonk, 2005) mais aussi comme phénomène conscient (Lay, 1995)., les définitions du terme sont aussi abondantes que les recherches sur le sujet (Ferrari, Johnson et McCown, 1995). Toutefois, le concept s'appuie sur la notion d'intention. La procrastination peut être envisagée comme variable modératrice de la réalisation de l'intention (Darpy, 1992), c'est pour cela qu'il convient d'étudier ce concept dans le contexte de l'entreprise afin de mieux cerner le comportement des dirigeants par rapports à leurs environnements.

ii. *L'anomie*

L'anomie est un concept forgé par Durkheim en 1893. Il décrit la situation où se trouvent les individus lorsque les règles sociales qui guident leurs conduites et leurs aspirations perdent leur pouvoir ou lorsque, minées par les changements sociaux, elles doivent céder la place à d'autres règles. L'auteur a montré que l'affaiblissement des règles imposées par la société aux individus a pour conséquence d'augmenter l'insatisfaction et la « démoralisation » de l'individu. Et c'est cette démoralisation qui est, entre autres, responsable de l'augmentation du taux de suicides. Cela a tendance à se produire essentiellement en période de crise politique ou de boom économique.

Le concept durkheimien d'anomie a fait l'objet de réflexions et de recherches de la part des sociologues contemporains, en particulier Merton, Parsons, Thomas et Znaniecki. Il est d'une importance capitale à une époque où les changements sont très rapides. En effet, le changement implique le vieillissement des règles de conduite traditionnelles en même temps que l'existence, dans les phases de transition, de systèmes de règles mal établies ou contradictoires. Il serait important de savoir dans quelle mesure le changement entraîne effectivement la démoralisation prévue par Durkheim, et dans quelle mesure cette dernière amène, à son tour, une détérioration des organisations. La théorie de l'anomie devrait donc pouvoir être appliquée à l'analyse du comportement des individus et du fonctionnement des organisations en situation de changement, comme elle a été appliquée à celles des conduites déviantes et des transplantations sociales.

L'anomie s'applique parfaitement à l'analyse des transplantations, c'est-à-dire aux situations où l'individu se trouve placé devant des systèmes de règles conflictuelles engendrant une situation de démoralisation, caractérisée par une absence de cadres de conduite stable. Des études récentes sur les entrepreneurs immigrants aux USA et en Europe démontrent de façon apparemment paradoxale, la validité de la théorie durkheimienne. On a observé, en effet, que, parmi les entrepreneurs immigrants, ceux qui s'adaptèrent le plus rapidement à la société d'accueil étaient ceux qui manifestaient le plus haut degré de conservatisme et d'attachement à leurs coutumes et milieu d'origine. Ce résultat apparemment surprenant s'explique par le fait que l'attachement aux traditions est le signe que l'immigrant n'est pas victime du processus de désorganisation sociale au sens de Thomas et Znaniecki. Il est, en d'autres termes, le signe que les règles qui régissaient la communauté d'origine continuent de fonctionner dans la société d'accueil. L'immigrant qui s'adapte rapidement à la société nouvelle est donc celui qui retrouve sur place des membres de sa collectivité d'origine, qui s'y intègre, et qui y trouve un cadre de référence et un soutien qui

l'incite à rechercher une conduite rationnelle dans la société d'accueil. Il est donc traditionaliste : c'est pour lui le moyen de manifester son intégration à la communauté d'origine qu'il retrouve sur place. Mais, en même temps, cette intégration le préservant de la démoralisation, il est davantage capable d'adopter une conduite rationnelle dans la société d'accueil. La petite collectivité d'origine installée sur place joue ainsi, en quelque sorte, le rôle d'un milieu relais.

L'anomie s'applique également à l'analyse du changement au sein des entreprises familiales. Les sociologues contemporains emploient souvent la notion de résistance au changement pour expliquer la lenteur de l'adaptation des dirigeants aux changements rendus souhaitables par le développement économique.

iii. La conservation

La notion de conservation s'entend généralement comme la protection de l'existant, du point de vue social, économique, ou encore patrimonial. C'est une manifestation de la résistance au changement. Une telle résistance trouve son origine dans les coûts et les douleurs de toutes sortes (psychologiques, psychiques, cognitives, structurelles et organisationnelle) qu'implique le changement rapide, la réactivité face à « *la fuite du temps* » et d'adaptation à l'environnement. L'idée du changement est, en effet, pour certaines personnes, insoutenable, inenvisageable du point de vue de la place qu'il occupe dans la structure.

Au sein de chaque société, les désirs des individus se heurtent souvent aux institutions, aux mœurs, aux règlements en vigueur, ou encore au patrimoine existant. De cette confrontation, naissent des antagonismes qui peuvent conduire à un arbitrage entre deux attitudes : la conservation et la modernisation. Dans la majorité des entreprises familiales, un tel arbitrage est plutôt favorable à la conservation. Les dirigeants cherchent souvent à tout prix à préserver les valeurs intangibles (historico-culturelles, spirituelles et identitaires) qui ont fait le succès de l'entreprise. Cela est souvent nécessaire, car il permet de prémunir l'entreprise contre la myopie du temps court. La conservation passe alors par la mémoire. Comme l'affirme Henri Bergson, « prévoir consiste à transposer ce que j'ai appris dans le passé, pour anticiper l'avenir » (Bergson, 1896).

Toutefois, la conservation peut être préjudiciable, car elle peut produire un effet d'immobilisme. Elle apparaît comme révélatrice d'un passé idéalisé et sacré. Dans ce cas, même si la notion de sauvegarde de l'existant est essentielle, elle peut devenir un obstacle aux nécessaires adaptations de l'organisation, à sa modernisation et son ouverture.

III. L'ENTREPRISE FAMILIALE: UN BASTION DU CONSERVATISME

a) *L'apport du courant managérial*

Dans la littérature portant sur les spécificités culturelles, idéologiques et organisationnelles des entreprises familiales, l'accent est souvent mis sur la suprématie du conservatisme et du familialisme, c'est-à-dire la lutte contre le déclin des valeurs familiales « traditionnelles ». La recherche de la sécurité, le conformisme, le népotisme, la modération, l'attachement aux valeurs familiales et aux normes sociales, le faible niveau d'ouverture et la préservation des valeurs traditionnelles sont autant de caractéristiques qui distinguent ces entreprises de leurs homologues non-familiales.

Plusieurs auteurs se sont efforcés à décrire la relation entre la culture managériale de l'entreprise familiale et les caractéristiques de la famille. Miller et al. (2003) expliquent que la posture conservatrice de la famille se répercute naturellement et directement sur le gouvernement, la stratégie et l'organisation de l'entreprise dirigée par l'un des membres de cette famille. De son côté, Dyer (1986) souligne le rôle majeur de la personnalité du fondateur sur le style de gestion de ce type d'entreprise. Quant à Kepner (1983), il défend l'idée d'une corrélation positive entre la culture familiale et celle de l'entreprise. La première nourrit et renforce la seconde à travers un système de comportements et des contacts entre les membres de la famille.

Pour Covin (1991), l'entreprise familiale est caractérisée par le poids considérable des anciennes générations, qui exercent un contrôle total et décisif sur le dirigeant. Et d'ajouter que le style de direction de ce type d'organisations est caractérisé, entre autres, par une forte aversion au risque, un faible niveau d'innovation et une certaine passivité. Aussi, l'entreprise familiale est moins encline au changement et à la remise en cause des valeurs et des relations familiales (Molokotos, 1991). Deux principaux facteurs expliquent cette attitude : la configuration culturelle de la famille et le rôle majeur qu'elle accorde au fondateur. La famille exprime généralement un niveau d'attachement et de proximité affective élevé envers les parents. En effet, vu le caractère patriarcale de gestion, toute l'organisation est dépendante à un degré élevé du fondateur (Jenseter et Malone, 1991).

D'après Hall et al. (2001), la culture dominante d'une entreprise familiale est la résultante de croyances, de valeurs, et d'objectifs qui trouvent leur origine dans la famille, son histoire et ses relations sociales. La transmission de ces croyances et valeurs d'une génération à une autre génère des caractéristiques culturelles relativement stables à la fois au sein de la famille et au sein de l'entreprise familiale. Ces valeurs fortes puisent souvent dans une éthique personnelle

des dirigeants, marquée par le dévouement, la responsabilité, la capacité de travail et le sens de la réussite (Macombe, 2003). Plusieurs travaux confirment le rôle central des valeurs, notamment ceux de Collins et Porras (1996) qui en particulier perçoivent ces valeurs comme le noyau dur des éléments de permanence caractérisant une entreprise pérenne indépendamment du contexte national des affaires. Cette intériorisation des « normes familiales », caractérisées par un même système de croyances, fonde un ensemble d'obligations et d'attentes réciproques, dissuade des éventuels écarts de conduite et est à l'origine d'une coordination fondée sur la confiance.

Sur un autre registre, le propriétaire-fondateur a souvent tendance à s'identifier avec la vision de l'organisation de l'entreprise qu'il dirige. Une telle vision est de type subjectif, sinon erroné (Ranft et O'Neill, 2001). Il conçoit l'organisation comme un prolongement de son identité personnelle imprégnée de la culture familiale. Dans cette perspective, Ranft et O'Neill (2001) expliquent que le désir de maintenir l'organisation dans l'état préféré personnellement par le propriétaire-fondateur peut constituer une manifestation d'un comportement de type narcissique. La conséquence de cette réalité est que la forte implication personnelle et l'engagement deviennent des obstacles à l'ouverture et à la recherche de changement.

b) *L'apport du courant néo-institutionnaliste*

La compréhension du lien famille-entreprise a été récemment enrichie par l'analyse institutionnelle à travers la poursuite d'une réflexion plus large située au-delà de la traditionnelle vision d'interactions nombreuses entre membres familiaux. L'accent est mis essentiellement sur le rôle des institutions informelles dans l'explication de la naissance et du développement des organisations, en particulier les entreprises familiales.

Les institutions informelles désignent généralement un ensemble de normes non écrites qui structurent les interactions sociales et règlent la conduite des individus. Aussi, et contrairement aux institutions formelles (constitutions, lois, règlements, contrats écrits, etc.), leur degré d'opérationnalisation ou d'implémentation est très élevé. Ostrom (2005) parle à ce propos de « règles en vigueur » (*rules in force*). Cela n'est guère étonnant lorsqu'on sait que ce type d'institutions est profondément ancré dans le passé de la société et inclut des éléments comme les conventions, les normes sociales, les traditions, les coutumes, la religion et la morale (North, 1990).

Formées par les croyances communes de la société (les normes sociales, les conventions et les règles morales), les institutions informelles déterminent le comportement des individus et des organisations. Elles incarnent les croyances partagées par les individus de la même société. D'après Morgan

(1997 :491), « les institutions informelles se réfèrent aux routines, aux structures de comportements identiques, aux habitudes et aux conventions plus ou moins implicites ». Une fois acceptées par les membres de la société, elles sont difficilement modifiables.

Pour l'institutionnaliste américain Veblen (1899), les institutions informelles se réfèrent aux « habitudes mentales prédominantes, des façons très répandues de penser les rapports particuliers de l'individu et de la société à un moment donné ou à un point donnée de l'évolution sociale dans une communauté ». De leur côté, Helmke et Levitsky (2004 :727) assimilent les institutions informelles à un ensemble de « règles partagées socialement, habituellement non écrites, créées, communiquées et contrôlées en dehors des circuits officiels ». Elles se créent, se renforcent et communiquent en dehors des canaux officiels.

D'après Lauth (2000), les institutions informelles constituent un baromètre qui permet de mesurer le décalage entre l'attitude attendue des individus du fait de leur position au sein de l'institution et leur attitude réelle. C'est la jauge qui permet de comprendre le différentiel entre un comportement propre aux normes institutionnelles et une attitude qui s'en écarte.

La famille influence, essentiellement de façon mimétique et normative, les attitudes et comportements des membres familiaux parties prenantes dans l'entreprise familiale (North, 1991, Whitley, 1992).

Les institutions informelles constituent un véritable levier pour la pérennisation de l'entreprise familiale, en particulier dans les pays en développement. La réputation, le collectivisme, la ponctualité, la confiance, le respect de la parole donnée, la tolérance, la discipline, l'entraide, sont autant de règles informelles pouvant servir pour assurer le succès de ce type d'organisation. Elles font partie d'un ensemble de facteurs qui garantissent le soutien financier, qui réduisent les coûts de transactions et qui contribuent à restreindre au minimum les incertitudes. Aussi, si elles sont en harmonie avec les règles formelles, les institutions informelles peuvent aider à l'affectation des ressources vers les secteurs les plus porteurs (Krasznai et Yan Winiecki, 1995).

Granovetter (1985) insiste sur le rôle de la contextualisation pour comprendre le lien entre la famille et l'entreprise. La famille porteuse de culture et d'histoire, influence nécessairement la nature du management de l'entreprise parce qu'elle contribue à structurer les comportements autour de concepts comme la confiance, la coopération ou l'identité. Les normes coutumières familiales, conçues comme une institution, affectent les pratiques managériales dans l'entreprise familiale, à l'instar d'ailleurs des autres institutions comme la religion, les traditions ou encore la culture éducative. De plus, la famille imprègne ses membres d'une connaissance collective, qui représente

l'ensemble des valeurs sociales et des normes de comportement portées par le groupe familial.

IV. LE CONSERVATISME FAMILIAL : UN FACTEUR INHIBANT OU STIMULANT L'INTERNATIONALISATION?

a) *Le conservatisme familial: un facteur inhibant l'internationalisation*

Dans une entreprise familiale, les croyances et les convictions fondamentales de la famille sont intégrées à l'entreprise. Il en résulte un certain conservatisme familial pouvant influencer l'internationalisation et induisant un comportement managérial prudent privilégiant une internalisation des ressources.

Miller et al. (2003) expliquent que la posture conservatrice de l'entreprise familiale se répercute essentiellement sur les dimensions : gouvernement de l'entreprise et en particulier le dirigeant, stratégie de l'entreprise et enfin la culture de l'entreprise familiale. Il s'agit de trois sphères importantes qui conditionnent les mécanismes de développement international. Chaque sphère est considérée comme un élément d'état de tension car imprégné par les valeurs conservatrices de la famille (conservatisme contre progressisme).

La première sphère concernée par le conservatisme et inhibant l'internationalisation de l'entreprise familiale est le gouvernement de l'entreprise. Les entreprises familiales sont caractérisées par la persistance et le poids non négligeable des anciennes générations. Ces dernières exercent une supervision forte sur le dirigeant de l'entreprise familiale. Par ailleurs, la configuration culturelle de la famille et le rôle qu'elle accorde au fondateur expliquent parfois l'inclinaison globale du dirigeant au changement (Jenster et Malone, 1991). Quant elle est de type patriarcal, l'organisation serait moins encline au changement et à la remise en cause des valeurs et des relations familiales (Molokotos, 1991).

Mustakallio et Autio (2001) observent que les mécanismes de gouvernance formels et informels influencent la qualité de la prise de décision. Pour ces auteurs, plus la famille est impliquée dans le conseil d'administration, moins le rôle du conseil est déterminant. Les membres de la famille occupent souvent leurs postes pour de longues périodes et possèdent des compétences professionnelles souvent insuffisantes ou inadéquates. Il en résulte de ce fait, un frein à toute tentative de changement, qui pourrait menacer la stabilité de l'entreprise.

La stratégie est la deuxième sphère sur laquelle s'exerce le conservatisme de la famille pouvant affecter l'internationalisation de l'entreprise familiale. Celle-ci est fortement attachée aux stratégies passées qui deviennent source de rigidité et inhibent le

déclenchement de l'internationalisation. Gudmundson et al., (1999) suggèrent que le système familial tente de créer et de maintenir une certaine cohésion qui sous-tend le paradigme familial. Il s'agit d'hypothèses, des croyances et des convictions centrales que se fait la famille quant à son environnement. Le conservatisme se manifeste par une résistance à toute information non-conforme à ce paradigme ce qui, en conséquence, n'entraîne qu'un faible changement (Davis, 1983).

Ward, 1997 quant à lui précise que les paradigmes personnels qui ont prouvé leur efficacité constituent des freins aux dirigeants qui, malgré l'évolution de l'environnement et des exigences de la performance, pourraient devenir inflexibles et rigides en favorisant des habitudes et des stratégies issues des succès passés. Dans le même ordre d'idées, Mustakallio et Autio (2002), soulignent que plus l'entreprise est âgée plus elle a tendance à exploiter ses avantages spécifiques initiaux. Or, plus, elle apprend à exploiter son avantage initial, moins elle sera encline à explorer de nouveaux avantages. Ainsi, les entreprises ayant réussi leurs percées initiales ont plus tendance à privilégier l'exploitation pour de plus longues périodes et se caractérisent par une plus grande inertie (Levinthal et March, 1993).

Par ailleurs, les processus de prise de décision stratégique et opérationnel au sein de l'entreprise familiale ne sont souvent pas séparés, du fait que la famille-proprétaire fournit à la fois un ou plusieurs membres dirigeants et un ou plusieurs membres managers s'occupant des questions opérationnelles. L'influence qu'exerce alors la prise de décision opérationnelle sur les processus stratégiques conjuguée au fait que ces processus ne sont pas explicites entraîneraient l'évitement de l'initiative stratégique (Mustakallio et Autio, 2002).

La volonté de protection de la culture et de l'identité constitue le dernier élément exerçant une influence négative sur l'internationalisation de l'entreprise familiale. Beaucoup d'auteurs ont mis en exergue le rôle central de la culture et des valeurs familiales pour déterminer la situation compétitive de cette organisation. Dyer (1986) et Salvator et al. (2002) ont montré que les valeurs familiales influencent les activités et les routines de l'entreprise familiale lui permettant d'atteindre un avantage compétitif. Ces entreprises se veulent indépendantes de leur environnement et de la culture externe (Donnckels et Frhlich, 1991).

Au total, plus la famille est conservatrice, moins elle œuvrera pour le changement. Le niveau de la connaissance relative à la manière d'opérer à l'international serait, en conséquence, assez peu élevé ce qui se traduirait, plus quantitativement, par un faible degré d'internationalisation. Le conservatisme affecte donc négativement le comportement international des

entreprises familiales. Il limite la variation et l'étendue de la connaissance qu'elle développera. La théorie souligne que cette variation, c'est-à-dire la diversité des environnements auxquels l'entreprise est exposée, est fortement corrélée avec le volume de connaissance internationale accumulée et développée.

b) Le conservatisme familial : un facteur stimulant l'internationalisation

A ce niveau de la réflexion, il nous paraît légitime de considérer l'autre figure du conservatisme en tant que facteur stimulant l'internationalisation de l'entreprise familiale. Aussi, et dans un objectif de combler le vide régissant l'impact positif du conservatisme sur l'internationalisation, nous nous baserons sur les apports de certains auteurs comme (Habbershon, Williams, 1999) qui proposent d'utiliser l'approche fondée sur les ressources pour développer un cadre théorique de l'avantage concurrentiel des firmes familiales. Selon cette approche une grande partie des avantages des firmes familiales provient de processus organisationnels originaux, hérités de l'aspect familial de l'entreprise.

En effet, à partir de ses spécificités, une entreprise familiale doit maîtriser des ressources, compétences ou capacités rares, non imitables et non substituables qui permettent de créer de la valeur et créer ainsi un avantage concurrentiel. On parle dans ce cas de la notion de « familiness » fondée sur le capital social de la famille et en liaison avec le capital social de la firme. Cette notion ouvre une voie de réponse intéressante pour essayer d'apporter des explications à l'effet positif du conservatisme de l'entreprise familiale (incarné dans le capital social de l'entreprise familiale) sur son internationalisation.

Le familiness est un entrepôt de valeurs qui crée avantages dans le processus d'internationalisation de l'entreprise familiale. Selon Chrisman et al., 2006, le familiness précise des installations qui sont difficiles à reproduire, mais qui assurent le développement et des positions fortes de l'entreprise dans l'environnement des affaires. C'est pour cela, que le profil-type des entreprises familiales est celui des « champions cachés », leaders internationaux sur un marché de niche, avec un fort enracinement territorial qui les conduit naturellement à la philanthropie et au soutien de l'entrepreneuriat social, en parfaite adéquation avec les valeurs portées et incarnées par le familiness qui sous entend aussi une notion de confiance que l'entreprise familiale instaure avec les clients, les fournisseurs et les autres partenaires. En effet, dans le processus de l'internationalisation, les éléments de base du familiness (confiance, les normes, identifications, la langue partagée etc) ont une valeur positive qui impacte sur le processus d'entrée sur les marchés étrangers.

Dans la même perspective d'idées et afin d'expliquer l'importance de ce système de coopération naturel dans les décisions stratégiques au sein de l'entreprise familiale, (Arregle et al ,2002) soulignent que la famille devient la seule institution qui définit les règles de l'entreprise tant à l'intérieur qu'à l'extérieur, puisqu'elle imprègne les pratiques managériales d'une connaissance collective qui représente l'ensemble des valeurs sociales (tradition, conservatisme, recherche de sécurité, confiance, cohésion familiale). Ce sont ces valeurs qui assurent la pérennité de l'entreprise familiale et expliquent ainsi leurs avantages concurrentiels imprégnés par des valeurs conservatrices acquises au sein des systèmes famille-entreprise. En d'autres termes, le management de l'entreprise familiale est enraciné dans l'héritage administratif familial, concept similaire à l'héritage administratif utilisé par Bartlett et Ghoshal (1989) pour décrire les évolutions organisationnelles des multinationales, ou encore à l'héritage administratif national (Calori, Lubatkin, Véry et Veiga, 1997).

Se basant sur les travaux de Nahapiet et Ghoshal (1998), quatre dimensions sont mises en avant dans la notion de familiness. Il s'agit de la stabilité, de l'interdépendance entre les membres du réseau, de l'interaction entre membres et du "bouclage" des relations. Ces dimensions émanent des interactions existantes entre membres de la famille et ont, éventuellement, des effets bénéfiques sur l'entreprise et la constitution de ses avantages concurrentiels. Ces quatre dimensions peuvent être mobilisées pour expliquer l'aspect du conservatisme en tant que facteur stimulant de l'internationalisation.

La première dimension est relative à la stabilité qui constitue une condition nécessaire pour que les relations sociales fortes émergent. Cette stabilité du réseau au cours du temps tire ses racines dans la tradition familiale et de la nature intrinsèquement lente de l'évolution du groupe familial. La stabilité peut être envisagée sous deux angles : la stabilité de la cellule familiale indépendamment de l'entreprise et le maintien au sein de la famille de la propriété et souvent du pouvoir (dynastie). Le premier angle, c'est la fonction même de la famille en tant qu'institution qui est de perdurer à travers les générations, en maintenant des liens sociaux et des principes d'éducation (Kellerhals, 1987). Les normes en usage au sein d'une famille jouent un rôle fort et forgent des comportements récurrents, génération après génération, comportements qui sont assez stables et attendus par les membres de la famille (Bettenhausen et Murnighan, 1991). Selon le second angle, l'entreprise familiale se caractérise par la stabilité du pouvoir et de la propriété. La famille tend donc à induire une forte stabilité dans le capital social de l'entreprise par le truchement de la stabilité du capital social familial. Et ce à travers la règle dynastique liée à l'existence d'une propriété

relativement stable. Cette stabilité joue en faveur de la visibilité des décisions stratégiques prises à l'égard de l'environnement externe.

La deuxième dimension est l'interdépendance car l'entreprise est un patrimoine collectif et peut-être même la principale richesse de la famille. En conséquence, les membres familiaux poursuivent un objectif de valorisation du patrimoine commun. Ce qui accroît leur interdépendance, à travers les générations et autour de l'entreprise familiale. Dans ce sens Schulze, Lubatkin et Dino, 2003, soulignent la prééminence d'un intérêt familial commun en intégrant la prise en compte des préférences des autres membres de la famille dans la courbe d'utilité des décideurs. De fait, les membres de la famille appartenant au réseau de l'entreprise partagent la même préoccupation : décider et agir dans l'intérêt de la famille. Ce qui renforce le capital social. Dans cette approche, plus le dirigeant de l'entreprise familiale a une visibilité claire et bien définie quant à l'environnement internationale, plus les autres membres du réseau familial en auront et seront incités à œuvrer pour atteindre une certaine performance.

La troisième dimension concerne les interactions fréquentes entre les membres familiaux qui affectent la formulation de la stratégie de l'entreprise. Ces interactions sont d'abord, capables de façonner la dimension structurelle du capital social de l'entreprise au bénéfice des membres de la firme familiale, en termes d'organisation de l'architecture du réseau de pouvoir en choisissant les postes occupés par les membres de la famille au sein de l'entreprise. Elles sont ensuite, susceptibles de participer au développement et à la préservation des obligations mutuelles dans le réseau (Bourdieu, 1986).

La cellule familiale renforce aussi des interactions qui s'étendent aux autres parties prenantes externes comme les clients et les banquiers. Celles-ci peuvent être nombreuses et intenses (Yeung et Soh, 2000) et sont susceptibles de modeler fortement la structure, l'étendue, et la valeur du capital social de la famille et de l'entreprise familiale et à développer un réseau des contacts fréquents. Ces interactions consolidées avec le monde externe permettent à l'entreprise familiale de nouer des relations fructueuses capables de lui permettre de réussir son internationalisation.

Le bouclage du capital social familial est la quatrième dimension permettant d'apporter un éclairage à la notion de familiness. La cellule familiale détermine l'accessibilité car il faut être membre de la famille pour intégrer le réseau. Cette accessibilité renvoie à l'existence d'un lien entre les membres de telle sorte que l'adhésion aux normes est d'un niveau élevé (Coleman, 1988). La densité des liens à l'intérieur du réseau familial, dépend de l'intensité et de la nature des relations sociales que ses membres entretiennent. Ainsi, le bouclage du réseau de l'entreprise familiale est

influencé par le bouclage du réseau familial puisque la famille à un poids considérable dans le management de l'entreprise et aussi dans la composition de l'équipe dirigeante.

En termes de synthèse, et selon Nahapiet et Ghoshal (1998) le contenu de la notion de familiness est structuré autour de trois aspects. Un aspect structurel qui s'intéresse à la configuration générale du réseau (présence ou absence de liens, morphologie : densité, connectivité et hiérarchie, ..). Un aspect relationnel qui se penche sur la nature des relations entre les acteurs du réseau et met en évidence des relations particulières (la confiance, les normes, les obligations). Le troisième aspect est qualifié de cognitif et concerne le langage, les codes communs, ainsi que les histoires partagées.

Aussi, il est à noter que les dimensions mises en avant dans la notion de familiness sont précisément les interactions existantes entre membres de la famille et constituent des ressources socialement complexes, informelles et fortement enracinées. Ces dimensions ont, éventuellement, des effets bénéfiques sur l'entreprise et constituent ou soutiennent ses avantages concurrentiels. Ces différents effets ont, par exemple, été constatés dans des travaux sur les entrepreneurs (voir par exemple Dubini et Aldrich, 1991 ; Renzulli, Aldrich et Moody, 2000). Ainsi, le capital social individuel dont peut disposer un entrepreneur pour créer ou développer son entreprise a un impact sur sa réussite dans la réalisation de ses objectifs (Dubini et Aldrich, 1991 ; Aldrich, 1999 ; Renzulli, Aldrich et Moody, 2000).

Il est donc stratégique que les entreprises familiales s'interrogent sur leurs particularités, et l'approche par la notion de familiness est en cela utile. Car elle permet d'affecter leurs performances. Le familiness d'une entreprise ne peut pas être séparé de sa culture d'entreprise. Celle-ci pouvant être définie comme les valeurs, les croyances et les attitudes qui influencent le comportement individuel et de groupe au sein d'une organisation (Miller 2000: 22). Dans le même sens, Barney (1986: 657) ajoute que familiness chevauche avec la culture d'une entreprise familiale, comme le sont absorbés les propres valeurs, croyances, hypothèses et attitudes des fondateurs et de ses descendants dans la culture d'entreprise et influencent la façon dont les choses sont faites dans l'entreprise. Lorsque la culture est transmise, familiness sera ensuite automatiquement transmis également.

V. CONCLUSION

Tout au long de ce papier, nous nous sommes efforcés de mettre en exergue quelques éléments de réflexion théorique relatifs au conservatisme et son impact sur l'internationalisation des entreprises familiales.

Portant sur les spécificités culturelles, idéologiques et organisationnelles des entreprises

familiales, la revue de littérature mobilisée dans cette réflexion nous a permis de mettre l'accent sur la suprématie du conservatisme et du familialisme dans ce type d'entreprises. Dans un premier temps, nous avons mobilisé deux courants de pensée pour mettre en valeur l'impact de la configuration culturelle de la famille sur l'entreprise et de la prédominance de valeurs traditionnelles comme la recherche de la sécurité, le conformisme et l'attachement aux normes sociales. Ces caractéristiques ont été expliquées à travers le courant managérial et le courant néo-institutionnaliste.

Dans un deuxième temps et pour apporter des éléments de réponse quant à la relation susceptible d'exister entre le conservatisme et la performance internationale des entreprises familiales, nous avons développé deux thèses. La première considère le conservatisme comme un facteur inhibant l'internationalisation. Et pour cela, nous nous sommes penchés sur l'impact négatif de l'attitude conservatrice des entreprises familiales sur le gouvernement de l'entreprise, stratégie de l'entreprise et sur la culture de l'entreprise familiale. La seconde thèse considère le conservatisme comme un facteur stimulant de l'internationalisation. Il a été question de mobiliser le courant de recherche fondé sur les ressources qui met en avant les processus organisationnels spécifiques à une entreprise familiale lui permettant de développer une performance supérieure à d'autres firmes non familiales.

En accordant de l'importance aux traditions et en s'attachant émotionnellement aux affaires et à la stabilité de la propriété, les entreprises familiales montrent une plus grande réduction de leur innovativité et de leur proactivité que les entreprises non familiales. Il s'agit là des caractéristiques essentielles des organisations conservatrices.

D'autre part, et malgré les configurations culturelles conservatrices de la famille et le poids non négligeables des anciennes générations, certaines entreprises familiales arrivent quand même à réaliser de belles performances internationales. Dans ce sens, les apports théoriques se basent sur les différentes dimensions mettant en avant les nombreuses routines que possèdent les entreprises familiales et qui sont créatrices des avantages relevant essentiellement du capital social de celles-ci. Il s'agit éventuellement du processus de prise de décision, de la vision commune des objectifs, de l'engagement et de l'implication de l'ensemble du réseau familial. Ce sont des ressources sociales complexes qui sont le produit des relations entre les membres de la famille et qui sont susceptibles d'assurer une plus grande performance à l'international. Enfin, l'ambition de cette réflexion était de jeter la lumière sur la notion de conservatisme à travers ses différentes dimensions en essayant d'apporter un éclairage sur son impact à la fois positif et négatif lié à l'aspect stratégique des entreprises familiales. Aussi, il

était question d'ouvrir la voie sur d'éventuelles réponses quant à la perception de la posture conservatrice de l'entreprise familiale.

BIBLIOGRAPHIE

1. Allouche, J et Amman, B., 1998, « La confiance : Une explication des performances des entreprises familiales », *Economies et Sociétés, Série Sciences de Gestion, Série SG*, (8-9) :129-154
2. Allouche, J et Amman, B., 2000, «L'entreprise Familiale : un Etat de l'Art», *Finance, Contrôle et Stratégie*, 3, 1.
3. Arregle, J.L., Very, P. et Raytcheva, S., 2003, « Capital social et avantages des firmes familiales : proposition d'un modèle intégrateur », in Fery, F & Laroche, H, *Perspectives en Management Stratégique*, Tome X, Paris : EMS, 37-61.
4. Astrachan, J. H., 1988, «Family Firm and Community Culture», *Family Business Review*, 1(2): 165-189.
5. Barney, J.B., 1986, «Organizational culture: Can it be a source of competitive advantage? », *Academy of Management Review*, 11(3): 656-665.
6. Basly, B., 2005 « L'internationalisation de la PME familiale : une analyse fondée sur l'apprentissage organisationnel et le développement de la croissance », Thèse, Université Montesquieu - Bordeaux IV, 2005. French.
7. Basly, B., 2007 « Conservatism: An Explanation Of The Financial Choices Of The Small And Medium Family Enterprise », *Corporate ownership and control* 5, 1, pp. 459-469
8. Denison, D., Leif, C., & Ward, J. L., 2004, « Culture in Family-owned Enterprises: Recognizing and Leveraging Unique Strengths », *Family Business Review*, 17 (1), pp. 61-70.
9. Donckels, R. et Frohlich, E., 1991, « Are Family Businesses Really Different? European Experiences from STRATOS », *Family Business Review*, Vol. 4, n° 2, 1991.
10. Durkheim, D., 1964, «The Division of Labor in Society», New York, NY: Free Press, pp. 262, 396-402, 432-435.
11. Fama, E et Jensen, MC., 1983, «Separation of Ownership and Control», *Journal of Law and Economics*, 26.
12. Gobel, M. S., Ong, T., & Harris, A. J. L., 2014, «A culture-by-context analysis of endowment effects», In P. Bello, M. Guarini, M. McShane, & B. Scassellati (Eds.), *Proceedings of the 36th Annual Conference of the Cognitive Science Society*(pp. 2269-2274). Austin, TX: Cognitive Science Society
13. Habbershon T, Williams M., 1999, « A ressource based framework for assessing the strategic advantages of family firms », *family business review* 12 (1), pp. 1-25.

14. Helmke G. et Levitsky S., 2004, «Informal institutions and comparative politics: a research agenda», *Perspectives on politics*, vol. 02, No. 4, 2004, pp. 725-740.
15. Hofstede, G., Hofstede, G.J. et Minkov, M., 2010, « Cultures et organisations: Nos programmations mentales » Pearson, 3ème édition, Paris, 634 pages.
16. Jenster P. and Malone S., 1991, « Resting on your Laurels : The Plateauing of the Owner-manager », Communication lors de la conférence du FBN, Barcelone, Espagne.
17. Litz, R. A., 1995, « The Family Business: Toward Definitional Clarity », *Academy of Management Best Papers Proceedings*, 100-104.
18. Miller, A., 1994, « Dynamic indicators of self-perceived conservatism », *Sociological Quarterly*, 35, 175—182.
19. Müller, J.-W., 2006, «Comprehending conservatism: A new framework for analysis », *Journal of Political Ideologies*, 11(3), 359-65.
20. Mustakallio, M. et Autio, E., 2002, « Governance, Entrepreneurial Orientation and Growth in Family Firms », Communication à la 13ème conférence du FBN, Helsinki.
21. Nahapiet, J et Ghoshal, S., 1998, «Social capital, intellectual capital and the organizational advantage», *Academy of management review*, vol. 24, No. 2, pp. 242-266.
22. Ranft A., and O'Neill H., 2001, « Board Composition and Highflying Founders: Hints or Trouble to Come? », *Academy of Management Executive*, vol. 15, n° 1, p. 126-138.
23. Schein, E. H., 1996, «Culture: The Missing Concept in Organization Studies», *Administrative Science Quarterly*, 41 (2), pp. 229-240.
24. Schwartz S., 1994, «Beyond Individualism/Collectivism: New Cultural Dimensions of Values», in Ukim, H. Triandis, C. Kagitcibasi, S-C. Chol, et G. Yoon (Eds.), *Individualism and Collectivism: Theory, Method and Applications*. California: Sage Publications, 85-99; (Cité par A. CHUI et ali., 2002).
25. Tangeaoui, S., 1993, «les entrepreneurs marocains: pouvoir, société et modernité», Karthala
26. Zellweger, T. M., Eddleston, K. A., & Kellermans, F. W., 2010, « Exploring the concept of familiness: Introducing family firm identity », *Journal of Family Business Strategy*, 1 (1), pp. 54-63.

GLOBAL JOURNALS INC. (US) GUIDELINES HANDBOOK 2016

WWW.GLOBALJOURNALS.ORG

FELLOWS

FELLOW OF ASSOCIATION OF RESEARCH SOCIETY IN BUSINESS (FARSB)

Global Journals Incorporate (USA) is accredited by Open Association of Research Society (OARS), U.S.A and in turn, awards “FARSBA” title to individuals. The 'FARSBA' title is accorded to a selected professional after the approval of the Editor-in-Chief/Editorial Board Members/Dean.



- The “FARSB” is a dignified title which is accorded to a person’s name viz. Dr. John E. Hall, Ph.D., FARSBA or William Walldroff, M.S., FARSBA.

FARSBA accrediting is an honor. It authenticates your research activities. After recognition as FARSBA, you can add 'FARSBA' title with your name as you use this recognition as additional suffix to your status. This will definitely enhance and add more value and repute to your name. You may use it on your professional Counseling Materials such as CV, Resume, and Visiting Card etc.

The following benefits can be availed by you only for next three years from the date of certification:



FARSBA designated members are entitled to avail a 40% discount while publishing their research papers (of a single author) with Global Journals Incorporation (USA), if the same is accepted by Editorial Board/Peer Reviewers. If you are a main author or co-author in case of multiple authors, you will be entitled to avail discount of 10%.

Once FARSBA title is accorded, the Fellow is authorized to organize a symposium/seminar/conference on behalf of Global Journal Incorporation (USA).The Fellow can also participate in conference/seminar/symposium organized by another institution as representative of Global Journal. In both the cases, it is mandatory for him to discuss with us and obtain our consent.



You may join as member of the Editorial Board of Global Journals Incorporation (USA) after successful completion of three years as Fellow and as Peer Reviewer. In addition, it is also desirable that you should organize seminar/symposium/conference at least once.

We shall provide you intimation regarding launching of e-version of journal of your stream time to time.This may be utilized in your library for the enrichment of knowledge of your students as well as it can also be helpful for the concerned faculty members.

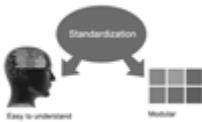




Journals Research
inducing researches

The FARSBA can go through standards of OARS. You can also play vital role if you have any suggestions so that proper amendment can take place to improve the same for the benefit of entire research community.

As FARSBA, you will be given a renowned, secure and free professional email address with 100 GB of space e.g. johnhall@globaljournals.org. This will include Webmail, Spam Assassin, Email Forwarders, Auto-Responders, Email Delivery Route tracing, etc.



The FARSBA will be eligible for a free application of standardization of their researches. Standardization of research will be subject to acceptability within stipulated norms as the next step after publishing in a journal. We shall depute a team of specialized research professionals who will render their services for elevating your researches to next higher level, which is worldwide open standardization.

The FARSBA member can apply for grading and certification of standards of their educational and Institutional Degrees to Open Association of Research, Society U.S.A. Once you are designated as FARSBA, you may send us a scanned copy of all of your credentials. OARS will verify, grade and certify them. This will be based on your academic records, quality of research papers published by you, and some more criteria. After certification of all your credentials by OARS, they will be published on your Fellow Profile link on website <https://associationofresearch.org> which will be helpful to upgrade the dignity.



The FARSBA members can avail the benefits of free research podcasting in Global Research Radio with their research documents. After publishing the work, (including published elsewhere worldwide with proper authorization) you can upload your research paper with your recorded voice or you can utilize chargeable services of our professional RJs to record your paper in their voice on request.



The FARSBA member also entitled to get the benefits of free research podcasting of their research documents through video clips. We can also streamline your conference videos and display your slides/ online slides and online research video clips at reasonable charges, on request.





The FARSBA is eligible to earn from sales proceeds of his/her researches/reference/review Books or literature, while publishing with Global Journals. The FARSBA can decide whether he/she would like to publish his/her research in a closed manner. In this case, whenever readers purchase that individual research paper for reading, maximum 60% of its profit earned as royalty by Global Journals, will be credited to his/her bank account. The entire entitled amount will be credited to his/her bank account exceeding limit of minimum fixed balance. There is no minimum time limit for collection. The FARSC member can decide its price and we can help in making the right decision.

The FARSBA member is eligible to join as a paid peer reviewer at Global Journals Incorporation (USA) and can get remuneration of 15% of author fees, taken from the author of a respective paper. After reviewing 5 or more papers you can request to transfer the amount to your bank account.



MEMBER OF ASSOCIATION OF RESEARCH SOCIETY IN BUSINESS (MARSBA)

The ' MARSBA ' title is accorded to a selected professional after the approval of the Editor-in-Chief / Editorial Board Members/Dean.

The “MARSBA” is a dignified ornament which is accorded to a person’s name viz. Dr. John E. Hall, Ph.D., MARSBA or William Walldroff, M.S., MARSBA.



MARSB accrediting is an honor. It authenticates your research activities. After becoming MARSBA, you can add 'MARSBA' title with your name as you use this recognition as additional suffix to your status. This will definitely enhance and add more value and repute to your name. You may use it on your professional Counseling Materials such as CV, Resume, Visiting Card and Name Plate etc.

The following benefits can be availed by you only for next three years from the date of certification.



MARSBA designated members are entitled to avail a 25% discount while publishing their research papers (of a single author) in Global Journals Inc., if the same is accepted by our Editorial Board and Peer Reviewers. If you are a main author or co-author of a group of authors, you will get discount of 10%.

As MARSBA, you will be given a renowned, secure and free professional email address with 30 GB of space e.g. johnhall@globaljournals.org. This will include Webmail, Spam Assassin, Email Forwarders, Auto-Responders, Email Delivery Route tracing, etc.





We shall provide you intimation regarding launching of e-version of journal of your stream time to time. This may be utilized in your library for the enrichment of knowledge of your students as well as it can also be helpful for the concerned faculty members.

The MARSBA member can apply for approval, grading and certification of standards of their educational and Institutional Degrees to Open Association of Research, Society U.S.A.



Once you are designated as MARSBA, you may send us a scanned copy of all of your credentials. OARS will verify, grade and certify them. This will be based on your academic records, quality of research papers published by you, and some more criteria.

It is mandatory to read all terms and conditions carefully.



AUXILIARY MEMBERSHIPS

Institutional Fellow of Open Association of Research Society (USA)-OARS (USA)

Global Journals Incorporation (USA) is accredited by Open Association of Research Society, U.S.A (OARS) and in turn, affiliates research institutions as “Institutional Fellow of Open Association of Research Society” (IFOARS).

The “FARSC” is a dignified title which is accorded to a person’s name viz. Dr. John E. Hall, Ph.D., FARSC or William Walldroff, M.S., FARSC.



The IFOARS institution is entitled to form a Board comprised of one Chairperson and three to five board members preferably from different streams. The Board will be recognized as “Institutional Board of Open Association of Research Society”-(IBOARS).

The Institute will be entitled to following benefits:



The IBOARS can initially review research papers of their institute and recommend them to publish with respective journal of Global Journals. It can also review the papers of other institutions after obtaining our consent. The second review will be done by peer reviewer of Global Journals Incorporation (USA) The Board is at liberty to appoint a peer reviewer with the approval of chairperson after consulting us.

The author fees of such paper may be waived off up to 40%.

The Global Journals Incorporation (USA) at its discretion can also refer double blind peer reviewed paper at their end to the board for the verification and to get recommendation for final stage of acceptance of publication.



The IBOARS can organize symposium/seminar/conference in their country on behalf of Global Journals Incorporation (USA)-OARS (USA). The terms and conditions can be discussed separately.

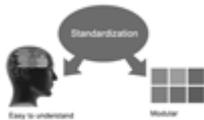
The Board can also play vital role by exploring and giving valuable suggestions regarding the Standards of “Open Association of Research Society, U.S.A (OARS)” so that proper amendment can take place for the benefit of entire research community. We shall provide details of particular standard only on receipt of request from the Board.



The board members can also join us as Individual Fellow with 40% discount on total fees applicable to Individual Fellow. They will be entitled to avail all the benefits as declared. Please visit Individual Fellow-sub menu of GlobalJournals.org to have more relevant details.



We shall provide you intimation regarding launching of e-version of journal of your stream time to time. This may be utilized in your library for the enrichment of knowledge of your students as well as it can also be helpful for the concerned faculty members.



After nomination of your institution as “Institutional Fellow” and constantly functioning successfully for one year, we can consider giving recognition to your institute to function as Regional/Zonal office on our behalf. The board can also take up the additional allied activities for betterment after our consultation.

The following entitlements are applicable to individual Fellows:

Open Association of Research Society, U.S.A (OARS) By-laws states that an individual Fellow may use the designations as applicable, or the corresponding initials. The Credentials of individual Fellow and Associate designations signify that the individual has gained knowledge of the fundamental concepts. One is magnanimous and proficient in an expertise course covering the professional code of conduct, and follows recognized standards of practice.



Open Association of Research Society (US)/ Global Journals Incorporation (USA), as described in Corporate Statements, are educational, research publishing and professional membership organizations. Achieving our individual Fellow or Associate status is based mainly on meeting stated educational research requirements.

Disbursement of 40% Royalty earned through Global Journals : Researcher = 50%, Peer Reviewer = 37.50%, Institution = 12.50% E.g. Out of 40%, the 20% benefit should be passed on to researcher, 15 % benefit towards remuneration should be given to a reviewer and remaining 5% is to be retained by the institution.



We shall provide print version of 12 issues of any three journals [as per your requirement] out of our 38 journals worth \$ 2376 USD.

Other:

The individual Fellow and Associate designations accredited by Open Association of Research Society (US) credentials signify guarantees following achievements:

- The professional accredited with Fellow honor, is entitled to various benefits viz. name, fame, honor, regular flow of income, secured bright future, social status etc.



- In addition to above, if one is single author, then entitled to 40% discount on publishing research paper and can get 10% discount if one is co-author or main author among group of authors.
- The Fellow can organize symposium/seminar/conference on behalf of Global Journals Incorporation (USA) and he/she can also attend the same organized by other institutes on behalf of Global Journals.
- The Fellow can become member of Editorial Board Member after completing 3yrs.
- The Fellow can earn 60% of sales proceeds from the sale of reference/review books/literature/publishing of research paper.
- Fellow can also join as paid peer reviewer and earn 15% remuneration of author charges and can also get an opportunity to join as member of the Editorial Board of Global Journals Incorporation (USA)
- • This individual has learned the basic methods of applying those concepts and techniques to common challenging situations. This individual has further demonstrated an in-depth understanding of the application of suitable techniques to a particular area of research practice.

Note :

//

- In future, if the board feels the necessity to change any board member, the same can be done with the consent of the chairperson along with anyone board member without our approval.
- In case, the chairperson needs to be replaced then consent of 2/3rd board members are required and they are also required to jointly pass the resolution copy of which should be sent to us. In such case, it will be compulsory to obtain our approval before replacement.
- In case of “Difference of Opinion [if any]” among the Board members, our decision will be final and binding to everyone.

//



PROCESS OF SUBMISSION OF RESEARCH PAPER

The Area or field of specialization may or may not be of any category as mentioned in 'Scope of Journal' menu of the GlobalJournals.org website. There are 37 Research Journal categorized with Six parental Journals GJCST, GJMR, GJRE, GJMBR, GJSFR, GJHSS. For Authors should prefer the mentioned categories. There are three widely used systems UDC, DDC and LCC. The details are available as 'Knowledge Abstract' at Home page. The major advantage of this coding is that, the research work will be exposed to and shared with all over the world as we are being abstracted and indexed worldwide.

The paper should be in proper format. The format can be downloaded from first page of 'Author Guideline' Menu. The Author is expected to follow the general rules as mentioned in this menu. The paper should be written in MS-Word Format (*.DOC,*.DOCX).

The Author can submit the paper either online or offline. The authors should prefer online submission.Online Submission: There are three ways to submit your paper:

(A) (I) First, register yourself using top right corner of Home page then Login. If you are already registered, then login using your username and password.

(II) Choose corresponding Journal.

(III) Click 'Submit Manuscript'. Fill required information and Upload the paper.

(B) If you are using Internet Explorer, then Direct Submission through Homepage is also available.

(C) If these two are not convenient, and then email the paper directly to dean@globaljournals.org.

Offline Submission: Author can send the typed form of paper by Post. However, online submission should be preferred.



PREFERRED AUTHOR GUIDELINES

MANUSCRIPT STYLE INSTRUCTION (Must be strictly followed)

Page Size: 8.27" X 11"

- Left Margin: 0.65
- Right Margin: 0.65
- Top Margin: 0.75
- Bottom Margin: 0.75
- Font type of all text should be Swis 721 Lt BT.
- Paper Title should be of Font Size 24 with one Column section.
- Author Name in Font Size of 11 with one column as of Title.
- Abstract Font size of 9 Bold, "Abstract" word in Italic Bold.
- Main Text: Font size 10 with justified two columns section
- Two Column with Equal Column with of 3.38 and Gaping of .2
- First Character must be three lines Drop capped.
- Paragraph before Spacing of 1 pt and After of 0 pt.
- Line Spacing of 1 pt
- Large Images must be in One Column
- Numbering of First Main Headings (Heading 1) must be in Roman Letters, Capital Letter, and Font Size of 10.
- Numbering of Second Main Headings (Heading 2) must be in Alphabets, Italic, and Font Size of 10.

You can use your own standard format also.

Author Guidelines:

1. General,
2. Ethical Guidelines,
3. Submission of Manuscripts,
4. Manuscript's Category,
5. Structure and Format of Manuscript,
6. After Acceptance.

1. GENERAL

Before submitting your research paper, one is advised to go through the details as mentioned in following heads. It will be beneficial, while peer reviewer justify your paper for publication.

Scope

The Global Journals Inc. (US) welcome the submission of original paper, review paper, survey article relevant to the all the streams of Philosophy and knowledge. The Global Journals Inc. (US) is parental platform for Global Journal of Computer Science and Technology, Researches in Engineering, Medical Research, Science Frontier Research, Human Social Science, Management, and Business organization. The choice of specific field can be done otherwise as following in Abstracting and Indexing Page on this Website. As the all Global

Journals Inc. (US) are being abstracted and indexed (in process) by most of the reputed organizations. Topics of only narrow interest will not be accepted unless they have wider potential or consequences.

2. ETHICAL GUIDELINES

Authors should follow the ethical guidelines as mentioned below for publication of research paper and research activities.

Papers are accepted on strict understanding that the material in whole or in part has not been, nor is being, considered for publication elsewhere. If the paper once accepted by Global Journals Inc. (US) and Editorial Board, will become the copyright of the Global Journals Inc. (US).

Authorship: The authors and coauthors should have active contribution to conception design, analysis and interpretation of findings. They should critically review the contents and drafting of the paper. All should approve the final version of the paper before submission

The Global Journals Inc. (US) follows the definition of authorship set up by the Global Academy of Research and Development. According to the Global Academy of R&D authorship, criteria must be based on:

- 1) Substantial contributions to conception and acquisition of data, analysis and interpretation of the findings.
- 2) Drafting the paper and revising it critically regarding important academic content.
- 3) Final approval of the version of the paper to be published.

All authors should have been credited according to their appropriate contribution in research activity and preparing paper. Contributors who do not match the criteria as authors may be mentioned under Acknowledgement.

Acknowledgements: Contributors to the research other than authors credited should be mentioned under acknowledgement. The specifications of the source of funding for the research if appropriate can be included. Suppliers of resources may be mentioned along with address.

Appeal of Decision: The Editorial Board's decision on publication of the paper is final and cannot be appealed elsewhere.

Permissions: It is the author's responsibility to have prior permission if all or parts of earlier published illustrations are used in this paper.

Please mention proper reference and appropriate acknowledgements wherever expected.

If all or parts of previously published illustrations are used, permission must be taken from the copyright holder concerned. It is the author's responsibility to take these in writing.

Approval for reproduction/modification of any information (including figures and tables) published elsewhere must be obtained by the authors/copyright holders before submission of the manuscript. Contributors (Authors) are responsible for any copyright fee involved.

3. SUBMISSION OF MANUSCRIPTS

Manuscripts should be uploaded via this online submission page. The online submission is most efficient method for submission of papers, as it enables rapid distribution of manuscripts and consequently speeds up the review procedure. It also enables authors to know the status of their own manuscripts by emailing us. Complete instructions for submitting a paper is available below.

Manuscript submission is a systematic procedure and little preparation is required beyond having all parts of your manuscript in a given format and a computer with an Internet connection and a Web browser. Full help and instructions are provided on-screen. As an author, you will be prompted for login and manuscript details as Field of Paper and then to upload your manuscript file(s) according to the instructions.



To avoid postal delays, all transaction is preferred by e-mail. A finished manuscript submission is confirmed by e-mail immediately and your paper enters the editorial process with no postal delays. When a conclusion is made about the publication of your paper by our Editorial Board, revisions can be submitted online with the same procedure, with an occasion to view and respond to all comments.

Complete support for both authors and co-author is provided.

4. MANUSCRIPT'S CATEGORY

Based on potential and nature, the manuscript can be categorized under the following heads:

Original research paper: Such papers are reports of high-level significant original research work.

Review papers: These are concise, significant but helpful and decisive topics for young researchers.

Research articles: These are handled with small investigation and applications

Research letters: The letters are small and concise comments on previously published matters.

5. STRUCTURE AND FORMAT OF MANUSCRIPT

The recommended size of original research paper is less than seven thousand words, review papers fewer than seven thousands words also. Preparation of research paper or how to write research paper, are major hurdle, while writing manuscript. The research articles and research letters should be fewer than three thousand words, the structure original research paper; sometime review paper should be as follows:

Papers: These are reports of significant research (typically less than 7000 words equivalent, including tables, figures, references), and comprise:

(a) Title should be relevant and commensurate with the theme of the paper.

(b) A brief Summary, "Abstract" (less than 150 words) containing the major results and conclusions.

(c) Up to ten keywords, that precisely identifies the paper's subject, purpose, and focus.

(d) An Introduction, giving necessary background excluding subheadings; objectives must be clearly declared.

(e) Resources and techniques with sufficient complete experimental details (wherever possible by reference) to permit repetition; sources of information must be given and numerical methods must be specified by reference, unless non-standard.

(f) Results should be presented concisely, by well-designed tables and/or figures; the same data may not be used in both; suitable statistical data should be given. All data must be obtained with attention to numerical detail in the planning stage. As reproduced design has been recognized to be important to experiments for a considerable time, the Editor has decided that any paper that appears not to have adequate numerical treatments of the data will be returned un-refereed;

(g) Discussion should cover the implications and consequences, not just recapitulating the results; conclusions should be summarizing.

(h) Brief Acknowledgements.

(i) References in the proper form.

Authors should very cautiously consider the preparation of papers to ensure that they communicate efficiently. Papers are much more likely to be accepted, if they are cautiously designed and laid out, contain few or no errors, are summarizing, and be conventional to the approach and instructions. They will in addition, be published with much less delays than those that require much technical and editorial correction.



The Editorial Board reserves the right to make literary corrections and to make suggestions to improve brevity.

It is vital, that authors take care in submitting a manuscript that is written in simple language and adheres to published guidelines.

Format

Language: The language of publication is UK English. Authors, for whom English is a second language, must have their manuscript efficiently edited by an English-speaking person before submission to make sure that, the English is of high excellence. It is preferable, that manuscripts should be professionally edited.

Standard Usage, Abbreviations, and Units: Spelling and hyphenation should be conventional to The Concise Oxford English Dictionary. Statistics and measurements should at all times be given in figures, e.g. 16 min, except for when the number begins a sentence. When the number does not refer to a unit of measurement it should be spelt in full unless, it is 160 or greater.

Abbreviations supposed to be used carefully. The abbreviated name or expression is supposed to be cited in full at first usage, followed by the conventional abbreviation in parentheses.

Metric SI units are supposed to generally be used excluding where they conflict with current practice or are confusing. For illustration, 1.4 l rather than $1.4 \times 10^{-3} \text{ m}^3$, or 4 mm somewhat than $4 \times 10^{-3} \text{ m}$. Chemical formula and solutions must identify the form used, e.g. anhydrous or hydrated, and the concentration must be in clearly defined units. Common species names should be followed by underlines at the first mention. For following use the generic name should be constricted to a single letter, if it is clear.

Structure

All manuscripts submitted to Global Journals Inc. (US), ought to include:

Title: The title page must carry an instructive title that reflects the content, a running title (less than 45 characters together with spaces), names of the authors and co-authors, and the place(s) wherever the work was carried out. The full postal address in addition with the e-mail address of related author must be given. Up to eleven keywords or very brief phrases have to be given to help data retrieval, mining and indexing.

Abstract, used in Original Papers and Reviews:

Optimizing Abstract for Search Engines

Many researchers searching for information online will use search engines such as Google, Yahoo or similar. By optimizing your paper for search engines, you will amplify the chance of someone finding it. This in turn will make it more likely to be viewed and/or cited in a further work. Global Journals Inc. (US) have compiled these guidelines to facilitate you to maximize the web-friendliness of the most public part of your paper.

Key Words

A major linchpin in research work for the writing research paper is the keyword search, which one will employ to find both library and Internet resources.

One must be persistent and creative in using keywords. An effective keyword search requires a strategy and planning a list of possible keywords and phrases to try.

Search engines for most searches, use Boolean searching, which is somewhat different from Internet searches. The Boolean search uses "operators," words (and, or, not, and near) that enable you to expand or narrow your affords. Tips for research paper while preparing research paper are very helpful guideline of research paper.

Choice of key words is first tool of tips to write research paper. Research paper writing is an art. A few tips for deciding as strategically as possible about keyword search:



- One should start brainstorming lists of possible keywords before even begin searching. Think about the most important concepts related to research work. Ask, "What words would a source have to include to be truly valuable in research paper?" Then consider synonyms for the important words.
- It may take the discovery of only one relevant paper to let steer in the right keyword direction because in most databases, the keywords under which a research paper is abstracted are listed with the paper.
- One should avoid outdated words.

Keywords are the key that opens a door to research work sources. Keyword searching is an art in which researcher's skills are bound to improve with experience and time.

Numerical Methods: Numerical methods used should be clear and, where appropriate, supported by references.

Acknowledgements: Please make these as concise as possible.

References

References follow the Harvard scheme of referencing. References in the text should cite the authors' names followed by the time of their publication, unless there are three or more authors when simply the first author's name is quoted followed by et al. unpublished work has to only be cited where necessary, and only in the text. Copies of references in press in other journals have to be supplied with submitted typescripts. It is necessary that all citations and references be carefully checked before submission, as mistakes or omissions will cause delays.

References to information on the World Wide Web can be given, but only if the information is available without charge to readers on an official site. Wikipedia and Similar websites are not allowed where anyone can change the information. Authors will be asked to make available electronic copies of the cited information for inclusion on the Global Journals Inc. (US) homepage at the judgment of the Editorial Board.

The Editorial Board and Global Journals Inc. (US) recommend that, citation of online-published papers and other material should be done via a DOI (digital object identifier). If an author cites anything, which does not have a DOI, they run the risk of the cited material not being noticeable.

The Editorial Board and Global Journals Inc. (US) recommend the use of a tool such as Reference Manager for reference management and formatting.

Tables, Figures and Figure Legends

Tables: Tables should be few in number, cautiously designed, uncrowned, and include only essential data. Each must have an Arabic number, e.g. Table 4, a self-explanatory caption and be on a separate sheet. Vertical lines should not be used.

Figures: Figures are supposed to be submitted as separate files. Always take in a citation in the text for each figure using Arabic numbers, e.g. Fig. 4. Artwork must be submitted online in electronic form by e-mailing them.

Preparation of Electronic Figures for Publication

Even though low quality images are sufficient for review purposes, print publication requires high quality images to prevent the final product being blurred or fuzzy. Submit (or e-mail) EPS (line art) or TIFF (halftone/photographs) files only. MS PowerPoint and Word Graphics are unsuitable for printed pictures. Do not use pixel-oriented software. Scans (TIFF only) should have a resolution of at least 350 dpi (halftone) or 700 to 1100 dpi (line drawings) in relation to the imitation size. Please give the data for figures in black and white or submit a Color Work Agreement Form. EPS files must be saved with fonts embedded (and with a TIFF preview, if possible).

For scanned images, the scanning resolution (at final image size) ought to be as follows to ensure good reproduction: line art: >650 dpi; halftones (including gel photographs) : >350 dpi; figures containing both halftone and line images: >650 dpi.

Color Charges: It is the rule of the Global Journals Inc. (US) for authors to pay the full cost for the reproduction of their color artwork. Hence, please note that, if there is color artwork in your manuscript when it is accepted for publication, we would require you to complete and return a color work agreement form before your paper can be published.



Figure Legends: Self-explanatory legends of all figures should be incorporated separately under the heading 'Legends to Figures'. In the full-text online edition of the journal, figure legends may possibly be truncated in abbreviated links to the full screen version. Therefore, the first 100 characters of any legend should notify the reader, about the key aspects of the figure.

6. AFTER ACCEPTANCE

Upon approval of a paper for publication, the manuscript will be forwarded to the dean, who is responsible for the publication of the Global Journals Inc. (US).

6.1 Proof Corrections

The corresponding author will receive an e-mail alert containing a link to a website or will be attached. A working e-mail address must therefore be provided for the related author.

Acrobat Reader will be required in order to read this file. This software can be downloaded

(Free of charge) from the following website:

www.adobe.com/products/acrobat/readstep2.html. This will facilitate the file to be opened, read on screen, and printed out in order for any corrections to be added. Further instructions will be sent with the proof.

Proofs must be returned to the dean at dean@globaljournals.org within three days of receipt.

As changes to proofs are costly, we inquire that you only correct typesetting errors. All illustrations are retained by the publisher. Please note that the authors are responsible for all statements made in their work, including changes made by the copy editor.

6.2 Early View of Global Journals Inc. (US) (Publication Prior to Print)

The Global Journals Inc. (US) are enclosed by our publishing's Early View service. Early View articles are complete full-text articles sent in advance of their publication. Early View articles are absolute and final. They have been completely reviewed, revised and edited for publication, and the authors' final corrections have been incorporated. Because they are in final form, no changes can be made after sending them. The nature of Early View articles means that they do not yet have volume, issue or page numbers, so Early View articles cannot be cited in the conventional way.

6.3 Author Services

Online production tracking is available for your article through Author Services. Author Services enables authors to track their article - once it has been accepted - through the production process to publication online and in print. Authors can check the status of their articles online and choose to receive automated e-mails at key stages of production. The authors will receive an e-mail with a unique link that enables them to register and have their article automatically added to the system. Please ensure that a complete e-mail address is provided when submitting the manuscript.

6.4 Author Material Archive Policy

Please note that if not specifically requested, publisher will dispose off hardcopy & electronic information submitted, after the two months of publication. If you require the return of any information submitted, please inform the Editorial Board or dean as soon as possible.

6.5 Offprint and Extra Copies

A PDF offprint of the online-published article will be provided free of charge to the related author, and may be distributed according to the Publisher's terms and conditions. Additional paper offprint may be ordered by emailing us at: editor@globaljournals.org.

You must strictly follow above Author Guidelines before submitting your paper or else we will not at all be responsible for any corrections in future in any of the way.



Before start writing a good quality Computer Science Research Paper, let us first understand what is Computer Science Research Paper? So, Computer Science Research Paper is the paper which is written by professionals or scientists who are associated to Computer Science and Information Technology, or doing research study in these areas. If you are novel to this field then you can consult about this field from your supervisor or guide.

TECHNIQUES FOR WRITING A GOOD QUALITY RESEARCH PAPER:

1. Choosing the topic: In most cases, the topic is searched by the interest of author but it can be also suggested by the guides. You can have several topics and then you can judge that in which topic or subject you are finding yourself most comfortable. This can be done by asking several questions to yourself, like Will I be able to carry our search in this area? Will I find all necessary recourses to accomplish the search? Will I be able to find all information in this field area? If the answer of these types of questions will be "Yes" then you can choose that topic. In most of the cases, you may have to conduct the surveys and have to visit several places because this field is related to Computer Science and Information Technology. Also, you may have to do a lot of work to find all rise and falls regarding the various data of that subject. Sometimes, detailed information plays a vital role, instead of short information.

2. Evaluators are human: First thing to remember that evaluators are also human being. They are not only meant for rejecting a paper. They are here to evaluate your paper. So, present your Best.

3. Think Like Evaluators: If you are in a confusion or getting demotivated that your paper will be accepted by evaluators or not, then think and try to evaluate your paper like an Evaluator. Try to understand that what an evaluator wants in your research paper and automatically you will have your answer.

4. Make blueprints of paper: The outline is the plan or framework that will help you to arrange your thoughts. It will make your paper logical. But remember that all points of your outline must be related to the topic you have chosen.

5. Ask your Guides: If you are having any difficulty in your research, then do not hesitate to share your difficulty to your guide (if you have any). They will surely help you out and resolve your doubts. If you can't clarify what exactly you require for your work then ask the supervisor to help you with the alternative. He might also provide you the list of essential readings.

6. Use of computer is recommended: As you are doing research in the field of Computer Science, then this point is quite obvious.

7. Use right software: Always use good quality software packages. If you are not capable to judge good software then you can lose quality of your paper unknowingly. There are various software programs available to help you, which you can get through Internet.

8. Use the Internet for help: An excellent start for your paper can be by using the Google. It is an excellent search engine, where you can have your doubts resolved. You may also read some answers for the frequent question how to write my research paper or find model research paper. From the internet library you can download books. If you have all required books make important reading selecting and analyzing the specified information. Then put together research paper sketch out.

9. Use and get big pictures: Always use encyclopedias, Wikipedia to get pictures so that you can go into the depth.

10. Bookmarks are useful: When you read any book or magazine, you generally use bookmarks, right! It is a good habit, which helps to not to lose your continuity. You should always use bookmarks while searching on Internet also, which will make your search easier.

11. Revise what you wrote: When you write anything, always read it, summarize it and then finalize it.



12. Make all efforts: Make all efforts to mention what you are going to write in your paper. That means always have a good start. Try to mention everything in introduction, that what is the need of a particular research paper. Polish your work by good skill of writing and always give an evaluator, what he wants.

13. Have backups: When you are going to do any important thing like making research paper, you should always have backup copies of it either in your computer or in paper. This will help you to not to lose any of your important.

14. Produce good diagrams of your own: Always try to include good charts or diagrams in your paper to improve quality. Using several and unnecessary diagrams will degrade the quality of your paper by creating "hotchpotch." So always, try to make and include those diagrams, which are made by your own to improve readability and understandability of your paper.

15. Use of direct quotes: When you do research relevant to literature, history or current affairs then use of quotes become essential but if study is relevant to science then use of quotes is not preferable.

16. Use proper verb tense: Use proper verb tenses in your paper. Use past tense, to present those events that happened. Use present tense to indicate events that are going on. Use future tense to indicate future happening events. Use of improper and wrong tenses will confuse the evaluator. Avoid the sentences that are incomplete.

17. Never use online paper: If you are getting any paper on Internet, then never use it as your research paper because it might be possible that evaluator has already seen it or maybe it is outdated version.

18. Pick a good study spot: To do your research studies always try to pick a spot, which is quiet. Every spot is not for studies. Spot that suits you choose it and proceed further.

19. Know what you know: Always try to know, what you know by making objectives. Else, you will be confused and cannot achieve your target.

20. Use good quality grammar: Always use a good quality grammar and use words that will throw positive impact on evaluator. Use of good quality grammar does not mean to use tough words, that for each word the evaluator has to go through dictionary. Do not start sentence with a conjunction. Do not fragment sentences. Eliminate one-word sentences. Ignore passive voice. Do not ever use a big word when a diminutive one would suffice. Verbs have to be in agreement with their subjects. Prepositions are not expressions to finish sentences with. It is incorrect to ever divide an infinitive. Avoid clichés like the disease. Also, always shun irritating alliteration. Use language that is simple and straight forward. put together a neat summary.

21. Arrangement of information: Each section of the main body should start with an opening sentence and there should be a changeover at the end of the section. Give only valid and powerful arguments to your topic. You may also maintain your arguments with records.

22. Never start in last minute: Always start at right time and give enough time to research work. Leaving everything to the last minute will degrade your paper and spoil your work.

23. Multitasking in research is not good: Doing several things at the same time proves bad habit in case of research activity. Research is an area, where everything has a particular time slot. Divide your research work in parts and do particular part in particular time slot.

24. Never copy others' work: Never copy others' work and give it your name because if evaluator has seen it anywhere you will be in trouble.

25. Take proper rest and food: No matter how many hours you spend for your research activity, if you are not taking care of your health then all your efforts will be in vain. For a quality research, study is must, and this can be done by taking proper rest and food.

26. Go for seminars: Attend seminars if the topic is relevant to your research area. Utilize all your resources.



27. Refresh your mind after intervals: Try to give rest to your mind by listening to soft music or by sleeping in intervals. This will also improve your memory.

28. Make colleagues: Always try to make colleagues. No matter how sharper or intelligent you are, if you make colleagues you can have several ideas, which will be helpful for your research.

29. Think technically: Always think technically. If anything happens, then search its reasons, its benefits, and demerits.

30. Think and then print: When you will go to print your paper, notice that tables are not be split, headings are not detached from their descriptions, and page sequence is maintained.

31. Adding unnecessary information: Do not add unnecessary information, like, I have used MS Excel to draw graph. Do not add irrelevant and inappropriate material. These all will create superfluous. Foreign terminology and phrases are not apropos. One should NEVER take a broad view. Analogy in script is like feathers on a snake. Not at all use a large word when a very small one would be sufficient. Use words properly, regardless of how others use them. Remove quotations. Puns are for kids, not grunt readers. Amplification is a billion times of inferior quality than sarcasm.

32. Never oversimplify everything: To add material in your research paper, never go for oversimplification. This will definitely irritate the evaluator. Be more or less specific. Also too, by no means, ever use rhythmic redundancies. Contractions aren't essential and shouldn't be there used. Comparisons are as terrible as clichés. Give up ampersands and abbreviations, and so on. Remove commas, that are, not necessary. Parenthetical words however should be together with this in commas. Understatement is all the time the complete best way to put onward earth-shaking thoughts. Give a detailed literary review.

33. Report concluded results: Use concluded results. From raw data, filter the results and then conclude your studies based on measurements and observations taken. Significant figures and appropriate number of decimal places should be used. Parenthetical remarks are prohibitive. Proofread carefully at final stage. In the end give outline to your arguments. Spot out perspectives of further study of this subject. Justify your conclusion by at the bottom of them with sufficient justifications and examples.

34. After conclusion: Once you have concluded your research, the next most important step is to present your findings. Presentation is extremely important as it is the definite medium through which your research is going to be in print to the rest of the crowd. Care should be taken to categorize your thoughts well and present them in a logical and neat manner. A good quality research paper format is essential because it serves to highlight your research paper and bring to light all necessary aspects in your research.

INFORMAL GUIDELINES OF RESEARCH PAPER WRITING

Key points to remember:

- Submit all work in its final form.
- Write your paper in the form, which is presented in the guidelines using the template.
- Please note the criterion for grading the final paper by peer-reviewers.

Final Points:

A purpose of organizing a research paper is to let people to interpret your effort selectively. The journal requires the following sections, submitted in the order listed, each section to start on a new page.

The introduction will be compiled from reference matter and will reflect the design processes or outline of basis that direct you to make study. As you will carry out the process of study, the method and process section will be constructed as like that. The result segment will show related statistics in nearly sequential order and will direct the reviewers next to the similar intellectual paths throughout the data that you took to carry out your study. The discussion section will provide understanding of the data and projections as to the implication of the results. The use of good quality references all through the paper will give the effort trustworthiness by representing an alertness of prior workings.



Writing a research paper is not an easy job no matter how trouble-free the actual research or concept. Practice, excellent preparation, and controlled record keeping are the only means to make straightforward the progression.

General style:

Specific editorial column necessities for compliance of a manuscript will always take over from directions in these general guidelines.

To make a paper clear

- Adhere to recommended page limits

Mistakes to evade

- Insertion a title at the foot of a page with the subsequent text on the next page
- Separating a table/chart or figure - impound each figure/table to a single page
- Submitting a manuscript with pages out of sequence

In every sections of your document

- Use standard writing style including articles ("a", "the," etc.)
- Keep on paying attention on the research topic of the paper
- Use paragraphs to split each significant point (excluding for the abstract)
- Align the primary line of each section
- Present your points in sound order
- Use present tense to report well accepted
- Use past tense to describe specific results
- Shun familiar wording, don't address the reviewer directly, and don't use slang, slang language, or superlatives
- Shun use of extra pictures - include only those figures essential to presenting results

Title Page:

Choose a revealing title. It should be short. It should not have non-standard acronyms or abbreviations. It should not exceed two printed lines. It should include the name(s) and address (es) of all authors.



Abstract:

The summary should be two hundred words or less. It should briefly and clearly explain the key findings reported in the manuscript-- must have precise statistics. It should not have abnormal acronyms or abbreviations. It should be logical in itself. Shun citing references at this point.

An abstract is a brief distinct paragraph summary of finished work or work in development. In a minute or less a reviewer can be taught the foundation behind the study, common approach to the problem, relevant results, and significant conclusions or new questions.

Write your summary when your paper is completed because how can you write the summary of anything which is not yet written? Wealth of terminology is very essential in abstract. Yet, use comprehensive sentences and do not let go readability for briefness. You can maintain it succinct by phrasing sentences so that they provide more than lone rationale. The author can at this moment go straight to shortening the outcome. Sum up the study, with the subsequent elements in any summary. Try to maintain the initial two items to no more than one ruling each.

- Reason of the study - theory, overall issue, purpose
- Fundamental goal
- To the point depiction of the research
- Consequences, including definite statistics - if the consequences are quantitative in nature, account quantitative data; results of any numerical analysis should be reported
- Significant conclusions or questions that track from the research(es)

Approach:

- Single section, and succinct
- As a outline of job done, it is always written in past tense
- A conceptual should situate on its own, and not submit to any other part of the paper such as a form or table
- Center on shortening results - bound background information to a verdict or two, if completely necessary
- What you account in an conceptual must be regular with what you reported in the manuscript
- Exact spelling, clearness of sentences and phrases, and appropriate reporting of quantities (proper units, important statistics) are just as significant in an abstract as they are anywhere else

Introduction:

The **Introduction** should "introduce" the manuscript. The reviewer should be presented with sufficient background information to be capable to comprehend and calculate the purpose of your study without having to submit to other works. The basis for the study should be offered. Give most important references but shun difficult to make a comprehensive appraisal of the topic. In the introduction, describe the problem visibly. If the problem is not acknowledged in a logical, reasonable way, the reviewer will have no attention in your result. Speak in common terms about techniques used to explain the problem, if needed, but do not present any particulars about the protocols here. Following approach can create a valuable beginning:

- Explain the value (significance) of the study
- Shield the model - why did you employ this particular system or method? What is its compensation? You strength remark on its appropriateness from a abstract point of vision as well as point out sensible reasons for using it.
- Present a justification. Status your particular theory (es) or aim(s), and describe the logic that led you to choose them.
- Very for a short time explain the tentative propose and how it skilled the declared objectives.

Approach:

- Use past tense except for when referring to recognized facts. After all, the manuscript will be submitted after the entire job is done.
- Sort out your thoughts; manufacture one key point with every section. If you make the four points listed above, you will need a least of four paragraphs.



- Present surroundings information only as desirable in order hold up a situation. The reviewer does not desire to read the whole thing you know about a topic.
- Shape the theory/purpose specifically - do not take a broad view.
- As always, give awareness to spelling, simplicity and correctness of sentences and phrases.

Procedures (Methods and Materials):

This part is supposed to be the easiest to carve if you have good skills. A sound written Procedures segment allows a capable scientist to replacement your results. Present precise information about your supplies. The suppliers and clarity of reagents can be helpful bits of information. Present methods in sequential order but linked methodologies can be grouped as a segment. Be concise when relating the protocols. Attempt for the least amount of information that would permit another capable scientist to spare your outcome but be cautious that vital information is integrated. The use of subheadings is suggested and ought to be synchronized with the results section. When a technique is used that has been well described in another object, mention the specific item describing a way but draw the basic principle while stating the situation. The purpose is to text all particular resources and broad procedures, so that another person may use some or all of the methods in one more study or referee the scientific value of your work. It is not to be a step by step report of the whole thing you did, nor is a methods section a set of orders.

Materials:

- Explain materials individually only if the study is so complex that it saves liberty this way.
- Embrace particular materials, and any tools or provisions that are not frequently found in laboratories.
- Do not take in frequently found.
- If use of a definite type of tools.
- Materials may be reported in a part section or else they may be recognized along with your measures.

Methods:

- Report the method (not particulars of each process that engaged the same methodology)
- Describe the method entirely
- To be succinct, present methods under headings dedicated to specific dealings or groups of measures
- Simplify - details how procedures were completed not how they were exclusively performed on a particular day.
- If well known procedures were used, account the procedure by name, possibly with reference, and that's all.

Approach:

- It is embarrassed or not possible to use vigorous voice when documenting methods with no using first person, which would focus the reviewer's interest on the researcher rather than the job. As a result when script up the methods most authors use third person passive voice.
- Use standard style in this and in every other part of the paper - avoid familiar lists, and use full sentences.

What to keep away from

- Resources and methods are not a set of information.
- Skip all descriptive information and surroundings - save it for the argument.
- Leave out information that is immaterial to a third party.

Results:

The principle of a results segment is to present and demonstrate your conclusion. Create this part a entirely objective details of the outcome, and save all understanding for the discussion.

The page length of this segment is set by the sum and types of data to be reported. Carry on to be to the point, by means of statistics and tables, if suitable, to present consequences most efficiently. You must obviously differentiate material that would usually be incorporated in a study editorial from any unprocessed data or additional appendix matter that would not be available. In fact, such matter should not be submitted at all except requested by the instructor.



Content

- Sum up your conclusion in text and demonstrate them, if suitable, with figures and tables.
- In manuscript, explain each of your consequences, point the reader to remarks that are most appropriate.
- Present a background, such as by describing the question that was addressed by creation an exacting study.
- Explain results of control experiments and comprise remarks that are not accessible in a prescribed figure or table, if appropriate.
- Examine your data, then prepare the analyzed (transformed) data in the form of a figure (graph), table, or in manuscript form.

What to stay away from

- Do not discuss or infer your outcome, report surroundings information, or try to explain anything.
- Not at all, take in raw data or intermediate calculations in a research manuscript.
- Do not present the similar data more than once.
- Manuscript should complement any figures or tables, not duplicate the identical information.
- Never confuse figures with tables - there is a difference.

Approach

- As forever, use past tense when you submit to your results, and put the whole thing in a reasonable order.
- Put figures and tables, appropriately numbered, in order at the end of the report
- If you desire, you may place your figures and tables properly within the text of your results part.

Figures and tables

- If you put figures and tables at the end of the details, make certain that they are visibly distinguished from any attach appendix materials, such as raw facts
- Despite of position, each figure must be numbered one after the other and complete with subtitle
- In spite of position, each table must be titled, numbered one after the other and complete with heading
- All figure and table must be adequately complete that it could situate on its own, divide from text

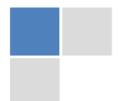
Discussion:

The Discussion is expected the trickiest segment to write and describe. A lot of papers submitted for journal are discarded based on problems with the Discussion. There is no head of state for how long a argument should be. Position your understanding of the outcome visibly to lead the reviewer through your conclusions, and then finish the paper with a summing up of the implication of the study. The purpose here is to offer an understanding of your results and hold up for all of your conclusions, using facts from your research and generally accepted information, if suitable. The implication of result should be visibly described. Infer your data in the conversation in suitable depth. This means that when you clarify an observable fact you must explain mechanisms that may account for the observation. If your results vary from your prospect, make clear why that may have happened. If your results agree, then explain the theory that the proof supported. It is never suitable to just state that the data approved with prospect, and let it drop at that.

- Make a decision if each premise is supported, discarded, or if you cannot make a conclusion with assurance. Do not just dismiss a study or part of a study as "uncertain."
- Research papers are not acknowledged if the work is imperfect. Draw what conclusions you can based upon the results that you have, and take care of the study as a finished work
- You may propose future guidelines, such as how the experiment might be personalized to accomplish a new idea.
- Give details all of your remarks as much as possible, focus on mechanisms.
- Make a decision if the tentative design sufficiently addressed the theory, and whether or not it was correctly restricted.
- Try to present substitute explanations if sensible alternatives be present.
- One research will not counter an overall question, so maintain the large picture in mind, where do you go next? The best studies unlock new avenues of study. What questions remain?
- Recommendations for detailed papers will offer supplementary suggestions.

Approach:

- When you refer to information, differentiate data generated by your own studies from available information
- Submit to work done by specific persons (including you) in past tense.
- Submit to generally acknowledged facts and main beliefs in present tense.



THE ADMINISTRATION RULES

Please carefully note down following rules and regulation before submitting your Research Paper to Global Journals Inc. (US):

Segment Draft and Final Research Paper: You have to strictly follow the template of research paper. If it is not done your paper may get rejected.

- The **major constraint** is that you must independently make all content, tables, graphs, and facts that are offered in the paper. You must write each part of the paper wholly on your own. The Peer-reviewers need to identify your own perceptives of the concepts in your own terms. NEVER extract straight from any foundation, and never rephrase someone else's analysis.
- Do not give permission to anyone else to "PROOFREAD" your manuscript.
- **Methods to avoid Plagiarism is applied by us on every paper, if found guilty, you will be blacklisted by all of our collaborated research groups, your institution will be informed for this and strict legal actions will be taken immediately.)**
- To guard yourself and others from possible illegal use please do not permit anyone right to use to your paper and files.



CRITERION FOR GRADING A RESEARCH PAPER (COMPILATION)
BY GLOBAL JOURNALS INC. (US)

Please note that following table is only a Grading of "Paper Compilation" and not on "Performed/Stated Research" whose grading solely depends on Individual Assigned Peer Reviewer and Editorial Board Member. These can be available only on request and after decision of Paper. This report will be the property of Global Journals Inc. (US).

| Topics | Grades | | |
|-------------------------------|--|---|--|
| | A-B | C-D | E-F |
| <i>Abstract</i> | Clear and concise with appropriate content, Correct format. 200 words or below | Unclear summary and no specific data, Incorrect form Above 200 words | No specific data with ambiguous information Above 250 words |
| <i>Introduction</i> | Containing all background details with clear goal and appropriate details, flow specification, no grammar and spelling mistake, well organized sentence and paragraph, reference cited | Unclear and confusing data, appropriate format, grammar and spelling errors with unorganized matter | Out of place depth and content, hazy format |
| <i>Methods and Procedures</i> | Clear and to the point with well arranged paragraph, precision and accuracy of facts and figures, well organized subheads | Difficult to comprehend with embarrassed text, too much explanation but completed | Incorrect and unorganized structure with hazy meaning |
| <i>Result</i> | Well organized, Clear and specific, Correct units with precision, correct data, well structuring of paragraph, no grammar and spelling mistake | Complete and embarrassed text, difficult to comprehend | Irregular format with wrong facts and figures |
| <i>Discussion</i> | Well organized, meaningful specification, sound conclusion, logical and concise explanation, highly structured paragraph reference cited | Wordy, unclear conclusion, spurious | Conclusion is not cited, unorganized, difficult to comprehend |
| <i>References</i> | Complete and correct format, well organized | Beside the point, Incomplete | Wrong format and structuring |



INDEX

A

Apathy · 10
Ardichvili · 14, 24
Arinaitwe · 1, 30

C

Consonance · 2, 9

D

Demirgüc · 0, 1, 15
Denudation · 2
Donohue · 3, 31

G

Gauteng · 4, 6, 12

I

Inestimable · 36, 37

L

Lieutenant · 1

M

Meticulously · 34

O

Oribabor · 37, 43

S

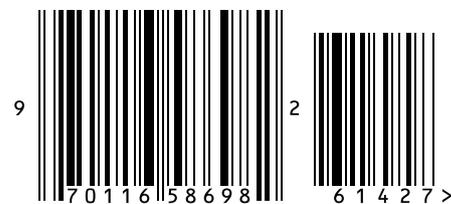
Seimenis · 24



save our planet

Global Journal of Management and Business Research

Visit us on the Web at www.GlobalJournals.org | www.JournalofBusiness.Org
or email us at helpdesk@globaljournals.org



ISSN 9755853

© Global Journals